

  
**NOVA AGRITECH LIMITED**  
 CIN: U01119TG2007PLC053901

Our Company was incorporated as Nova Agritech Private Limited on May 09, 2007 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 053901. The status of our Company was changed to a public limited company and the name of our Company was changed to Nova Agritech Limited by a special resolution passed on September 08, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on September 24, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U01119TG2007PLC053901. For further details, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page no. 127 of this Draft Prospectus.

**Registered Office:** Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad, Telangana – 500 011

**Tel No.:** +91 – 40 – 2795 7081/ 82; **Email:** cs@novaagritech.com; **Website:** www.novaagritech.com

**Contact Person:** Mrs. Samaleti Padmasri, Company Secretary and Compliance Officer.

**Our Promoters:** Mr. Sambasivarao Yeluri, Mrs. Malathi Yeluri and Yeluri Sambasiva Rao (HUF)

**THE ISSUE**

**PUBLIC ISSUE OF UP TO 42,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF NOVA AGRITECH LIMITED ("NAL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), CONSISTING OF FRESH ISSUE OF UP TO 29,50,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS AND AN OFFER FOR SALE OF 12,50,000 EQUITY SHARES BY MR. SAMBASIVARAO YELURI (THE PROMOTER SELLING SHAREHOLDER) AGGREGATING TO ₹ [●] LAKHS ("OFFER FOR SALE"), OF WHICH UP TO 2,28,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UP TO 39,72,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.11% AND 25.64%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS [●]TIMES OF THE FACE VALUE**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**

*For further details see "Issue Related Information" beginning on page no. 243 of this Draft Prospectus.*

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page no. 252 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 and 28 of the Companies Act, 2013.

**RISK 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 each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company and the Selling Shareholder in consultation with the Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 78 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 or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. **Specific attention of the investors is invited to "Risk Factors" beginning on page no. 12 of this Draft Prospectus.**

**COMPANY'S AND SELLING SHAREHOLDER'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 the 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. Further, each Selling Shareholder assumes responsibility that this Prospectus contains all information about them as a Selling Shareholder in the context of the Offer for Sale and further assumes responsibility for statements in relation to themselves included in this Draft Prospectus.

**LISTING**

The Equity Shares issued through this Draft Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from National Stock Exchange of India Limited for using its name in this offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the designated Stock Exchange will be National Stock Exchange of India Limited ("NSE").

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**ARYAMAN FINANCIAL SERVICES LIMITED**

60, Khatau Building, Ground Floor,  
 Alkesh Dinesh Modi Marg, Fort,  
 Mumbai – 400 001

**Tel No.:** +91 – 22 – 6216 6999

**Fax No.:** +91 – 22 – 2263 0434

**Email:** ipo@afsl.co.in

**Website:** www.afsl.co.in

**Investor Grievance Email:** feedback@afsl.co.in

**Contact Person:** Mr. Vimal Maniyar/ Mr. Sumit Gupta

**SEBI Registration No.:** INM000011344

**BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road,  
 Marol, Andheri East, Mumbai – 400 059

**Tel:** +91 – 22 – 6263 8200

**Fax:** +91 – 22 – 6263 8299

**Email:** ipo@bigshareonline.com

**Website:** www.bigshareonline.com

**Investor Grievance Email:** investor@bigshareonline.com;

**Contact Person:** Mr. Babu Raphael

**SEBI Registration No.:** INR000001385

**ISSUE OPENS ON**

[●]

**ISSUE CLOSES ON**

[●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
Nova Agritech Limited / NAL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Nova Agritech Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Hyderabad.
Promoter(s) / Core Promoter	<ul style="list-style-type: none"> <li>• Mr. Sambasivarao Yeluri</li> <li>• Mrs. Malathi Yeluri</li> <li>• Yeluri Sambasiva Rao (HUF)</li> </ul>
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “Our Promoters and Promoter Group” on page no. 147 of this Draft Prospectus

#### Company related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Nova Agritech Limited.
Auditor of the Company	NSVR & Associates LLP, Chartered Accountants, having their office at Flat No. 101, Nestcon Gayatri, Plot No. 28, Panchavati Co-operative Society, Near South Indian Bank, Road No. 10, Banjara Hills, Hyderabad , Telangana – 500 034,
Audit Committee	The committee of the Board of Directors constituted on September 26, 2018 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Board of Directors / Board	The Board of Directors of Nova Agritech Limited, including all duly constituted Committees thereof.
Company Secretary and Compliance Officer	Mrs. Samaleti Padmasri
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted on September 26, 2018 as our Company’s Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013
Director(s)	Director(s) of Nova Agritech Limited., unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Company	<ul style="list-style-type: none"> <li>• Suraksha Agri Retails (India) Private Limited</li> </ul> For details please refer the chapter titled “Our Group Company” on page no. 152 of this Draft Prospectus
Key Management Personnel / KMP	Individuals described in the chapter titled “Our Management” on page no. 134 of this Draft Prospectus
MOA / Memorandum of Association	Memorandum of Association of Nova Agritech Limited.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on September 26, 2018 as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013
Registered Office	The Registered Office of our company which is located at: Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally Secunderabad, Telangana – 500 011
Registrar of Companies / RoC	Registrar of Companies, Hyderabad situated at 2 <sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad - 500 068.
Selling Shareholder	<ul style="list-style-type: none"> <li>• Mr. Sambasivarao Yeluri</li> </ul>
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted on September 26, 2018 as our Company’s Stakeholders’ Relationship Committee.

Term	Description
Subsidiaries	<ul style="list-style-type: none"> <li>Nova Agri Sciences Private Limited</li> <li>Nova Agri Seeds India Private Limited</li> </ul> For details please refer the chapter titled “ <i>Subsidiaries</i> ” page no. 130 of this Draft Prospectus.
Stock Exchange	Unless the context requires otherwise, refers to, the Emerge Platform of National Stock Exchange of India Limited.

#### Issue Related Term

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 58 of SEBI ICDR Regulations and appended to the Application Form
Allotment	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
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted.
Allotment Advice	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
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	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. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Draft Prospectus and the Application Form.
ASBA Application / Application	An indication to make an offer during the Issue Period by an Applicant pursuant to submission of the Application Form, to subscribe to the Equity Shares at a price as mentioned in the Prospectus, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Prospectus and Application Form
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “ <i>General Information</i> ” on page no. 53 of this Draft Prospectus
Banker(s) to the Issue	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 [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no. 252 of this Draft Prospectus.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	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.
Collecting Depository Participant(s) or CDP(s)	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 circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	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.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time

Term	Description
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account.
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) 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.
Designated CDP Locations	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
Designated RTA Locations	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
Designated Stock Exchange	National Stock Exchange of India Limited (“NSE”).
Draft Prospectus	This Draft Prospectus dated September 27, 2018 issued in accordance with the SEBI ICDR Regulations
Eligible NRIs	An NRI 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 Draft Prospectus constitutes an invitation to purchase the equity shares.
Escrow Agreement	Agreement dated [●] entered into amongst the Company, the Selling Shareholder, 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.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Fresh Issue	The Fresh Issue of up to 29,50,000 Equity Shares by our Company of ₹ 10 each at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs, to be issued by our Company for subscription pursuant to the terms of this Draft Prospectus
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 71 of this Draft Prospectus
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Offer of up to 42,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs by our Company and the Selling Shareholder.
Issue Closing date	The date on which the Issue closes for subscription being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Price	The price at which the Equity Shares are being issued by our Company and the Selling Shareholder in consultation with the Lead Manager under this Draft Prospectus being ₹ [●] per share.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and National Stock Exchange of India Limited.
Market Maker Reservation Portion	The Reserved portion of up to up to 2,28,000 Equity shares of ₹ 10 each 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 September 27, 2018.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as



Term	Description
	amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Net Issue of up to 39,72,000 Equity Shares of ₹ 10 each at ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by our Company and the Selling Shareholder.
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 Platform	Emerge Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Offered under Chapter XB of the SEBI ICDR Regulations.
Offer for Sale	The offer for sales of 12,50,000 Equity Shares by selling shareholder of ₹ 10 each aggregating to ₹ [●] lakhs for subscription pursuant to the terms of this Draft Prospectus
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates 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	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
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 circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services 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
Self-Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, being [●]
Share Escrow Agreement	Agreement dated [●] entered into between the Selling Shareholder, our Comp any, the Escrow Agent and the Lead Manager in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees.
TRS / Transaction Registration Slip	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.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited.
Underwriting Agreement	The Agreement among the Underwriters, the Selling Shareholder and our Company dated September 27, 2018.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

## Technical / Industry related Terms

Term	Description
<sup>o</sup> C	Degree Celsius
B	Boron
BPL	Below Poverty Line
Competition Commission	The Competition Commission of India
C.F.O	Chief Financial Officer
C.O.O.	Chief Operating Officer
C.S. & C.O.	Company Secretary and Compliance Officer
CPCB	Central Pollution Control Board
CSO	Central Statistics Organisation
E.D. – (M)	Executive Director (Marketing)
E.D. – (T)	Executive Director (Technical)
EPF Act	Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
ESI Act	Employees’ State Insurance Act, 1948
FEMA	The Foreign Exchange Management Act, 1999
FIFO	First-In, First-Out
G20	Group of Twenty
G	Gram
GC	Gas Chromatograph
GHP	Good Hygienic Practices
GMP	Good Manufacturing Practices
GVA	Gross Value Added
HACCP	Hazard Analysis and Critical Control Points
HPLC	High Performance Liquid Chromatography
H.R.H.	Human Resource Head
IAY	Indira Awaas Yojana
IEC	Importer Exporter Code
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	The Indian Rupee
IPM	Integrated Pest Management
ISO	The International Organization for Standardization
K	Potash
KW	Kilowatt
Ltd	Limited
MD	Managing Director
Mg	Miligram
Mn	Manganese
MoU	Memorandum of Understanding
MSMED Act	The Micro, Small and Medium Enterprises Development Act, 2006
MWA	Minimum Wages Act, 1948
N	Nitrogen
NITI Aayog	National Institution for Transforming India
NASPL	Nova Agri Sciences Private Limited
NASIPL	Nova Agri Seeds India Private Limited
Nm	Nanometer
NPK	Nitrogen, Phosphorous, and Potassium
OHSAS	Occupational Health and Safety Assessment Series
OECD	Organisation for Economic Co-operation and Development
NREGS	National Rural Employment Guarantee Scheme
P	Phosphorus
Pvt	Private
R&D	Research and Development
SARIPL	Suraksha Agri Retail (India) Private Limited

Term	Description
SPCB	State Pollution Control Boards
TSSPDCL	The Southern Power Distribution Company of Telangana
TQM	Total Quality Management
QA	Quality Assurance
QC	Quality Control
WEO	World Economic Outlook
WSF	Water Soluble Fertilizers
Zn	Zinc

#### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
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 / 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
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	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.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act
DP ID	Depository Participant’s identification
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	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



Term	Description
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
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
HNI	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries of India
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
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
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non Resident External Account
NRI	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
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
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

<b>Term</b>	<b>Description</b>
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, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	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.

## 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 lakhs represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus are derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2018, 2017, 2016, 2015 and 2014 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancy in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP 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. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 12, 96 and 160 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### 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 see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 299 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 the Agro Industry 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 Industry.
- Our ability to successfully implement our growth strategy and expansion plans;
- Our failure to keep pace with rapid changes in technology;
- 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
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our ability to manage risks that arise from above factors;
- 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 performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Changes in consumer demand and
- Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 12, 96 and 160 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, the Selling Shareholder, our

Directors, 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, the Selling Shareholder 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: RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations on page nos. 96 and 160 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*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 information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

### Materiality

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

1. Some events may 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. ***Our Company is party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings pending against our Company as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on September 26, 2018:

Sr. No.	Nature of Case	No. of Outstanding cases	Amount to the extent quantifiable (in ₹) <sup>(1)</sup>
1.	<b>Litigation Against our Company</b>		
(a)	NA	NIL	-
2.	<b>Litigations By our Company</b>		
(a)	Civil Cases	1	21,144,349.00
(b)	Criminal Cases	12	19,160,365.00
3.	<b>Litigations Against our Group Companies / Subsidiary Companies</b>		
(a)	NA	NIL	-
4.	<b>Litigations By our Group Companies / Subsidiary Companies</b>		
(a)	NA	NIL	-
5.	<b>Litigations Against our Promoters and Promoters Group</b>		
(a)	NA	NIL	-



- (1) *The amounts mentioned above may be subject to additional interest rates and/or penalties being levied by the concerned authorities for delay in making payment or otherwise. Amount of interest and/ or penalty that may be levied is unascertainable as on the date of this Draft Prospectus.*

There can be no assurance that these litigations will be decided in our favour and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 217 of this Draft Prospectus.

2. ***We operate our agro product business in a highly regulated sector and if we fail to comply with the regulations prescribed by the authorities of the jurisdictions in which we operate, our business, results of operations, cash flows and financial condition could be adversely affected.***

We operate our agro product business in a highly regulated sector and are subject to extensive regulations and stringent registration conditions. We are required to obtain specific registration from the authorities in each jurisdiction in which we market and distribute plant nutrients, bio stimulants, IPM products and agri plastics and the procedural and regulatory requirements to obtain such registrations differ in each jurisdiction. Most of the applicable regulations are stringent and they may continue to be stricter in the future. The penalties for non-compliance with these regulations can vary from revocation or suspension of the registration to imposition of fines or confiscation of the plant nutrients, bio stimulants, IPM products and agri plastics in such jurisdictions.

Further, we may also explore opportunities and venture into new jurisdictions. We may have limited experience and knowledge of the market and regulatory conditions in such jurisdictions. Also, we are subject to additional risks in relation to complying with a wide variety of local laws, including restrictions on the import of certain raw materials, chemicals, technologies and multiple and possibly overlapping tax structures. Additionally, regulatory and procedural requirements are subject to change and as a result, may, at times, be unclear or inconsistent. Consequently, there is an increased risk that we may inadvertently fail to comply with such regulations or procedures, which could lead to a variety of sanctions being imposed by the relevant authorities, as well as withholding or delay in receipt of regulatory approvals for plant nutrients, bio stimulants, IPM products and agri plastics. Further, any adverse change in the regulatory environment in the future may subject us to increased obligations and may adversely affect our business, cash flows and results of operations.

If we fail to comply with applicable statutory, regulatory or procedural requirements for obtaining registrations in different jurisdictions, there could be a delay in the grant of registrations and consequently delay in the distribution of plant nutrients, bio stimulants, IPM products and agri plastics and we may lose the identified business opportunity. Moreover, if we fail to comply with various conditions attached to such registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to distribute such plant nutrients, bio stimulants, IPM products and agri plastics. If we fail to obtain or comply with the conditions in such registrations and other related approvals, in a timely manner or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

3. ***Our agro products business could be adversely affected by introduction of alternative crop protection measures such as agrochemical products, biotechnology products, pest resistant seeds or genetically modified (“GM”) crops.***

Our plant nutrients, bio stimulants, IPM products and agri plastics business may be adversely affected by increased use of agrochemical products, biotechnology products, pest resistant seeds, GM crops and other organic crop protection substitutes in form of formulations or generic active ingredients. The adoption of the products derived through chemical or biotechnology or alternative pest management and crop protection measures could have a negative impact on our agro products. While the launch and wide commercial use of GM crops may take some time, GM crops are likely to have more resistance to insects, pests and disease and need less nutrients and bio stimulants than non-GM crops and therefore, may require significantly less use of plant nutrients, bio stimulants, IPM products and agri plastics than non-GM crops. The growth and acceptance of such alternative agro products, pest management and crop protection products and measures by consumers may have an adverse effect on sales which thereby may affect our financial condition and results of operations.

4. ***Our Promoters Mr. Sambasivarao Yeluri and Mrs. Malathi Yeluri are directors of our Group Company/ Subsidiary Companies and were disqualified in past due to non filing of Annual Returns / Balance Sheets by some of our Promoter Group Entities.***

Some of our Promoter Group Companies had received the notice from Registrar of Companies, for non filing of Annual Returns / Balance Sheets for a continuous period of 3 years. Our Promoters Mr. Sambasivarao Yeluri and Mrs. Malathi Yeluri were the directors of some of our Promoter Group Entities and were disqualified due to non filing of Annual Returns / Balance Sheets by some of our Promoter Group Entities. However, as on date of this Draft Prospectus the Promoter Group Entities have already filed the pending returns and consequently the respective DIN of our Directors has also got 'Approved' status as per MCA.

5. ***We offer diversified range of plant nutrients, bio stimulants, IPM products and agri plastics to protect different kinds of crops in the agricultural industry, which are seasonal and cyclical in nature. Accordingly, if the agricultural industry in the regions in which we operate is adversely affected by unfavorable climatic conditions, the demand for agro products in such region could be adversely affected.***

Our agro products business is heavily dependent on the agricultural industry which, in turn, is subject to soil and climatic conditions, rainfall, seasonal and other weather factors, which make the performance of the agricultural sector as a whole or the levels of production of a particular crop relatively unpredictable. Further, global warming and other changes to the weather pattern are being witnessed globally which may make it difficult for us to place reliance on weather forecasts and growth opportunities.

The weather can affect the soil conditions, presence of diseases and pest infestations in the short term on a regional basis, and accordingly, may negatively affect the demand for agro products. Further, on account of seasonality of the agricultural industry, our operating results may fluctuate from quarter to quarter and the sales pattern of our plant nutrients, bio stimulants, IPM products and agri plastics may also be different from our projections and estimates.

Accordingly, if the agricultural sector in the regions where we operate, and particularly the crops to which our agro products cater are adversely affected by unfavorable soil or climatic conditions, poor rainfall, seasonal fluctuations, commodity crop price fluctuations or any other extraneous events, the demand for plant nutrients, bio stimulants, IPM products and agri plastics and hence the results of our agro products operations and our business, financial condition, cash flows and results of operations could be adversely affected.

6. ***We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business which could result in an adverse effect on our results of operations.***

We require certain statutory and regulatory permits, licenses and approvals for our business. We may also need to apply for more approvals in the future including renewal of approvals that may expire from time to time. These approvals are subject to periodic renewal. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Our failure to renew, maintain or obtain the required permits or approvals within the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Certain statutory and regulatory permits, licenses and approvals are still in our erstwhile name of Nova Agritech Private Limited which was converted into our public limited Company in September 2018. While we have made, or are in the process of making, applications for the transfer/registration of some of such permits, licenses and approvals in the current name of our Company, there can be no assurance that we will be able to obtain any such transfer / registration in a timely manner or at all. Further, we have not made applications for the transfer / registration applications of some of such permits, licenses and approvals in the current name of our Company. For details of 'Approvals applied for but not yet received / Renewals made in the usual course of business' and 'Material licenses / approvals for which our Company is yet to apply / Statutory Approvals / Licenses required for the proposed expansion', please refer the chapter "Government and Other Approvals" beginning on page no. 225 of this Draft Prospectus. Any failure or delay in obtaining such approvals, permits and licenses, or the transfer/registration thereof in the current name of our Company, may affect our ability to continue our operations, which may in turn have an adverse effect on our business and results of operations.

The aforesaid permits, licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals.

Further, we cannot assure you that penalties under applicable laws would not be imposed on us in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. For details of key regulations applicable to our business and our operations, please refer the chapter “*Key Regulations and Policies in India*” beginning on page no. 117 of this Draft Prospectus and for details of approvals relating to our business and operations, please refer the chapter “*Government and Other Approvals*” beginning on page no. 225 of this Draft Prospectus.

**7. *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations***

As of March 31, 2018, we have outstanding debt of ₹ 2667.57 lakhs. Such substantial level of indebtedness has important consequences to us, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- Affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialise, our business and results of operations may be adversely affected.

**8. *Inventories and trade receivables form a substantial part of our current assets and net worth. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

We are in the business of manufacturing agro-products which is supplied to various dealers and direct customers. Our Company’s business is working capital intensive and hence inventories and trade receivables would form a major part of our current assets and net worth. The results of operations of our business are and will be dependent on our ability to effectively manage our inventory (raw material and finished goods) and trade receivables.

We generally procure raw materials on the basis of management estimates based on past requirements and future estimates. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and dealers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance costs which will adversely impact our profitability.

**9. *If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.***

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to maintain customer satisfaction, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported products, competition within India’s agro products industry from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations. Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence

of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business.

Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of our products may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of consumer preferences during our designing of new products. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

- 10. *The deployment of the Net Proceeds from the Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue.***

Our Company intends to primarily use the Net Proceeds from the Issue towards repayment of existing unsecured loans and for the working capital requirement as described in “*Objects of the Issue*” on page no. 71 of this Draft Prospectus. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh 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. Additionally, various risks and uncertainties, including those set forth in this section “*Risk Factors*”, may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by 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 and our business and financial results may suffer.

- 11. *Our dependence on few suppliers puts us at risk of interruptions in the availability of raw materials, which could adversely affect our business, financial condition and results of operations. Further, we have not entered into any long-term agreements with our suppliers for raw materials and accordingly may not be able to enjoy credit and other facilities provided by our existing suppliers.***

Our main raw materials are Karanja oil, Enzyme protein hydrolysates, Seaweeds and Humic Derivatives. We also need other raw materials depending on the products we manufacture. We procure the raw materials required for the manufacturing of our products locally and also import some of the raw materials. Though we prefer to deal with a fixed set of suppliers with whom we have cordial relationships, we have not entered into any supply agreement or MoU or any other arrangement with any of our suppliers for procurement of our raw material and we typically transact on an invoice basis for each order. Our top suppliers contribute sizeable amount of our purchases (on a consolidated basis). These suppliers have accorded their trust and service based on our long operating history in the industry, our credit worthiness, and our goodwill. We have very frequent transactions, long history and goodwill with some of our suppliers. However, in the absence of written agreements, our suppliers are not bound to supply goods to us and can withdraw their commitments from us at any time. There can be no assurance that there will not be a significant disruption in the supply of raw materials from current sources, or, in the event of a disruption, that we would be able to locate alternative suppliers of the raw materials of comparable quality on terms acceptable to

us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, consistency, responsiveness and service, financial stability and other ethical practices.

In case any of our suppliers discontinue their relationship with us, we may have to procure the raw materials from other locations leading to additional costs on transportation. Also, we cannot assure that our raw material supply will not face disruption due to increased lead time for supply of raw materials leading to either disruption in our manufacturing activity or a complete stopping of the same. If we are unable to maintain our relationship with our current raw material suppliers it may prove difficult to obtain the same from other players.

- 12. *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 or any of our customers 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. Our distribution network included dealers/distributors with a pan-India presence. 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 do not enter into any long term contracts for the sale 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.

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.

In addition to the dealers and distributors, our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for several years. However, we have not entered into any specific contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders.

- 13. *Some of our properties used by the Company for the purposes of its operations are not owned by us. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations.***

Some of our properties used by us for our business purposes are not owned by us, our godowns in Ballari, Karnataka and our office in Secunderabad, Telangana have been acquired by us on a rental basis. We have also entered into a rental deed for our godowns at Ballari, Karnataka, which is renewable after every 11 months. The rent agreement for our rental property in Secunderabad, Telangana has expired and we are in process of getting the agreement renewed.

Any termination of the lease and/or rental deed and leave and license agreements in connection with such properties which are not owned by us or our failure to renew the same, and upon favourable conditions, in a timely manner or at all and / or our Promoter's inability to continue the oral arrangement, could adversely affect our operations. For details regarding properties taken on lease and leave and license refer the Section titled "*Our Business - Properties*" beginning on page no. 113 of this Draft Prospectus.



**14. *Our Promoters, Subsidiary and Group Companies and third parties have extended personal guarantees in connection with certain of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters in the future or can be called at any time, affecting the financial.***

Our Promoters, Subsidiary and Group Companies and certain third parties have provided personal guarantees for some of 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, Subsidiary and Group Companies and third parties in connection with our Company's borrowings.

If our Company default on its repayment obligations, the guarantees extended may be invoked and such lenders may require our guarantors to discharge the liability, if any, and the lenders may recover the dues from personal assets of the guarantors, including shares held by them in our Company. In such eventuality, the prospects of our Company may be adversely affected.

**15. *Any defect in our products, may result in our manufacturing license being withdrawn and we could become liable to customers, suffer adverse publicity and incur substantial costs which in turn could adversely affect the value of our brand, and our sales could diminish if we are associated with negative publicity. Further any alleged claims relating defect in our products could materially and adversely affect our business, financial conditions and results of operations.***

Any defect in our products could result in withdrawal of our license for manufacturing, storing and selling the products. Further, deficiency in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards and are we are ISO 9001:2015 certified for providing quality in the Manufacturing and Marketing facilities of Agricultural Bio Products, Organic manures and Micro Nutrients as per the requirement of quality standards, we cannot assure that all our products would be of uniform quality. Any defect in our products and claims by our customers against our products could adversely affect the value of our brand, and our sales could diminish. Further, our business is dependent on trust our customers have in the quality of our products. Any negative publicity regarding our Company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations. In the event the products sold by us are defective or substandard for any reason, including due to human errors at any stage of manufacturing, our clients may pursue claims or actions against us, which if ruled against us could materially and adversely affect our business, financial conditions and results of operations.

**16. *Our insurance policies provide limited coverage and may not adequately insure us against certain operating hazards which may have an adverse effect on our business.***

We have taken various standard fire and special perils insurance for the safeguarding of our stocks, plant and machinery and properties. While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies may not cover all risks and are subject to exclusions and deductibles. If any or all of our manufacturing facilities are damaged in whole or in part and our operations are interrupted for a sustained period due to fire and similar perils, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. If we were held liable for large uninsured losses or amounts and claims for insured losses significantly exceeding the limits of our insurance coverage, our business, results of operations and financial condition may be materially and adversely affected. See the section titled "Business – Insurance" on page no. 115 of this Draft Prospectus.

**17. *Our Company had reported certain Negative Cash flow in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.***

Our Company has experienced certain negative cash flows (on standalone basis) from operating activities, investing activities as well as financing activities in the previous years, as per the Restated Standalone Financial Statements and the same are summarized as under:



(₹ in lakhs)

Particulars	As on March 31,				
	2018	2017	2016	2015	2014
Cash Flow from Operating Activities	517.84	(97.57)	505.90	(143.26)	376.93
Cash Flow from Investing Activities	(589.99)	(328.62)	(239.65)	(219.08)	(313.04)
Cash Flow from Financing Activities	61.66	404.60	(240.39)	360.34	(118.47)

Our Company has experienced certain negative cash flows (on consolidated basis) from investing activities and financing activities in the previous years, as per the Restated Consolidated Financial Statements and the same are summarized as under:

(₹ in lakhs)

Particulars	As on March 31,
	2018
Cash Flow from Operating Activities	318.36
Cash Flow from Investing Activities	(587.40)
Cash Flow from Financing Activities	255.96

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. However, if we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

18. *Some of our Subsidiary Companies have incurred losses and have experienced negative reserves and any operating losses in the future could adversely affect the results of consolidated financial statements of our Company.*

Any operating losses by our Subsidiaries could adversely affect the consolidated financials of our Company. The details of profit and loss of our Subsidiary Companies in the past years are as follows:

(₹ in lakhs)

Company	For the year ended March 31,		
	2018	2017	2016
Nova Agri Seeds India Private Limited	(3.78)	(1.08)	(2.86)
Nova Agri Sciences Private Limited	61.41	(84.93)	(19.67)

Our Subsidiaries have also experienced negative reserves in the past. These can adversely affect the consolidated Networth of our Company. The details of the Reserves & Surplus of our Subsidiary Companies in the past years are as follows:

(₹ in lakhs)

Company	For the year ended March 31,		
	2018	2017	2016
Nova Agri Seeds India Private Limited	(12.85)	(9.07)	(7.99)
Nova Agri Sciences Private Limited	(46.50)	(107.91)	(22.98)

For more information, regarding the Companies, please refer chapter titled “History and Other Corporate Matters” beginning on page no. 127 of this Draft Prospectus.

19. *Increased competition may result in decreased demand or lower prices for our agro-products which could reduce our profitability.*

We face substantial competition from existing and potential competitors or competitors who are distributing and selling plant nutrients, bio stimulants, IPM products and agri plastics. None of our approvals are granted exclusively to us and our competitors are free to seek approvals for the agro products for which we hold approvals. In the event that other players obtain relevant approvals for the agro products in our name, it may adversely affect our sales and margin in relation to agro products.

Additionally, we compete with existing agro product companies on the basis of portfolio of our plant nutrients, bio stimulants, IPM products and agri plastics with product traits, such as disease resistance, nutrients, plant quality and other factors, as well as based on price, reputation, customer service and customer convenience. If we are

unable to compete effectively, including in terms of pricing or providing quality products, our market share may decline, which could have a material adverse effect on our results of operations and cash flows.

The players in these industries generally compete with each other on key attributes such as technical competence, quality of products and services, pricing, delivery and track record. As a result of intense competition, we may have to reduce the prices of our agro product offerings and/or increase expenditures in order to differentiate ourselves and achieve economies of scale which may adversely affect our profitability and margins. Our inability to compete successfully in industry would materially affect our business prospects, results of operations and cash flows.

**20. *We have, in the past, entered into related party transactions and may continue to do so in the future. We cannot assure you that such transactions, individually or in the aggregate, may always be in the best interests of our shareholders.***

We have entered into various transactions with related parties aggregating to ₹ 600.33 lakhs on a consolidated basis and ₹ 956.95 lakhs on a standalone basis. For further details, please refer to our Restated Consolidated and Standalone Financial Statements at “*Financial Information*” on page no. 157 of this Draft Prospectus. While we believe that we have obtained requisite approvals under applicable laws, wherever required, for all such transactions and have carried them out on an arms-length basis and on commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For more details on our related party transactions, see our Restated Standalone and Consolidated Financial Statements. We cannot assure you that such transactions, individually or in the aggregate, may always be in the best interests of our shareholders.

**21. *Changes in safety, health and environmental laws and regulations may require additional costs and as such this may adversely affect our results of operations and financial condition.***

We are required to comply with the safety, health and environmental laws and regulations in the areas in which we operate, which includes the disposal and storage of raw materials, air and water discharges, to manage the storage, use and disposal of the chemical used by us, employee exposure to hazardous materials and other aspects of our operations. Non-compliance with the limits prescribed by the relevant laws and regulations may lead to the suspension of our manufacturing licenses, which will halt production and adversely affect our business operations. Further, compliance with any changes in these laws may increase our costs and as such adversely affect our results of operations and financial condition.

Agro product business is subject to various Laws and rules and regulations framed by the various authorities viz. Local Authorities, State Government Authorities and Central Government Authorities. Various Laws and regulations govern the environmental and safety measures and compliance is required with the various Laws relating to the Labour and their safety too. This requires additional cost to be incurred and to that extent it will adversely affect our results of operations and financial condition.

**22. *Any delay in production at, or shutdown of any of our facilities or failure to meet quality requirements, could adversely affect our business, cash flows and results of operations.***

Our sold manufacturing facility is located in Telangana from where we manufacture our agro products, is subject to operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of services of our external contractors, and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence. Moreover, catastrophic events could also destroy / damage any inventory located at our facilities. The occurrence of any such event could result in a temporary or long-term closure of any of our manufacturing facilities, severely disrupt our business operations and materially and adversely affect our financial condition. We cannot assure you that we will be able to transfer orders to other third party manufacturer without breach of the conditions of approvals or incurring any significant liability or transfer orders at all, which could affect our business, prospects, results of operations, cash flows and financial condition.

Failure on our part to adhere to agreed timelines may have the following, amongst others, consequences:

- there may be delays in payment to us;

- we may become liable to pay liquidated damages;
- claims may be brought against us for losses suffered as a result of our non-performance;
- the order may be cancelled; and
- Damage to our reputation.

**23. *We may face labour disruptions that could interfere with our operations.***

We are exposed to the risk of strikes and other industrial actions. Although we believe that we have good relations with our employees presently, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may adversely affect our operations by delaying or slowing down our manufacturing, increasing our manufacturing cost or even halting a portion of our manufacturing. This may also cause failure in delivering sales commitments, hurt our relationships with customers and disrupt our supply chain, further affecting our revenue and margins. If there is any prolonged disruption or shutdown of operations at our manufacturing facilities, we may not be able to replace the equipment or inventories, or use different facilities to continue our operations in a timely and cost effective manner or at all. We may not be able to recover from damages or interruptions caused to our manufacturing facilities in a timely manner or at all. The occurrence of any such event could result in the temporary or long-term closure of any of our manufacturing facilities, severely disrupt our business operations and materially and adversely affect our business, results of operations, financial condition and cash flows.

**24. *Our Promoters have pecuniary or equity interests in our Group Company, which may under their constitution be allowed to enter into similar businesses as our Company, which may create a conflict of interest. Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with Group Company.***

Suraksha Agri Retails (India) Private Limited is our Group Company and we cannot assure that our Promoters who have common interest in said entity will not favor the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests conflict. In cases of conflict, our Promoters may favor their companies in which our Promoters have interest. There can be no assurance that our Promoters or our Group Company or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to “*History and other Corporate Matters*” on page no. 127 of this Draft Prospectus.

**25. *We have availed of certain loans from Banks, 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 for a number of corporate actions, including for undertaking this Issue, which have not been obtained as on date. Any failure to obtain such consents may result in a default under the terms of the Financing Agreements.***

Pursuant to the Financing Agreements entered into by us with the Bankers, we are required to obtain consents from the respective Bankers to undertake certain actions, including this Issue and for completion of the requirements pertaining to this Issue. Though, we have informed our bankers orally of our intention to undertake this Issue, we have not obtained consents from such bankers and the same is awaited.

While our Company intends to obtain all the necessary consents in relation to this Offer from our bankers prior to the filing of the Prospectus with the RoC, undertaking this Offer without obtaining these consents, or in contravention of any conditions contained in such contents, may constitute a breach of the Financing Agreements. Any default under the Financing Agreements may enable our bankers to cancel any outstanding commitments, accelerate the repayment and enforce their security interests. If our obligations under the Financing Agreements are accelerated, our financial condition and operations could materially and adversely be affected.

**26. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.**

As of March 31, 2018, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our restated consolidated financial information is as follows:

(₹ in Lakhs)

Particulars	As at March, 31				
	2018	2017	2016	2015	2014
Corporate Guarantee to Nova Agri Sciences Private Limited (Subsidiary)	400.00	400.00	400.00	Nil	Nil
Claims made by the Company through Legal suits					
- On Apoorva Dairy Farm India Pvt Ltd	149.63	149.63	149.63	149.63	Nil

In the event that any of our contingent liabilities become actual liabilities, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

**27. Any non-availability of technical, skilled, semi-skilled and un-skilled manpower and / or increased employee costs could negatively affect our ability to operate efficiently and result in disruptions to our manufacturing operations.**

Our manufacturing operations are dependent on access to a large pool of technical, skilled, semi-skilled and un-skilled manpower. Our dependence on such technical, skilled, semi-skilled and un-skilled manpower may result in significant risks for our operations, relating to the availability of such manpower. There can be no assurance that we will have adequate access to the required manpower at reasonable rates, as and when required, or at all. As a result, we may be required to incur additional costs to ensure smooth running of our operations. The labour cost in India has been increasing over the past years due to increasing competition for quality employees among manufacturing companies as well as growth in inflation and general wage increases. Many aspects of our strategies and business growth may require us to hire employees. For financial year 2017-18, our employees benefit expenses as per our Restated Consolidated Financials, amounted to ₹ 1,511.09 lakhs, which is 14.25% of the total expenses of that year. We cannot assure that these or future agreements may not significantly result in increased employee costs and that we will be able to pass on the increased costs to our customers, partially or at all. Our inability to pass the increased costs may impact our profitability and future growth prospectus.

We also depend on third party contractors for providing manpower for various services associated with our business. We cannot assure you that manpower, whether hired through contractors or directly, will continue to be available at reasonable wages in the areas where our manufacturing facilities are located.

**28. Our success depends largely on the continued efforts of our senior management and our ability to attract and retain skilled and technical personnel.**

Our future success depends on the continued services and performance of our directors, key managerial personnel and other senior employees. Competition for senior management in the industry with technical knowledge is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. We cannot guarantee that we will be able to hire such people in future and / or retain our existing personnel. The lack of or loss of the services of such key persons in the organization could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. The success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled personnel. Demand for qualified professional personnel is high and the availability of these personnel is relatively limited. If we fail to hire and retain sufficient number of qualified personnel for functions such as manufacturing, finance, marketing, sales, operations and designing, our business operations and financial condition could be adversely affected.

**29. Any damages caused by fraud or other misconduct by our employees could adversely affect our business, results of operations and financial condition.**

We may be exposed to operational risk arising from inadequacy or failure of internal processes or systems or from fraud. We may be susceptible to fraud or misconduct or theft by employees or outsiders, unauthorized transactions by employees and operational errors. Employee or executive misconduct could also involve the improper use or

disclosure of confidential information, which could result in regulatory sanctions and reputational or financial harm, including our brand. Our management information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions and / or pilferage in a timely manner or at all. In addition, certain internal control processes are carried out manually, which may increase the risk of human error, tampering or manipulation which may result in losses that may be difficult to detect. As a result, we may suffer monetary losses which adversely affect our business, results of operations and financial condition.

**30. *The acquisition of other companies, businesses or technologies in the future could result in operating difficulties, integration issues and other adverse consequences due to our limited past experience in acquiring businesses.***

We have explored inorganic growth opportunities to enter into manufacture of pesticides thereby increasing our consolidated revenues and expand our geographic presence and we may in the future acquire additional assets, technologies or businesses to complement our operations. For instance, in 2017-18, we acquired majority control of Nova Agri Sciences Private Limited and Nova Agri Seeds and Nova Agri Seeds India Private Limited.

To foster our growth, we may consider making additional acquisitions in the future to expand our business. However, we have limited experience in acquiring businesses, and any acquisitions we undertake could limit our ability to integrate an acquired business and may create unforeseen operating difficulties and expenditures, including potentially dilutive issuances of the Equity Shares, incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill, difficulties in integrating the operations, technologies, research and development activities, personnel and distribution, marketing and promotion activities of acquired businesses and ineffectiveness or incompatibility of acquired technologies. Our inability to identify suitable acquisition opportunities, entering into agreement with such parties or obtain the necessary financing to make such acquisitions could adversely affect our future growth. Moreover, the costs of identifying and consummating acquisitions may be significant. Also, acquired assets or businesses may not generate the financial results we expect. We may also have to obtain approvals and licenses from the relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased costs and delay. We cannot assure you that we will be able to achieve the strategic objective for such an acquisition. Furthermore, if an acquisition generates insufficient revenues or if we are unable to manage our expanded business operations efficiently, our consolidated results of operations could be materially and adversely affected.

**31. *Information relating to the historical utilized capacity of our processing facilities included in this DP is based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical utilized capacity of our processing facilities included in this DP is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilisation levels and operational efficiencies. Actual production levels and rates may differ significantly from the estimated production capacities or historical estimated capacity information of our facilities. Undue reliance should therefore not be placed on our historical capacity information for our existing facilities included in this Draft Prospectus.

**32. *Our failure to accurately forecast demand or in case of order based procurements, any cancellation of orders or delay in supply of plant nutrients, bio stimulants, IPM products and agri plastics to meet such orders, could result in an unexpected shortfall or surplus resulting into higher inventory, which could adversely affect our operations and profitability.***

We maintain inventory of our various agro products in warehouses based on existing demand trends to meet seasonal demand. We monitor such inventory levels based on our own projections of future demand. In the past, we have experienced high levels of inventory of ₹ 3,415.49 lakhs as per the Restated Consolidated Financial Statements as at March 31, 2018 to meet seasonal demand throughout India. If we are unable to appropriately estimate the demand for the plant nutrients, bio stimulants, IPM products and agri plastics for any reason, the same could result in surplus of inventory levels or unavailability of our agro products in high demand resulting in below potential sales. Further, excess stock subjects us to additional risks related to warehousing of our agro products such as health and safety hazard and environmental damage and theft, which could adversely affect our operations and profitability.



**33. *Nova Agri Science Private Limited our Material Subsidiary's pesticide business could be adversely affected by introduction of alternative pest management and crop protection measures such as bio technology products, pest resistant seeds or genetically modified crops.***


Nova Agri Science Private Limited our Material Subsidiary offers diversified range of formulations to protect different kind of crops in the agricultural industry. Our Material Subsidiary's pesticide business may be adversely affected by increased use of biotechnology products, pest resistant seeds, genetically modified crops and other organic crop protection substitutes for agrochemicals. There are various campaigns promoting the organic manures and pesticides regarding the harm caused by chemical fertilizers and therefore the probability of the government policies promoting organic manures and restricting chemical manures may adversely affect the sales of our Company's products. Any promotion of manures and pesticides by the government policies may affect our results, operations and financial conditions. Further, the adoption of the products derived through biotechnology or alternative pest management and crop protection measures could have a negative impact on traditional agrochemicals. Genetically modified ("GM") crops are likely to have more resistance to pests and disease than non-GM crops and therefore require significantly less agrochemical usage than non-GM crops. The growth and acceptance of such alternative pest management and crop protection products and measures by consumers may have an adverse effect on sales of our Company's agrochemical products which thereby may affect our financial condition and results of operations.

**34. *Non-compliance by our end users with the instructions prescribed on the label of plant nutrients, bio stimulants, IPM products and agri plastics or their indiscriminate use by them could adversely impact our reputation and business.***

All plant nutrients, bio stimulants, IPM products and agri plastics are packed with instructions about the optimum dosage and usage method and labels of active ingredients typically provide for directions for use. However, any wrong usage of the plant nutrients, bio stimulants, IPM products and agri products by the end user could damage crops.

While its usage by end users as per the instructions is not in our control, any such damage could result in potential litigation instituted by end users raising questions on the nature of instructions and may consequently tarnish our reputation. We may have to incur significant costs defending in such suits which may impact our sales and hence our profitability.

**35. *We have not obtained the registration of all of our trademarks used in our businesses and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business.***

Our intellectual property rights are important to our business. We rely on copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. We have made an application for the registration of our Corporate logo  and currently it has been Accepted & Advertised but still we are awaiting for the final certificate of registration and hence we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. There can be no assurance that we will be able to obtain the registration of our trademarks in a timely manner, or at all. For further details, please refer "Government and Other Approvals" beginning on page no. 225 of this Draft Prospectus.

We also rely on unpatented proprietary know-how and other trade secrets to develop and maintain our competitive position. However, we cannot be certain that the steps we have taken will prevent unauthorised use of our intellectual property. Therefore, our efforts to protect our intellectual property may not be adequate. Our competitors may duplicate our products and services. Unauthorised parties may infringe upon or misappropriate our products and services or proprietary information.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and material. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorised use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.



The misappropriation or duplication of our intellectual property could disrupt our on-going business, distract our management and employees, reduce our revenue and increase our expenses. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert our attention and resources from operating our Company.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Regardless of their merit, infringement and other intellectual property claims are often expensive and time-consuming to litigate. The materialization of any of the foregoing risks could adversely affect our business, results of operations and financial condition.

**36. *The implementation of our strategies and other aspects of our business will require significant fund infusion; if we do not have access to sufficient funds, it could adversely affect our business prospects.***

The implementation of many aspects of our strategies will require significant funding. In addition, many aspects of our general business operations have on-going funding requirements that may increase over time. As on March 31, 2018, our total short term borrowings were ₹ 2,403.78 lakhs. Our indebtedness is secured by charges over immovable and movable properties and other collaterals and receivables. Over the longer term, we expect that the implementation of our strategy and business plans will require us to rely in part on external financing sources.

However, our ability to continue to obtain external financing on commercially reasonable terms will depend on a number of factors, many of which are outside of our control, including our business, results of operations and financial condition, India's economic condition, industry and competitive conditions, interest rates, prevailing conditions in the credit markets and Government policies on lending. We avail working capital facilities with various banks; however such facilities may not be sufficient to meet our growth strategy. If we are not able to obtain sufficient external funds on commercially acceptable terms to implement our strategies and business plans as currently contemplated, we could be required to revise our strategies and business plans, which could adversely affect our business prospects. For more detailed information about our Financial Indebtedness, see "*Financial Indebtedness*" on page no. 213 of this Draft Prospectus.

**37. *We are subject to certain restrictive covenants in our financing arrangements which may limit our operational and financial flexibility.***

Some of our financing agreements and debt arrangements set limits on or require us to obtain consents from lenders before undertaking certain projects, issuing new securities, changing our business, merger, consolidation, selling significant assets or making certain acquisitions or investments. These 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.

Further, certain of our financing arrangements include financial covenants. We cannot assure that these covenants will not hinder our business growth in the future. In the event that we breach any of these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. Any default under these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition. Such restrictive covenants may restrict our flexibility in managing our business or projects and could in turn adversely affect our business and prospects.

We believe that our relationships with our lenders are good, and we have in the past to the extent feasible obtained consents from them to undertake various actions and have informed them of our corporate activities from time to time. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. It may be possible for a lender to assert that we have not complied

with all applicable terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and may also trigger cross default provisions under certain of our other financing agreements, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans.

**38. *We are heavily dependent on our Promoters, Directors and Key Managerial Personnel (KMPs) for the continued success of our business through their continuing services and strategic guidance and support.***

Our success heavily depends upon the continued services of our Individual Promoters, Directors, along with support of our Key Managerial Personnel (KMPs). Our Promoters Mr. Sambasivarao Yeluri has more than 16 years of experience in agricultural products catering to bio fertilizers, bio chemicals and other agri related products and Mrs. Malathi Yeluri has almost 7 years of experience in the finance and operations of agriculture and agro-product industry. Our Directors, Mr. Kiran Kumar Atukuri, Mr. Sreekanth Yenigalla and Mr. Nadella Basanth Kumar have proven background in the agriculture and agro-product industries with experiences ranging from 6 years to more than 2 decades. Over the years our Promoter and Directors have increased and expanded our Company's scale of operations manifold. For further details of our Promoter's experience and background, please refer the chapters titled "*Our Promoter and Promoter Group*" and "*Our Management*" on page nos. 147 and 134 of this Draft Prospectus. The loss of service of the Promoter or Directors could seriously impair the ability to continue to manage and expand the business efficiently.

We depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our KMPs may result in disturbances in our day to day activities. Our KMPs have over the years proved their loyalty, ability and dedication and in case they do not continue their services with us, we cannot guarantee that we will be able to recruit suitable or comparable replacements at reasonable costs or at all.. Our inability to retain, recruit and train our KMPs in the future could have an adverse effect on our operations. For further details of our Directors and Key Managerial Personnel, please refer to Section "*Our Management*" on page no. 134 of this Draft Prospectus.

**39. *Delays or defaults in customer payments could result in reduction of our profits.***

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. Sometimes we commit resources prior to receiving advances and any delays in customer payments may require us to make a working capital investment and may also delay honouring of our payment obligations to our suppliers and vendors. Further, we maintain a policy of paying our creditors almost immediately in order to maintain a cordial relation with them which ensures a smooth supply of raw materials. Hence, any default in payment or delay in payment by our customers will put a considerable strain on our cash flows. If a customer defaults or delays in making payments where we have devoted significant resources cancels or does not proceed to completion, then it could have an adverse effect on our business, results of operations and financial condition.

Moreover, sales of our products are not supported by letters of credit or bank guarantee. In case of any disputes or differences or default with regard to our payments, we would have to initiate appropriate recovery proceedings which may be costly and time consuming. There is no guarantee on the timelines of all or any part of our customers' payments and whether they will be able to fulfill their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

**40. *Our Subsidiaries have been authorized to engage in a similar line of business which may result in conflict of interest.***

Our Subsidiary companies Nova Agri Science Private Limited and Nova Agri Seeds India Private Limited are authorized to engage in a similar line of business which may lead to a potential conflict of interest and which in turn, may have an implication on our operations and profits.

We cannot be assure that we shall be able to adopt necessary measures for mitigating any conflicts arising our subsidiaries engaging in a business similar to us and hence the same if not managed well, could adversely affect our results of operations and financial condition. For further details, please refer to the chapters titled '*Our*

*Business*, ‘*Our Group Company*’, beginning on page nos. 134 and 152 respectively and for the Standalone financials ‘*Annexure XXVIII - Statement of Related Party Transactions*’ on page no. 198 of this Draft Prospectus.

- 41. In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors, Promoters and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company.**

Some of our Directors, Promoters and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors, Promoters or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Promoters and Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Promoters or Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoters and Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

- 42. Our Promoters together with our Promoter Group will continue to retain majority shareholding in our Company subsequent to the Issue, which will allow them to exercise significant influence over our Company. We cannot assure you that our Promoters and/or our Promoter Group will always act in our Company's or your best interest.**

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 90,49,168 Equity Shares, or 58.42% of our post-Issue Equity Share capital. Accordingly, our Promoters and Promoter Group will 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 memorandum and articles of association, 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 shareholders. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or the shareholders favour.

- 43. Our Company has during the preceding one year from the date of the Draft Prospectus allotted Equity Shares at a price which is lower than the Issue Price.**

In the last 12 months, we have made allotment of Equity Shares to our Promoters, Directors, KMPs and third parties, at a price which may be lower than the Issue Price, details of which are mentioned below:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
March 20, 2018	Mr. Sambasiva Rao Yeluri	42,92,154	10	Nil	Bonus Allotment
	Mrs. Yeluri Malathi	12,63,243			
	Yeluri Sambasiva Rao HUF	3,78,000			
	Suraksha Agri Retails India Private Limited	17,90,979			
	Mr. N Venkata Subba Rao	5,94,828			
	Mr. K Samba Siva Rao	5,68,965			
	Mr. G Santosh Chander	5,17,242			

For details relating to number of shares issued, date of allotment etc. please refer to section titled “*Capital Structure*” on page no. 60 of this Draft Prospectus.

- 44. *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.***

As a manufacturing business, 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 and our own fleet for the said transportation purpose. Transportation strikes have had in the past, and could again in the future have, an 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. 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.

- 45. *Change in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Modernization and technology up-gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed latest technology and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the jewellery manufacturing business, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

- 46. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company 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 deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

- 47. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**48. *The Company will not receive any proceeds from the Offer for Sale.***

This Issue includes an Offer for Sale of Equity Shares by the Selling Shareholder. The entire proceeds from the Offer for Sale will be transferred to the Selling Shareholder and the Company will not receive any of the proceeds pertaining to the Offer for Sale. For further details, see the chapter titled “*Objects of the Offer*” on page no. 71 of this Draft Prospectus.

**49. *We have not made any provisions for decline in value of our Investments. We may book losses based on actual value we recover for these investments and the same could adversely affect our results of operations.***

As at March 31, 2018, we have made investments in Unquoted Equity Instruments aggregating to ₹ 185.01 lakhs, as per Restated Standalone Financial Statements. We have not made any provision for the decline in value of these investments and hence as and when these investments are liquidated, we may book losses based on the actual value we can recover for these investments and the same could adversely affect our results of operations.

**50. *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 Chapter “*Objects of the Issue*” on page no. 71 of the 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.

**51. *Our Promoter and his family have strong ties to a well known national / regional political party in Andhra Pradesh, which could result in perceptions that we are partisan and which could in turn adversely affect us.***

Our Promoter Mr. Yeluri Sambasiva Ro is a Member of Legislative Assembly from the Telugu Desam Party (the “TDP”), a political party in Andhra Pradesh. Although the Company is non-partisan, there is no assurance that it will not be perceived as having a political allegiance, and there is no assurance that such perception will not have adverse effects on our business and future business endeavours.

**52. *The rate of interest for the loans obtained by us from the banks is variable and any increase in interest rates may adversely affect our results of operations and financial condition.***

Our Company is susceptible to changes in interest rates and the risks arising there from. Our sanction letters provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company’s credit risk rating. For further details of interest payable on our borrowings, please refer to the chapter titled “*Financial Indebtedness*” on page no. 213 of this Draft Prospectus. Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

## **RISK FACTORS RELATED TO EQUITY SHARES**

**53. *Any further issuance of Equity Shares by our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.



**54. *There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.***

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Draft Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us or our shareholders;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of agro industry generally;
- Performance of our competitors in the agro industry and the perception in the market about investments in the agro sector;
- Significant developments in the regulation of the agro industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months may be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India



is provided under a treaty between India and the country of which the seller is resident. 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. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

## **EXTERNAL RISK FACTORS**

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

### ***58. 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 no. 117 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

### ***59. Changing regulations and tax regimes in India could lead to new compliance requirements that are uncertain.***

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect the jewellery industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our

business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

For example, as of July 1, 2017, a national goods and service tax (“GST”) in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which is expected to result in changes to India’s jewellery industry. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. Currently, the GST rate is 3%, but it could be subject to change going forward. Any such changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. As the taxation system in India will see significant changes as a result of GST, its consequent effects cannot be determined at present and there can be no assurance that such effects would not adversely affect our business and future financial performance.

Further, on March 28, 2018, the MCA notified IND AS 115, Revenue from Contracts with Customers, to be applicable from April 1, 2018.

In addition, on November 8, 2016, the Reserve Bank of India and the Ministry of Finance of the Government of India withdrew the legal tender status of ₹ 500 and ₹ 1,000 currency notes. Despite ₹ 500 and ₹ 2,000 notes being introduced since such demonetisation on November 8, 2016, the effect of these developments among other things lead to a decrease in liquidity of cash in India during the demonetisation restricted cash withdrawal period, which has in turn negatively affected consumer spending.

***60. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects 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.

***61. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

***62. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**63. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.**

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

**64. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.**

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

**PROMINENT NOTES**

1. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
2. The Net Worth of our Company is ₹ 2,144.64 lakhs and the book value of each Equity Share was ₹ 17.10 as of March 31, 2018 as per our Restated Consolidated Financial Statements. For more information, please refer the Section titled "*Financial Information*" beginning on page no. 157 of this Draft Prospectus.
3. Public Issue of up to 42,00,000 Equity Shares for cash at price of ₹ [●] per share including a premium of ₹ [●] aggregating to ₹ [●] lakhs. The Issue will constitute 27.11% of the post-Issue paid-up Equity Share capital of our Company.
4. The average cost of acquisition of Equity Shares by our Promoters is:

Promoter	Average cost (₹)
Mr. Sambasiva Rao Yelluri	6.98
Mrs. Malathi Yelluri	8.23
Yeluri Sambasiva Rao HUF	0.63

5. Investors are advised to refer to the chapter titled "*Basis for Issue Price*" beginning on page no. 78 of this Draft Prospectus.
6. The details of transactions by our Company with our Subsidiary Companies, Group Companies or associate during the last year are disclosed under Restated Standalone "*Financial Statements - Annexure XXVIII - Related Party Transactions*" beginning on page no. 198 of this Draft Prospectus.
7. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any

other person of securities of our Company during the period of 6 (six) months immediately preceding the date of the Draft Prospectus.

8. Our Company was initially incorporated in the year 2007 as “*Nova Agritech Private Limited*” under the provisions of the Companies Act 1956, with the Registrar of Companies, Hyderabad, Andhra Pradesh, bearing Registration Number 053901. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to “*Nova Agritech Limited*” *vide a special resolution held* on September 08, 2018. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on September 24, 2018, by the Registrar of Companies, Hyderabad, Telangana, bearing CIN U01119TG2007PLC053901

## SECTION III – INTRODUCTION

### SUMMARY OF OUR INDUSTRY

#### OVERVIEW OF GLOBAL AGRICULTURAL INDUSTRY

##### Introduction

Agriculture involves the cultivation of plants, and animal and bird rearing for food, fabrics, fibers, bio-fuel, medicinal and other products used to sustain and enhance human life. This industry also includes horticulture and aquaculture.

##### Market Share

Asia Pacific was the largest region in the agriculture market in 2017, accounting for \$6419.05 billion or 54.49% market share. This was mainly because the agriculture industry in the region needs to feed a large population, characterized by economic development, and rising purchasing power. Africa was the second largest region accounting for \$1492.79 billion or 12.67% market share. Middle East was the smallest region accounting for \$414.64 billion or 3.52% market share.

(Source: <https://www.prnewswire.com/news-releases/agriculture-global-market-report-2018-300602763.html>)

##### Growth

Agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. 2016 analyses found that 65% of poor working adults made a living through agriculture.

(Source: <http://www.worldbank.org/en/topic/agriculture/overview>)

##### Challenges

Agriculture in the 21st century faces multiple challenges: it has to produce more food and fibre to feed a growing population with a smaller rural labour force, more feedstocks for a potentially huge bioenergy market, contribute to overall development in the many agriculture-dependent developing countries, adopt more efficient and sustainable production methods and adapt to climate change.

(Source: [http://www.fao.org/fileadmin/templates/wfs/docs/Issues\\_papers/HLEF2050\\_Global\\_Agriculture.pdf](http://www.fao.org/fileadmin/templates/wfs/docs/Issues_papers/HLEF2050_Global_Agriculture.pdf))

Agriculture-driven growth, poverty reduction, and food security are at risk: Climate change could cut crop yields, especially in the world's most food-insecure regions. Agriculture, forestry and land use change are responsible for 25% of greenhouse gas emissions. Mitigation in the agriculture sector is part of the solution to climate change.

(Source: <http://www.worldbank.org/en/topic/agriculture/overview>)

##### Road Ahead

For the coming decade, economic growth of 1.8% per annum is expected for OECD countries, broadly the same pace as over the last decade (1.7% p.a.). Growth is projected to slow for the People's Republic of China (hereafter "China") but accelerate in India compared with the past decade. Following the strong increase in 2017, nominal oil prices are expected to increase at an average rate of 1.8% per year over the outlook period, from an average price of USD 43.7 per barrel in 2016 to USD 76.1 per barrel by 2027.

(Source: <http://www.agri-outlook.org/Agricultural-Outlook-2018.pdf>)

#### GLOBAL BIOFERTILIZERS INDUSTRY

##### Introduction

Bio-fertilizer is a substance that consists of living microorganisms, which help in the growth of plant by increasing the supply of nutrients to it. Increase in the use of bio-fertilizers is expected to reduce the demand for chemical fertilizers and pesticides as they hamper the health of the soil.

## Growth Drivers

There are certain factors, which act as drivers for bio-fertilizers market such as rising environmental awareness, enhancing soil fertility and increasing demand for organic food. Factors restraining the growth of bio-fertilizer market are lack of awareness and lower adoption rate by farmers. The unmet demand for fertilizers, formulation of favorable government policies and countries having agriculture dominant economy would provide growth opportunities for this market.

(Source: <https://www.alliedmarketresearch.com/biofertilizers-market>)

## Industry Trends

Global Bio-fertilizers Market size was worth over USD 1.5 billion in 2016 and will exceed 1,200 kilo tons by 2024.

### *Bio-fertilizers Market, By Product*

Phosphate-solubilizing is the fastest growing product due to its essential properties in converting the insoluble form of phosphate into useful soluble form. Enhancing nutrient absorption rate in cereals, vegetables and cash crops will drive the product demand.

Nitrogen-fixing market was worth over USD 1.1 billion in 2016. The products increase the soil fertility by converting the available nitrogen through nitrogen fixing organisms including blue green algae, rhizobium, azotobacter and azospirillum. Additionally, the production process also includes farm manure that increases the microbial concentration of soil enhancing plant productivity.

Potash mobilizing market will witness growth over 10.5% up to 2024. High costs associated to production technique makes the product less acceptable among manufacturers. Technological advancement and innovations in production process are expected to reduce costs in upcoming years.

### *Bio-fertilizers Market, By Application*

Soil treatment application will witness growth over 11% by 2024. This growth is attributed to the key properties including improving soil fertility and enhancing crop yield per hectare. Moreover, increasing salinity level in soil due to excessive use of chemical fertilizers have resulted in increasing bio-fertilizers demand.

Seed treatment was worth over USD 1.2 billion in 2016. The application is widely used due to its high efficiency and effectiveness. Adding nutritional value in seeds is the major advantage as it enhances plant growth in every stage of plant life.

### *Bio-fertilizers Market, By Crop*

Cereals and grains dominated the industry and accounted for over 40% of the biofertilizers market share in 2016. Rising demand for high nutritional content grains contributing towards better health is the major factor fueling the industry growth.

Fruits & vegetables are the fastest growing segment with CAGR over 12% up to 2024. Rising demand for organic fruits & vegetables will enhance the product penetration. High product benefits including retaining the nutritional value of soil are the fueling factors of the industry growth.

Pulses & oil seeds market was worth over 150 million in 2016. Rhizobium, phosphorus solubilizing bacteria, vesicular arbuscular mycorrhiza, and rhizobacteria are the major ingredients used for the pulse production. Micronutrients present in the product, keeps soils biologically active and increase the water absorption for pulse production.

### *Bio-fertilizers Market, By Form*

Dry formulations accounted for over 70% of the industry share in 2016. Easy handling and transportation coupled with economical availability are the key factors boosting the product demand.

Liquid bio-fertilizers market will witness growth around 12% by 2024, owing to added advantage including longer shelf life, easy storage and long term survival of microorganisms. Liquid formulations are relatively expensive due to added packaging cost.



### ***Bio-fertilizers Market, By Region***

Asia Pacific is the fastest growing region with growth over 12% up to 2024. Shifting trends towards healthy lifestyle along with increasing consumer awareness about health & safety will drive the regional demand. Asia Pacific accounts for 40% of the global arable land. High product availability along with subsidized prices will drive the industry growth. Moreover, promotion of farming practices to reduce the hazardous chemical traces in soil & water will trigger the demand.

North America accounted for more than 40% of the overall industry share in 2016. High disposable income coupled with increased consumer preference towards organic food are the key driving factors of the industry growth.

Europe will witness gains over 12% up to 2024. Stringent regulations from organizations including EPA regarding optimum nitrogen level maintenance in soil & water will propel the industry growth. Increasing awareness pertaining to degradation of soil and prolonged chemical traces in soil and food due to chemical fertilizers usage has led to shifting preference towards bio-fertilizers.

## **OVERVIEW OF INDIAN AGRICULTURE INDUSTRY**

### **Introduction**

Agriculture is the process of producing food, feed, fiber and many other desired products by the cultivation of certain plants and the raising of domesticated animals (livestock).

(Source: <https://www.sciencedaily.com/terms/agriculture.htm>)

### **Key Trends**

- Agriculture and allied sector's GVA at constant 2011-12 prices grew a CAGR of 2.75 per cent between FY12-18.
- Agriculture is the primary source of livelihood for about 58 per cent of India's population.
- As per Union Budget 2018-19, allocation of Rs 57,600 crore (US\$ 8.9 billion) was made for The Agriculture Ministry.

### **FDI Policy in Agricultural Sector:**

As per the present FDI Policy, 100% FDI is allowed in the following activities of agriculture through **automatic route**:

- Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions;
- Development and Production of seeds and planting material; and
- Services related to agro and allied sectors.

100% FDI is also permitted in plantation sector namely Tea plantations, Coffee plantations, Rubber plantations, Cardamom plantations, Palm Oil plantations and Olive oil tree plantations through automatic route. 100 percent FDI is allowed in "Single Brand product retail trading". 51% FDI is permitted in "multi brand retail trading" with condition that fresh agricultural produce, including fruits, vegetables, flowers grains, pulses may be unbranded.

Besides the above, FDI is not allowed in any other agricultural sector/ activity.

### **Goods and Services Tax:**

Government has rolled out a new tax regime namely Goods and Services Tax (GST) with effect from 1st July 2017. GST envisages to introduce a single tax on supply of goods and Services or both, by amalgamating all the central indirect taxes (excise duty, countervailing duty and service tax) and state indirect taxes (VAT, luxury tax, entry tax, octroi, etc). GST is more comprehensive, compliable, simple, harmonized and development oriented tax system. The GST, unlike the present system, will allow the supplier at each stage to set-off the taxes paid at previous levels in the supply chain. It is essentially a tax on value added at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages (GOI).

### **Impact of GST on Agricultural Sector:**

The impact of GST on agricultural sector is foreseen to be positive. It has been observed that the fitment of rates of items in the food segment is done in a manner that it would not increase inflation. It has been done on the principle that GST rate would be more or less at par with current indirect tax regime.

### **Projected benefits of GST on Agricultural Sector:**

As the GST is being introduced with the objective of having a unified tax structure for goods and services, this is likely to lead various benefits for agricultural sector:

- a) Unified market - the amalgamation of various taxes into one will simplify the Procedure and help in evolution of a common market at national level.
- b) Increase in exports due to cost effective production
- c) The burden of tax on goods is expected to fall under GST leading to benefits to the consumers.
- d) This is likely to facilitate and strengthen the Scheme on National Agricultural Market (NAM) aimed at an integrated system of market of agriculture produce at the national level, allowing free flow of agricultural commodities across states
- e) The implementation of GST is expected to facilitate the implementation of National Agricultural Market on account of subsuming all kinds of taxes/cess on marketing of agricultural produce as well as it would ease interstate movement of agricultural commodities which would improve marketing efficiency, facilitate development of virtual markets through warehouses and reduce overhead marketing cost.
- f) Agricultural commodities are perishable in nature in varying degrees therefore trade is influenced by the time required for transportation. The simple uniform tax regime is expected to improve the transportation time, and curtail wastage of precious food.
- g) GST is essential to improve the transparency, reliability, timeline of supply chain mechanism. A better supply chain mechanism would ensure a reduction in wastage and cost for the farmers/retailers. GST would also help in reducing the cost of heavy machinery required for producing agricultural commodities.

A GST Cell under the Chairmanship of Trade Adviser has been formed to receive grievances, if any, from farmers and others. The GST Cell examines the complains, grievances, proposals and coordinates with Department of Revenue for resolving them immediately.

### **Services Tax on agricultural sectors:**

Mostly all services activities relating to agriculture are currently exempted from the levy of service tax under GST.

(Source: <http://www.agricoop.nic.in/divisiontype/agriculture-trade-policy>)

### **Export**

India ranks second worldwide in farm output and accounts for 7.68% of total global agricultural output. The country exports several agricultural products such as basmati rice, dry fruits, spices etc. and it earns 10% of its export earnings from agricultural products. Total agricultural exports from India increased to US\$ 33.38 billion in FY17 from US\$ 24.7 billion in FY12.

(Source: <https://www.ibef.org/download/IBEF-Theme-1-15-updated-low.pdf>)

### **India's Agri Export Policy - Objective And Vision**

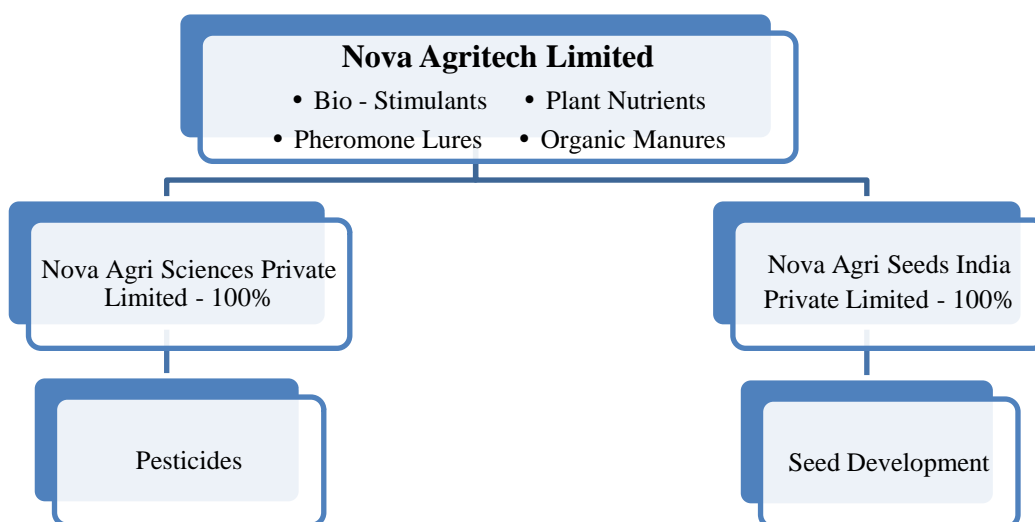
- The National Agriculture Export Policy is formulated in line with the vision to double the farmer's income and increase the share of agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022.
- To boost high value and value added agricultural exports, focusing on perishables. To promote novel indigenous, Organic, ethnic traditional and non-traditional categories.
- To provide an institutional mechanism for tackling market access barriers and deal with sanitary and phytosanitary issues.
- To become one of the top 10 exporting countries of agricultural products and strive to double India's share in world agri exports.
- Focus on export centric clusters for integrated Commodity Focus Value Chain and Infrastructure Development.

(Source: [http://commerce.gov.in/writereaddata/uploadedfile/MOC\\_636571617294118126\\_Draft\\_Agr\\_Export\\_Policy.pdf](http://commerce.gov.in/writereaddata/uploadedfile/MOC_636571617294118126_Draft_Agr_Export_Policy.pdf))

## SUMMARY OF OUR BUSINESS

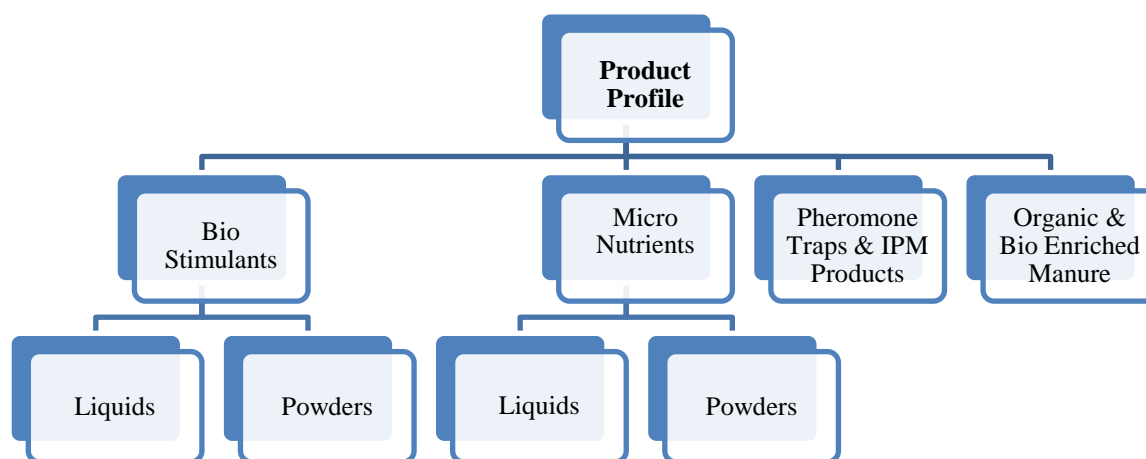
We are a manufacturer of organic based bio products, pesticides and fertilizers used by farmers for their agricultural and cropping activities. Our Company was incorporated in the year 2007 with a vision to provide wide range of plant nutrition and plant protection products for specialty agricultural, horticultural and home garden market that are ideal to be used in agricultural industry and which are sustainable, environmentally safe, economically feasible, and chemical free and 100% eco friendly. Currently our Company is engaged in the business of Manufacturing and supplying of bio-fertilizers, bio-pesticides, bio-fungicides, plant growth promoters, micro and macro nutrients that are recognized as ideal organic products, commercially viable for Organic farming. Over the years we have developed a vast network of more than 3,800 dealers spread in Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh, Rajasthan, Odisha, West Bengal and Assam. We are ISO 9001:2015 certified for providing quality in the Manufacturing and Marketing facilities of Agricultural Bio Products, Organic manures and Micro Nutrients as per the requirement of quality standards.

In the year 2017, we acquired the manufacturing unit of Nova Agri Sciences Pvt. Ltd and Nova Agri Seeds India Pvt. Ltd. and established them as our subsidiaries with a view to expand our product scope and our market reach, we, through our subsidiaries, have ventured into manufacturing and marketing of various pesticides and also into research and development of high yield seeds. Our subsidiary Nova Agri Sciences Pvt. Ltd is ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:20017 certified company for “Formulation supply of Pesticides, Insecticides, Fungicides, Herbicides Plant Growth Regulators, Micronutrients, Fertilizers”. Currently Nova Agri Sciences Private Limited has about 157 pesticide products which are predominant requirement of Indian agriculture towards crop protection. Our subsidiary Nova Agri Seeds India Pvt. Ltd. has been set-up to carry out research & development to enhance the seed quality and its reproduction capabilities, keeping its core properties intact. Our corporate structure can be explained as below:



We have a dedicated in-house Research and Development facility and a dedicated Quality Control / Quality Assurance facility at our factory unit situated at Singannaguda to support technology transfer for new products and on-site process improvement. We have dedicated teams actively involved in R&D and QC/QA Lab activities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new products. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community. Our R&D efforts and innovations have enabled our Company to expand its scope of operations and we have increased our product range from 6 products in the year 2007 to 55 products currently, which in turn has resulted in substantial recognition of our brand in the Agro-product Industry.

Our Company has varied product portfolio which has been comprised and categorised as below:



Our Registered office is situated in Secunderabad at Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad – 500 011. Our manufacturing / processing unit is situated at, Singannaguda (village) and the plant is spread over a total area of 11.37 acres and has a total annual installed capacity of 2.92 lakhs litres for liquids and 3.77 lakhs kilogram for powder forms of our products. Besides, the manufacturing unit, the total plant area includes warehousing facilities for storage of raw material and finished goods of our Company and also approximately 10,000 sq. ft. shed has been leased to our subsidiary company – Nova Agri Sciences Private Limited.

We have dedicated automatic, semi-automatic machines for manufacture and packing of finished goods. We also have machine and manual checking systems for raw materials as well as Finished Goods. Our Testing and QC Technical team combined with the various testing equipments used by us, ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

In the past three (3) years our revenues have increased from ₹ 6,996.76 lakhs in F.Y.2015-16 to ₹ 9,613.65 lakhs in F. Y. 2016-2017 further to ₹ 10,621.25 lakhs in F. Y. 2017-18 showing an increase of 37.40% and 10.48%. Our Net Profit after tax for the above mentioned periods are ₹ 111.76 lakhs, ₹ 212.02 lakhs and ₹ 639.88 lakhs. Our consolidated revenue for the F. Y. 2017-18 is ₹ 11,575.01 lakhs and the consolidated net profit for the same period is ₹ 639.37 lakhs.

Between F. Y. 2013-14 and F. Y. 2017-18, our total revenue grew at a CAGR of 15.93% from ₹ 5,071.89 lakhs for F. Y. 2013-14 to ₹ 10,621.25 lakhs for F. Y. 2017-18, and our PAT grew at a CAGR of 56.76% from ₹ 67.59 lakhs for F. Y. 2013-14 to ₹ 639.88 lakhs for F. Y. 2017-18.

## OUR STRENGTHS

### *Well experienced promoters and management team with proven project management and implementation skills*

Our Promoter Mr. Sambasivarao Yeluri is engaged in the business of Agro products for over a decade and has a proven background and rich experience in the field. Over the years our Promoter have increased and expanded our Company’s scale of operations manifold. Our Promoter is a Post Graduate in Horticulture. For further details of our Promoter’s experience and background, please refer the chapter titled “Our Promoters and Promoter Group” on page no. 147 of this Draft Prospectus.

Further our management team consists of a mix of individuals with professional, technical and commercial experience in the agricultural industry. Our team is well qualified and experienced in industry and has been responsible for the growth of our operations. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. We believe the stability of our management team and the industry experience brought in coupled with their strong client relationships, will enable us to continue to take advantage of future market opportunities and expand into new markets. We believe that our Promoters have been a key factor in driving our growth in revenue and earnings through the efficient management and executive of our acquisitions. For further details of the educational qualifications

and experience of our Management Team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page no. 134 of this Draft Prospectus.

### ***Well Equipped Research & Development facility***

Our Company, considering the imperative role of research and development facilities for quality products, has taken initiative for strong R&D facility from the initial days of its operations. We currently operate an in-house R&D center at our factory location to enhance the quality of products we deliver and also to bring out development in the products according to changing industry scenario. Our laboratory is equipped with State of Art facilities conforming to Global standards to ensure product quality. Our R & D Department Efficiently Supports:

- Evaluation of new and current formulations in different agro-eco regions of the country.
- Promotion and creating awareness about new products.
- Channelizing information to consumers for the right technical use.
- Developing interface with the state departments of Agriculture.
- Training of Agri-input dealers & farmers.

### ***Quality Assurance***

Our Products pass through quality checks at various stages of the Process. The quality assurance measures taken by the Company includes thorough checking of all raw material and other inputs right down to finished goods. We maintain high standards for quality control and have semi- automatic/ mechanical machines and manual checking being operated by skilled operators under proper quality control and strict supervision. Our products adhere to quality standards and our manufacturing units are ISO 9001: 2015 certified, which confirms that our products conform to the Quality Management System Standard. We have instituted an active QA program where our team monitors all processes to ensure that any problems are identified and corrected pro-actively before, having a chance of occurring. This process is expected to help us not only to improve our Products quality but also reduce wastage and rejections of finished goods.

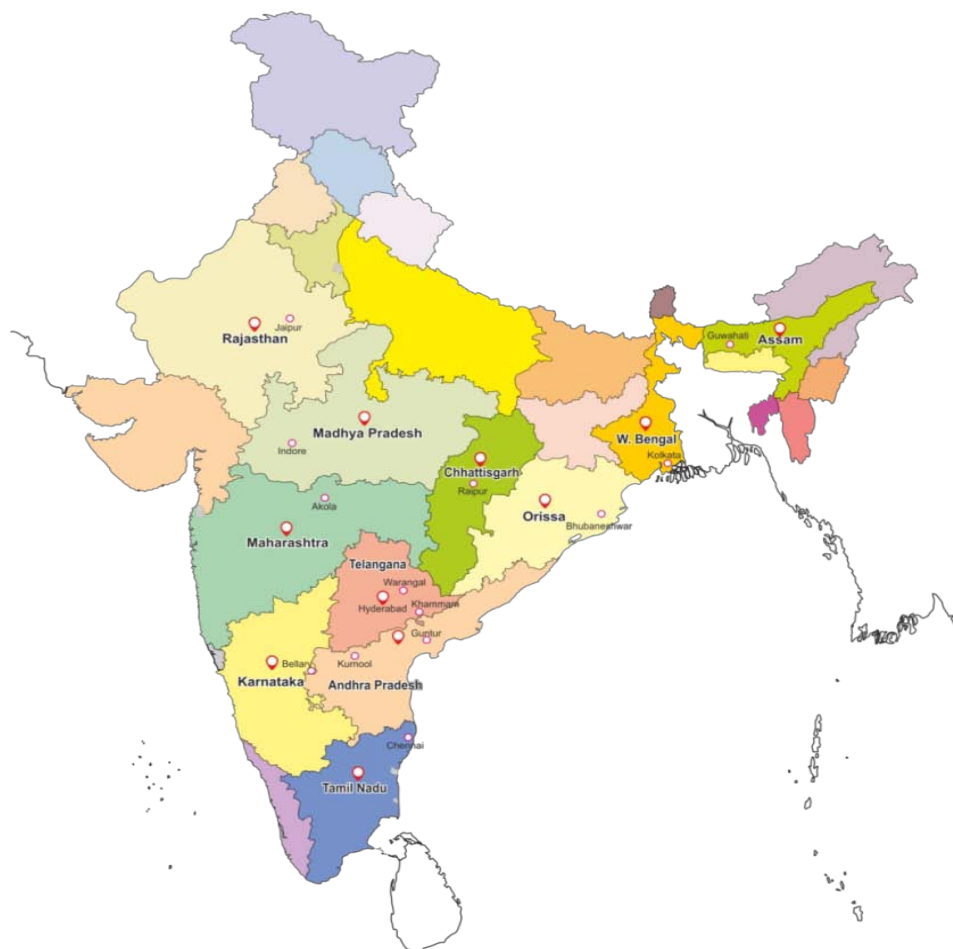
### ***Low Labour cost***

Our Company employs skilled, semi-skilled and unskilled labour for various processes of our manufacturing process. Labour is available in abundance in India. Thus, our labour costs are maintained at realistic levels. Added to that we have kept ourselves updated on the latest available technologies and continuously look for new technological developments and value adding equipment to enhance the performance of our machines such that the labour input required is maintained while the production / productivity is improved. Additionally we have also identified a labour contractor for supply of labour in the event of any requirements.

### ***Strong In-house Marketing, Distribution channels and Global distribution network***

We market, sell and distribute our wide range of products to our diverse customers based in India. Our Company has its own network of distributors who are dedicated to serve the farmers in a most effective way. The process of entering into dealership with our Company is made very easy and convenient. Whosoever is interested in our dealership shall fill an application form along with a declaration and after verifying of the details according to company checklist, a person being offered a dealership of the Company. We have dedicated and hardworking marketing managers and marketing officers, who work as an individual with a vision to maintain relationship with the dealers and make them aware of the current trends in global and domestic agriculture and our new products. Direct presences in the major markets with own distribution channels, sales force and marketing manager have helped our Company in achieving its target on time. Our marketing team also plays an important role in the development of new products based on their study and feedback on latest industrial needs. We maintain our customer relations by providing quality, timely delivery, maintaining design confidentiality and also suggesting them value added propositions.

We believe that our relationship with the third party distributors and availability of our own sales force enables us to introduce new formulations and generic active ingredients in our existing market in a timely manner. We also benefit from their feedback which enables us to gauge the demand for our existing formulations and generic active ingredients. We have entered into agreement with some of the parties on C&F agent basis for selling our products to dealers/retailers. Currently, we have five C&F agents who are working with us. We are having presence in Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh, Rajasthan, Odisha, West Bengal and Assam. Strong presence in this state’s enables our Company to grow geographically and financially as well. The Geography foot print of the company state wise has been depicted in the diagram:



### ***Product mix***

Our Company deals in a range of varied quality product meant for agricultural, horticultural and home garden market. Our Company is engaged in the business of manufacturing of various Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products like Pheromone Traps, Lures, Mulch and Pro-Trays, to name a few, providing comprehensive agriculture technology solutions. These products have wide scale applications in the Agricultural and Horticulture industry. Our manufactured products are sold under our own brands, namely, Nova. Our Company deals in various categories of products each of which have various sub-categories.

Further, we have recently ventured into pesticide business by acquiring major stake Nova Argi Sciences Private Limited. and also ventured into research & development for seed enhancement by acquiring major stake Nova Argi Seeds India Private Limited, making the above companies our subsidiaries. The addition of new products has enabled us to increase our market reach and cater to a substantial needs of the farmers.

### ***Cost effective production and timely fulfillment of orders***

Timely fulfillment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency at our existing processing units. These steps include identifying quality raw materials from different sourcing, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also enjoys good relations with our suppliers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

### ***Fully Integrated Manufacturing Facilities***

We carry on all of our core manufacturing activities in-house and there is no dependence on job-work of external manufacturing. Our manufacturing unit is fully integrated and self-sufficient. The raw materials and consumables are



readily available. Further, all other utilities like fuel, power and human resources have posed no hurdle till date. All the equipments required for manufacturing the products are in place. Our manufacturing facility is spread over an area of 11.37 acres and is located in the Siddipet District of Telangana. Our manufacturing facilities comprise of manual, semi automated and automated machines which enable our Company to process its products fast and in an effective way.

**For risks related to our business, our Company and our industry, see “Risk Factors” on page no. 12 of this Draft Prospectus.**

## **OUR STRATEGIES**

Our strategic objective is to improve and consolidate our position as a specialty chemicals manufacturer and also to set-up our own distribution channel network.

### ***Augment our fund based capacities in order to scale up business operation***

Our business operations are working capital intensive. In order to effectively expand our Business arenas and also diversify the operations in various geographical locations, along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital.

We expect to increase our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better exploit market opportunities in short term as well as longer duration services in our business. For further details regarding the working capital being raised through this Issue, please refer to section “*Objects of the Issue*” on page no. 71 of the Draft Prospectus.

### ***Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous project review and timely corrective measures in case of diversion and technology upgradation are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing our brand value and maintaining long term relationships with customers. Through a combination of increased capacities, reduced costs, wider range of products adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, we intend to expand our global footprint and become a preferred supplier.

### ***High productivity / Operational Excellence***

Managerial expertise, trained workforce and modernization of the manufacturing unit results in consistent high level of productivity. We have established modern production facilities at our plant and we are continuously on the look- out for new/ updated technologies. Our investments in value adding equipments / attachments to our machines has resulted in twin benefits of consistent high quality and improved productivity, ensure enhanced operational efficiency. We have invested significant resources, and intend to further invest in our activities to develop automated systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE I  
RESTATED STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES**

(₹ in lakhs)

Particulars	Financial Year Ended
	Mar-18
<b>EQUITY AND LIABILITIES</b>	
<b>Shareholder's funds</b>	
a) Share Capital	1,254.05
b) Reserves & Surplus	947.39
<b>Non-current liabilities</b>	
a) Long term borrowings	484.34
c) Other long term liabilities	85.53
d) Long Term Provisions	46.55
<b>Current liabilities</b>	
a) Short-term borrowings	2,403.78
b) Trade payables	3,582.43
c) Other current liabilities	590.43
d) Short Term Provisions	337.22
<b>TOTAL</b>	<b>9,731.73</b>
.	
<b>ASSETS</b>	
<b>Non - Current Assets</b>	
a) Fixed Assets	
i.) Tangible assets	1,403.44
ii) Intangible Assets	123.92
b) Capital Work in Progress	171.38
c) Non Current Investment	0.01
d) Other Non Current Assets	-
e) Long Term Loans & Advances	237.14
f) Deferred Tax Assets ( Net)	48.71
<b>Current Assets</b>	
a) Inventories	3,415.49
b) Trade Receivables	4,187.61
c) Cash and Cash equivalents	22.34
d) Short-term loans and advances	115.67
e) Other current assets	6.00
<b>TOTAL</b>	<b>9,731.73</b>

**ANNEXURE II**  
**RESTATED STATEMENT OF CONSOLIDATED PROFIT & LOSS ACCOUNT**

(₹ in lakhs)

Particulars	Financial Year Ended
	Mar-18
Revenue from Operations	11,566.41
Other Income	8.60
<b>Total revenue</b>	<b>11,575.01</b>
<b>EXPENSES:</b>	
Purchases	7,879.52
Change in Inventory	(1,557.98)
Employee Benefit Expenses	1,511.09
Financial Cost	309.32
Depreciation & Amortisation cost	250.17
Other Expenses	2,212.91
<b>Total expenses</b>	<b>10,605.04</b>
<b>Exceptional and prior period items</b>	-
<b>Net Profit / (Loss) before Tax</b>	<b>969.97</b>
<b>Less: Provision for Tax</b>	
(a) Current Tax	363.97
(b) Deferred Tax	(33.37)
(c) MAT Credit entitlement	-
Prior period Item Expenses / (Income)	-
<b>Total</b>	<b>639.37</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>639.37</b>
Extraordinary Items	-
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>639.37</b>
Add/(Less) : Pre Acquisition Profit/(Loss)	-
Less : Proposed Dividend	-
Dividend Distribution Tax	-
<b>Net Profit transferred to Reserves</b>	<b>639.37</b>

**ANNEXURE III**  
**RESTATED STATEMENT OF CONSOLIDATED CASH FLOW**

(₹ in lakhs)

Particulars	Financial Year Ended
	Mar-18
<b>Cash Flow From Operating Activities</b>	
Net Profit Before Tax	969.97
Adjustments for :	
Depreciation/Amortisation	250.17
Preliminary Expenses written off	12.93
Provision for Gratuity	49.25
Interest Paid	310.38
<b>Operating Profit Before Working Capital Adjustment</b>	<b>1,592.70</b>
<b>Adjustment for (Increase)/Decrease in:</b>	
Trade Receivables	(911.62)
Inventories	(1,561.33)
Short Term Loans and Advances	292.00
Other Current Assets	114.69
<b>Adjusted for Increase/ (Decrease) in:</b>	
Trade Payables	714.89
Other Current Liabilities	226.65
Other Long term Loans & Advances	(7.72)
<b>Cash Flow Generated from Operations</b>	<b>460.26</b>
Income Tax and Fringe Benefit Tax Paid	(141.90)
<b>Net Cash flow from Operating activities (A)</b>	<b>318.36</b>
<b>Cash Flow From Investing Activities</b>	
Purchase of Fixed Assets	(181.57)
Sale of Fixed Assets	0.08
Purchase of Investments	(185.00)
Decrease/(Increase) in Capital Work-in Progress	(171.38)
Decrease/(Increase) in Other Long Term Loans & Advances	(50.29)
Decrease/(Increase) in Other Non Current Assets	0.76
<b>Net Cash Flow from Investing Activites ( B)</b>	<b>(587.40)</b>
<b>Cash Flow From Financing Activities</b>	
Increase in Share Capital	-
Increase / (Decrease) in Long Term Borrowing	32.06
Increase / (Decrease) in Short Term Borrowing	486.91
Repayment of Loans	47.36
Interest & Financial Charges	(310.38)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>255.96</b>
<b>Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )</b>	<b>(13.08)</b>
Cash & Cash equivalent at the beginning of the year	35.42
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>22.34</b>

**ANNEXURE I  
STATEMENT OF RESTATED ASSETS AND LIABILITIES**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Fund</b>					
Share Capital	1,254.05	235.67	173.10	173.10	173.10
Reserves & Surplus	890.59	817.59	436.64	324.87	240.34
<b>Total (a)</b>	<b>2,144.64</b>	<b>1,053.26</b>	<b>609.74</b>	<b>497.97</b>	<b>413.44</b>
<b>Non Current Liabilities</b>					
Long term borrowings	62.74	265.94	438.07	228.05	266.73
Deferred Tax Liabilities	-	-	-	-	0.53
Other Long Term Liabilities	57.63	47.57	36.94	25.28	24.10
Long Term Provisions	46.55	34.76	24.51	17.63	11.26
<b>Total (b)</b>	<b>166.92</b>	<b>348.27</b>	<b>499.51</b>	<b>270.96</b>	<b>302.62</b>
<b>Current Liabilities</b>					
Short term borrowings	2,003.03	1,513.99	967.75	1,047.60	496.18
Trade payables	3,128.95	2,947.12	1,878.25	1,808.42	1,341.74
Other current liabilities	509.37	297.48	416.83	331.29	132.64
Short term provisions	324.91	137.55	69.58	57.98	19.79
<b>Total (c)</b>	<b>5,966.26</b>	<b>4,896.13</b>	<b>3,332.41</b>	<b>3,039.79</b>	<b>1,989.34</b>
<b>Grand Total (a+b+c)</b>	<b>8,277.82</b>	<b>6,297.65</b>	<b>4,441.66</b>	<b>4,014.23</b>	<b>2,706.40</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Fixed Assets					
(i)Tangible Assets	1,162.70	1,147.46	931.98	752.55	616.54
(ii)Intangible Assets	0.52	0.70	1.20	1.32	1.46
(iii)Capital Work-in-progress	167.10	-	-	-	-
Non Current Investments	185.01	0.01	0.01	0.01	0.01
Long Term Loans and Advances	232.36	173.44	161.98	185.92	183.89
Deferred tax assets	25.34	0.41	3.62	3.84	-
<b>Total (a)</b>	<b>1,773.04</b>	<b>1,322.02</b>	<b>1,098.78</b>	<b>943.64</b>	<b>801.89</b>
<b>Current Assets</b>					
Inventories	2,685.47	1,369.10	971.41	698.25	377.46
Trade Receivables	3,674.06	3,276.96	2,191.35	2,304.13	1,476.92
Cash and Cash Equivalents	21.02	31.50	53.08	27.23	29.23
Short Term Loans and Advances	118.24	179.30	127.04	25.74	15.89
Other Current Assets	6.00	118.77	-	15.24	5.00
<b>Total (b)</b>	<b>6,504.79</b>	<b>4,975.63</b>	<b>3,342.88</b>	<b>3,070.59</b>	<b>1,904.51</b>
<b>Grand Total (a+b)</b>	<b>8,277.82</b>	<b>6,297.65</b>	<b>4,441.66</b>	<b>4,014.23</b>	<b>2,706.40</b>



**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>INCOME</b>					
Revenue from Operations	10,621.25	9,613.65	6,996.76	6,749.01	5,071.89
Other Income	2.69	5.15	4.33	2.26	5.38
<b>Total Revenue (I)</b>	<b>10,623.94</b>	<b>9,618.80</b>	<b>7,001.09</b>	<b>6,751.27</b>	<b>5,077.27</b>
<b>EXPENSES</b>					
Purchases	7,181.40	5,715.00	4,304.22	4,270.67	3,545.45
Changes in Inventories	(1,316.37)	(397.69)	(273.16)	(320.79)	(186.20)
Employee Benefit Expenses	1,329.86	909.51	916.82	607.23	469.11
Finance Cost	233.15	196.22	162.53	159.50	109.71
Depreciation and Amortization Expenses	163.90	102.18	84.44	83.40	59.25
Other Expenses	2,064.54	2,742.63	1,625.95	1,813.90	991.03
<b>Total Expenses (II)</b>	<b>9,656.49</b>	<b>9,267.85</b>	<b>6,820.79</b>	<b>6,613.92</b>	<b>4,988.36</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax (I-II)</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
Exceptional/Extraordinary items	-	-	-	-	-
<b>Net Profit/(Loss) before tax</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
<b>Tax Expenses</b>					
a) Current Tax	352.51	135.72	68.32	57.18	19.41
b) Deferred Tax	(24.93)	3.20	0.22	(4.36)	1.91
<b>Total (a+b)</b>	<b>327.58</b>	<b>138.93</b>	<b>68.53</b>	<b>52.82</b>	<b>21.33</b>
<b>Net Profit/(Loss) for the year</b>	<b>639.87</b>	<b>212.02</b>	<b>111.76</b>	<b>84.53</b>	<b>67.59</b>

**ANNEXURE III  
STATEMENT OF CASH FLOW AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>A. Cash flow from operating activities</b>					
Restated Profit Before Tax	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
<b>Adjustments for:</b>					
Depreciation	163.90	102.18	84.44	83.40	59.25
Finance Cost	233.15	196.22	162.53	159.50	109.71
Chit Dividend Income		-	(0.15)	(2.23)	(5.35)
Provision for Gratuity made during the year	12.67	10.81	7.34	6.80	4.14
Provision for Gratuity adjusted against Opening Balance of Reserves	-	-	-	-	(11.63)
Preliminary Expenses adjusted against Opening Balance of reserves	-	-	-	-	0.27
<b>Operating cash flow before Working capital changes</b>	<b>1,377.18</b>	<b>660.17</b>	<b>434.45</b>	<b>384.83</b>	<b>245.31</b>
Increase / (Decrease) in Trade payables	633.34	857.73	69.83	466.68	858.65
Increase / (Decrease) in Other current liabilities	202.92	96.56	293.57	191.55	(62.46)
Increase / (Decrease) in Short term provisions	-	-	-	-	-
Decrease / (Increase) in Inventories	(1,316.37)	(397.69)	(273.16)	(320.79)	(186.20)
Decrease / (Increase) in Trade Receivables	(397.10)	(1,085.61)	112.78	(827.21)	(512.29)
Decrease / (Increase) in Short term loans & advances	61.06	(52.27)	(101.30)	(9.85)	37.74
Increase / (Decrease) in Other Long term Liabilities	10.06	10.63	11.65	1.18	9.13
Increase / (Decrease) in Other Current Assets	112.77	(118.77)	15.24	(10.24)	2.31
<b>Cash Generated from Operation</b>	<b>683.88</b>	<b>(29.26)</b>	<b>563.08</b>	<b>(123.84)</b>	<b>392.17</b>
Direct Taxes Paid (Net of Refunds)	(166.03)	(68.32)	(57.18)	(19.41)	(15.25)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>517.84</b>	<b>(97.57)</b>	<b>505.90</b>	<b>(143.26)</b>	<b>376.93</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Purchase of Fixed Assets	(346.14)	(317.16)	(263.75)	(219.27)	(312.10)
Proceeds from Sale of Fixed Assets	0.08	-	-	-	-
Purchase of Non Current Investments	(185.00)	-	-	-	-
Chit Dividend Income			0.15	2.23	5.35
(Increase) / Decrease in long term loans and advances	(58.93)	(11.46)	23.94	(2.04)	(6.30)
<b>Net Cash Flow from Investing Activities</b>	<b>(589.99)</b>	<b>(328.62)</b>	<b>(239.65)</b>	<b>(219.08)</b>	<b>(313.04)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Increase / (Decrease) in Short term borrowings	489.05	546.24	(79.86)	551.43	(80.75)
Proceeds from issue of share capital	-	26.00	-	-	23.10
(Repayment)/Proceeds of Long-Term Borrowings	(203.19)	33.37	4.52	(38.69)	(10.70)
Finance Cost	(233.15)	(196.22)	(162.53)	(159.50)	(109.71)
Decrease / (Increase) in Other Current Assets	8.96	(4.78)	(2.53)	7.10	59.58
<b>Net Cash Flow from Financing Activities</b>	<b>61.66</b>	<b>404.60</b>	<b>(240.39)</b>	<b>360.34</b>	<b>(118.47)</b>

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Net Increase/ (Decrease in Cash and Cash Equivalents	(10.48)	(21.59)	25.85	(2.00)	(54.58)
Cash and Cash Equivalents at the beginning of the year	31.50	53.08	27.23	29.23	83.82
Cash and Cash Equivalents at the end of the year	21.01	31.50	53.08	27.23	29.23

## THE ISSUE

### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

<b>Equity Shares Offered<sup>(1)</sup>:</b> Present Issue of Equity Shares by our Company and the Selling Shareholder <sup>(2)</sup> :	Up to 42,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs.
<b>Consisting of:</b>	
<b>Fresh Issue</b>	Up to 29,50,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
<b>Offer for Sale to the Public</b>	12,50,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
<b>Which Comprises:</b>	
<b>Issue Reserved for the Market Maker</b>	Up to 2,28,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
<b>Net Issue to the Public</b>	Up to 39,72,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
	<b>Of which<sup>(3)</sup>:</b>
	Up to 19,86,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	Up to 19,86,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	1,25,40,548 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	Up to 1,54,90,548 Equity Shares
<b>Objects of the Issue</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 71 of this Draft Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page no. 243 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated September 25, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on September 26, 2018.

<sup>(3)</sup> The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated September 24, 2018 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares Offered
1	Mr. Sambasivarao Yeluri	12,50,000
	<b>Total</b>	<b>12,50,000</b>

The Selling Shareholder have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

<sup>(3)</sup> This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The allocation’ is the net issue to the public category shall be made as follows:

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*a) Minimum fifty percent to retail individual investors; and*

*b) Remaining to*

*(i) Individual applicants other than retail individual investors; and*

*(ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for*

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

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

*For further details please refer to the chapter titled “Issue Structure” beginning on page no. 249 of this Draft Prospectus.*



## GENERAL INFORMATION

Our Company was incorporated as Nova Agritech Private Limited on May 09, 2007 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No.053901. The status of our Company was changed to a public limited company and the name of our Company was changed to Nova Agritech Limited by a special resolution passed on September 08, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on September 24, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U01119TG2007PLC053901.

For further details, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page no. 127 of this Draft Prospectus.

## BRIEF COMPANY AND ISSUE INFORMATION

<b>Registered Office</b>	<b>Address:</b> Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally Secunderabad, Telangana – 500 011 <b>Tel No:</b> +91 – 40 – 2795 7081/ 82 <b>Email:</b> <a href="mailto:cs@novaagritech.com">cs@novaagritech.com</a> <b>Website:</b> <a href="http://www.novaagritech.com">www.novaagritech.com</a>
<b>Date of Incorporation</b>	May 09, 2007
<b>Company Registration No.</b>	053901
<b>Company Identification No.</b>	U01119TG2007PLC053901
<b>Address of Registrar of Companies</b>	<b>Address:</b> 2 <sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068. <b>Tel No.:</b> +91 – 40 - 2980 5427/ 3827/ 1927 <b>Fax No.:</b> +91 – 40 - 2980 3727
<b>Issue Programme</b>	Issue Opens on: [●] Issue Closes on: [●]
<b>Designated Stock Exchange</b>	National Stock Exchange of India Limited
<b>Company Secretary &amp; Compliance Officer</b>	<b>Mrs. Samaleti Padmasri</b> <b>Address:</b> Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally Secunderabad, Telangana – 500 011 <b>Tel No:</b> +91 – 40 – 2795 7081/ 82 <b>Email:</b> <a href="mailto:cs@novaagritech.com">cs@novaagritech.com</a>

## BOARD OF DIRECTORS OF OUR COMPANY

The following table sets forth the Board of Directors of our Company:

Name	Designation	Director's Identification No.
Mr. Kiran Kumar Atukuri	Managing Director	08143781
Mr. Sreekanth Yenigalla	Executive Director (Marketing)	07228577
Mr. Nadella Basanth Kumar	Executive Director (Technical)	08139510
Mrs. Sonali Chowdhary	Independent Director	08156888
Mr. Srinivasa Rao Vesangi	Independent Director	01647556
Mr. Ramesh Babu Nemani	Independent Director	08089820

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled "Our Management" beginning on page no. 134 of this Draft Prospectus.

*Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the Application process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB where the Application Form was submitted by the Applicants.*

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

### LEAD MANAGER TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001  
**Tel. No.:** +91 – 22 – 6216 6999  
**Fax No.:** +91 – 22 – 2263 0434  
**Website:** [www.afsl.co.in](http://www.afsl.co.in)  
**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
**Investor Grievance Email:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
**Contact Person:** Mr. Vimal Maniyar/ Mr. Sumit Gupta  
**SEBI Registration No.:** INM000011344

### REGISTRAR TO THE ISSUE



**BIGSHARE SERVICES PRIVATE LIMITED**  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai – 400 059  
**Tel:** +91 – 22 – 6263 8200  
**Fax:** +91 – 22 – 6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Mr. Babu Raphael  
**SEBI Registration No.:** INR000001385

### LEGAL COUNSEL TO THE ISSUE

**Y. SURYANARAYANA (ADVOCATE)**  
Nirmal Towers 200, Flat No. 106,  
Dwarkapuri Colony, Punjagutta,  
Hyderabad- 500 082  
**Tel No.:** +91- 40 - 2335 0486  
**Email:** [suryacorporatelawyer@gmail.com](mailto:suryacorporatelawyer@gmail.com)  
**Contact Person:** Mr. Y. Suryanarayana

### STATUTORY AUDITOR OF THE COMPANY

**NSVR & ASSOCIATES LLP, CHARTERED ACCOUNTANTS**  
(Formerly known as Nekkanti Srinivasu & co)  
Flat No. 101, Nestcon Gayatri, Plot No. 28,  
Panchavati Co-operative Society, Near South Indian Bank,  
Road No. 10, Banjara Hills, Hyderabad – 500 034  
**Tel No.:** +91- 40 – 2331 9833  
**Email:** [info@nsvr.in](mailto:info@nsvr.in)  
**Contact Person:** Mr. P. Venkata Ratnam

### BANKER(S) TO OUR COMPANY

[•]

### BANKER(S) TO THE ISSUE

[•]

## **SELF CERTIFIED SYNDICATE BANKS**

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

## **BROKERS TO THIS ISSUE**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at NSE Limited, as updated from time to time.

## **REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS**

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 Stock Exchange at NSE Limited, 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 Exchange at NSE Limited, 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)) and updated from time to time.

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

Aryaman Financial Services Limited is the Sole Lead Manager to this Issue, and hence is responsible for all the Issue management related activities.

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this issue.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

## **IPO GRADING**

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

## **TRUSTEES**

This being an Issue of Equity Shares, the appointment of trustees is not required.

## DETAILS OF THE APPRAISING AUTHORITY

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

## CREDIT RATING

This being an Issue Equity Shares, credit rating is not required.

## EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely, M/s. NSVR & Associates LLP, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated September 25, 2018 and the Statement of Tax Benefits dated September 25, 2018, issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 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 U.S. Securities Act.

## ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / 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, the Selling Shareholder 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, 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 any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants 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 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this 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 Selling Shareholder, 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 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 Applicants 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 or the electronic 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 SCSB or the member of the Syndicate for rectified data.

## UNDERWRITING

This Issue is 100% Underwritten. The Underwriting agreement is dated September 27, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amt Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
<b>Aryaman Financial Services Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:ipo@afsl.co.in">ipo@afsl.co.in</a>	Up to 39,72,000	[●]	94.57%
<b>Aryaman Capital Markets Limited</b> 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 – 22 – 6216 6999 <b>Fax No.:</b> +91 – 22 – 2263 0434 <b>Email:</b> <a href="mailto:aryacapm@gmail.com">aryacapm@gmail.com</a>	Up to 2,28,000	[●]	5.43%
<b>Total</b>	<b>Up to 42,00,000</b>	[●]	<b>100.00%</b>

As per Regulation 106 P (2) of SEBI (ICDR) Regulations, 2009, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

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

## WITHDRAWAL OF THE ISSUE

Our Company and the Selling Shareholder, 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. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two 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 to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also 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 Stock Exchange, which our Company shall apply for after Allotment. If our Company and the Selling Shareholder withdraws the Issue 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.

**ARYAMAN CAPITAL MARKETS LIMITED**

60, Khatau Building, Gr. Floor,  
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),  
Fort, Mumbai – 400 001

**Tel. No.:** +91 – 22 – 6216 6999

**Fax No.:** +91 – 22 – 2263 0434

**Email:** [aryacapm@gmail.com](mailto:aryacapm@gmail.com)

**Contact Person:** Mr. Harshad Dhanawade

**SEBI Registration No.:** INZ000004739

**Details of the Market Making Arrangement for this Issue**

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement September 27, 2018 with Aryaman Capital Markets Limited (“ACML”), a Market Maker registered with Emerge Platform of National Stock Exchange of India Limited in order to fulfil the obligations of Market Making and ACML has given its consent for inclusion of its name in the Draft Prospectus as Market Maker.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. 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 offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of National Stock Exchange of India Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of National Stock Exchange of India Limited and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. 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 or 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.
8. 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.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another



Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

10. **Risk containment measures and monitoring for Market Maker:** Emerge Platform of National Stock Exchange of India 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.
11. **Punitive Action in case of default by Market Maker:** Emerge Platform of National Stock Exchange of India Limited will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

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

## CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	2,00,00,000 Equity Shares of face value of ₹ 10 each	2,000.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	1,25,40,548 Equity Shares of face value of ₹ 10 each	1,254.05	-
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Issue of up to 42,00,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per equity Share	420.00	[●]
	<b>Consisting of:</b>		
	Fresh Issue of up to 29,50,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share	295.00	[●]
	Offer for Sale of 12,50,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share	125.00	[●]
	<b>Which comprises:</b>		
	Up to 2,28,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	22.80	[●]
	Net Issue to Public of up to 39,72,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share to the Public	397.20	[●]
	<b>Of which<sup>(2)</sup>:</b>		
	Up to 19,86,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	198.60	[●]
	Up to 19,86,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	198.60	[●]
<b>D</b>	<b>Equity Share Capital after the Issue</b>		
	Up to 1,54,90,548 Equity Shares of ₹ 10 each	1,549.05	
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Prospectus)	Nil	
	After the Issue		[●]

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated September 25, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholder held with a shorter notice on September 26, 2018.

<sup>(2)</sup> The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated September 24, 2018 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares Offered
1	Mr. Sambasivarao Yeluri	12,50,000
	<b>Total</b>	<b>12,50,000</b>

The Selling Shareholder have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

<sup>(2)</sup> 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.

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

### Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorised share capital of ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each was increased to ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on January 27, 2010.
2. Increase in authorised capital from ₹ 25,00,000 divided into 2,50,000 shares of ₹ 10 each to ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on March 19, 2012.
3. Increase in authorised capital from ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each to ₹ 1,00,00,000 divided into 10,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on November 21, 2013.
4. Increase in authorised capital from ₹ 1,00,00,000 divided into 10,00,000 equity shares of ₹ 10 each to ₹ 4,00,00,000 divided into 40,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on June 16, 2014
5. Increase in authorised capital from ₹ 4,00,00,000 divided into 40,00,000 equity shares of ₹ 10 each to ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on April 20, 2016
6. Increase in authorised capital from ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 each to ₹ 20,00,00,000 divided into 2,00,00,000 equity shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on March 14, 2018.

### NOTES TO THE CAPITAL STRUCTURE

#### 1) Share Capital History of our Company:

##### a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	10	10	Subscription to MoA	Cash	10,000	1,00,000	Nil
March 25, 2010	1,55,000	10	10	Further Allotment	Cash	1,65,000	16,50,000	Nil
March 31, 2010	83,500	10	100	Further Allotment	Cash	2,48,500	24,85,000	75,15,000
March 31, 2012	40,000	10	125	Further Allotment	Cash	2,88,500	28,85,000	1,21,15,000
November 11, 2013	1,44,250	10	10	Further Allotment	Cash	4,32,750	43,27,500	1,21,15,000

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
March 29, 2014	12,98,250	10	Nil	Bonus Allotment <sup>(1)</sup>	Other than Cash	17,31,000	1,73,10,000	Nil
March 25, 2017	6,25,676	10	37	Right Issue <sup>(2)</sup>	Cash	23,56,676	2,35,66,760	1,68,93,252
June 21, 2017	7,78,461	10	58	Further Allotment <sup>(3)</sup>	Cash	31,35,137	3,13,51,370	5,42,59,380
March 20, 2018	94,05,411	10	Nil	Bonus Allotment <sup>(4)</sup>	Other than Cash	1,25,40,548	12,54,05,480	Nil

<sup>(1)</sup> Pursuant to Board Meeting held on March 29, 2014 our Company has allotted 12,98,250 bonus shares to all the shareholders of the Company in the ratio of 3:1 i.e. 3 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

<sup>(2)</sup> Pursuant to Board Meeting held on March 25, 2017 our Company has allotted 6,25,676 equity shares in the ratio of 2:1 under right issue.

<sup>(3)</sup> Pursuant to Board Meeting held on June 21, 2017, our Company has issued 7,78,461 equity shares against unsecured loan and outstanding amount of sundry creditors.

<sup>(4)</sup> Pursuant to Board Meeting held on March 20, 2018 our Company has allotted 94,05,411 bonus shares to all the shareholders of the Company in the ratio of 3:1 i.e. 3 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

b) Our Company has not issued any Equity Shares for consideration other than cash except for the Equity Shares as mentioned under:

Date of Allotment	No. of Equity Shares	FV (₹)	Issue Price (₹)	Nature of Allotment	Allotted Person	Benefits Accrued to the Company
March 29, 2014	12,98,250	10	Nil	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	Expansion of capital
March 20, 2018	94,05,411	10	Nil	Bonus Allotment	Allotted to all the Shareholders of the Company as on the date of allotment	Expansion of capital

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.

e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Prospectus except as mentioned below:

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
March 29, 2014	Mr. Sambasivarao Yeluri	5,73,000	10	Nil	Bonus Allotment <sup>(1)</sup>
	Suraksha Agri Retails India Private Limited	3,75,750			
	Mrs. Malathi Yeluri	1,35,000			
	Yeluri Sambasiva Rao (HUF)	94,500			
	Ms. Lalitha Bai Katgi	12,000			
	Ms. Manjudevi Agarwal	12,000			
	Mr. Murlidhar Kumar	12,000			
	Mr. Sri Hari Gaddam	12,000			
	Mr. Sudhakar Hupale	12,000			
	Mr. Neeraj Sharma	12,000			
	Mr. Baliram Nigadale	12,000			
	Mr. Pavan Kumar Sharma	12,000			
Mr. Shiv Kumar Katgi	12,000				

Date of Allotment	Name of the Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
	Mr. Prasanth Kumar	12,000			
March 20, 2018	Mr. Sambasivarao Yeluri	42,92,154	10	Nil	Bonus Allotment <sup>(2)</sup>
	Suraksha Agri Retails India Private Limited	17,90,979			
	Mrs. Malathi Yeluri	12,63,243			
	Mr. N Venkata Subba Rao	5,94,828			
	Mr. K Samba Siva Rao	5,68,965			
	Mr. G Santosh Chander	5,17,242			
	Yeluri Sambasiva Rao (HUF)	3,78,000			

<sup>(1)</sup> Pursuant to Board Meeting held on March 29, 2014 our Company has allotted 12,98,250 bonus shares to all the shareholders of the Company in the ratio of 3:1 i.e. 3 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

<sup>(2)</sup> Pursuant to Board Meeting held on March 20, 2018 our Company has allotted 94,05,411 bonus shares to all the shareholders of the Company in the ratio of 3:1 i.e. 3 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

f) Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
<b>Mr. Sambasivarao Yeluri</b>									
On Incorporation	Subscription to MOA	Cash	9,000	10	10	9,000	0.07%	-	NA <sup>(1)</sup>
March 25, 2010	Further Allotment	Cash	1,05,000	10	10	1,14,000	0.84%	-	NA <sup>(1)</sup>
November 11, 2013	Further Allotment	Cash	77,000	10	10	1,91,000	0.61%	-	NA <sup>(1)</sup>
March 29, 2014	Bonus Allotment <sup>(2)</sup>	Other than Cash	5,73,000	10	Nil	7,64,000	4.57%	-	NA <sup>(1)</sup>
March 25, 2017	Right Issue <sup>(3)</sup>	Cash	29,730	10	37	7,93,730	0.24%	-	NA <sup>(1)</sup>
May 20, 2017	Transfer	Cash	4,56,270	10	58	12,81,568	3.64%	-	NA <sup>(1)</sup>
			31,568				0.25%	0.20%	1 Year
June 22, 2017	Transfer	Cash	1,49,150	10	58	14,30,718	1.19%	0.96%	1 Year
March 20, 2018	Bonus Allotment <sup>(4)</sup>	Other than Cash	19,24,000	10	Nil	57,22,872	15.34%	12.42%	3 Years
			23,68,154				18.88%	15.29%	1 Year
<b>Mrs. Malathi Yeluri</b>									
March 25, 2010	Further Allotment	Cash	30,000	10	10	30,000	0.24%	0.19%	3 Years
November 11, 2013	Further Allotment	Cash	15,000	10	10	45,000	0.12%	0.10%	3 Years
March 29, 2014	Bonus Allotment <sup>(2)</sup>	Other than Cash	1,35,000	10	Nil	1,80,000	1.08%	0.87%	3 Years
March 25, 2017	Right Issue <sup>(3)</sup>	Cash	27,027	10	37	2,07,027	0.22%	0.17%	3 Years
May 20, 2017	Transfer	Cash	2,14,054	10	58	4,21,081	1.71%	1.38%	1 Year
March 20, 2018	Bonus Allotment <sup>(4)</sup>	Other than Cash	5,92,973	10	Nil	16,84,324	4.73%	3.83%	3 Years
			6,70,270				5.34%	4.33%	1 Year
<b>Yeluri Sambasiva Rao (HUF)</b>									
December 02, 2013	Transfer	Cash	21,000	10	10	21,000	0.17%	0.14%	3 Years
November 11, 2013	Further Allotment	Cash	10,500	10	10	31,500	0.08%	0.07%	3 Years

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
March 29, 2014	Bonus Allotment <sup>(2)</sup>	Other than Cash	94,500	10	Nil	1,26,000	0.75%	0.61%	3 Years
March 20, 2018	Bonus Allotment <sup>(4)</sup>	Other than Cash	3,24,000	10	Nil	5,04,000	2.58%	2.09%	3 Years
			54,000				0.43%	0.35%	1 Year

<sup>(1)</sup> Out of total holding of Mr. Sambasivarao Yeluri, shares aggregating to 12,50,000 Equity Shares are offered for Sale through this Draft Prospectus

<sup>(2)</sup> Pursuant to Board Meeting held on March 29, 2014 our Company has allotted 12,98,250 bonus shares to all the shareholders of the Company in the ratio of 3:1 i.e. 3 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

<sup>(3)</sup> Pursuant to Board Meeting held on March 25, 2017 our Company has allotted 6,25,676 equity shares in the ratio of 2:1 under right issue.

<sup>(4)</sup> Pursuant to Board Meeting held on March 20, 2018 our Company has allotted 94,05,411 bonus shares to all the shareholders of the Company in the ratio of 3:1 i.e. 3 new equity shares for every 1 equity share held to the shareholders, by way of capitalization of free reserve of the Company.

#### Notes:

- None of the shares belonging to our Promoters have been pledged till date.
  - The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page no. 60 of this Draft Prospectus.
  - 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.
  - All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.
- g) None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus
- h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

## 2) Promoters' Contribution and other Lock-In details:

### i. Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoter shall be considered as promoters' contribution ("Promoters' Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares locked in <sup>(1)</sup>	As a % of Post Issue Share Capital
Mr. Sambasivarao Yeluri	19,24,000	12.24%
Mrs. Malathi Yeluri	8,00,000	5.16%
Yeluri Sambasiva Rao (HUF)	4,50,000	2.90%
<b>Total</b>	<b>31,74,000</b>	<b>20.49%</b>



<sup>(1)</sup>For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 1(f) under “Notes to Capital Structure” on page no. 61 of this Draft Prospectus.

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoters’ Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters’ Contribution subject to lock-in.

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

**We further confirm that our Promoters’ Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.**

*ii. Details of Shares locked-in for one year*

- a) Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters’ Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.
- b) Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- c) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- d) Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

### 3) Pre-Issue and Post Issue Shareholding of our Promoters and Promoters' Group

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

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post- Issue Paid Up Capital
<b>1. Promoter</b>				
Mr. Sambasivarao Yeluri	57,22,872	45.63%	44,72,872	28.87%
Mrs. Malathi Yeluri	16,84,324	13.43%	16,84,324	10.87%
Yeluri Sambasiva Rao (HUF)	5,04,000	4.02%	5,04,000	3.25%
<b>2. Promoters Group (as defined by SEBI (ICDR) Regulations)</b>				
Suraksha Agri Retails India Private Limited	23,87,972	19.04%	23,87,972	15.42%
<b>3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Draft Prospectus under the heading "Shareholding of the Promoter Group".</b>	-	-	-	-
<b>Total Promoter &amp; Promoter Group Holding</b>	<b>1,02,99,168</b>	<b>82.13%</b>	<b>90,49,168</b>	<b>58.42%</b>
<b>Total Paid up Capital</b>	<b>1,25,40,548</b>	<b>100.00%</b>	<b>1,54,90,548</b>	<b>100.00%</b>

### 4) Details of Offer for Sale

The following are the details of the Equity Shares being offered as part of the Offer for Sale:

Sr. No.	Name of Selling Shareholder	Total Number of Equity Shares currently held	Number of Equity Shares offered for the Offer for Sale
1	Mr. Sambasivarao Yeluri	57,22,872	12,50,000

For details of Build of Mr. Sambasivarao Yeluri, please see the build-up of shareholding of our Promoter under point 1(f) of the Notes to Capital Structure on page no. 61 of this Draft Prospectus.

### 5) The top ten shareholders of our Company and their Shareholding is as set forth below:

a) The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Mr. Sambasivarao Yeluri	57,22,872	45.63%
2	Suraksha Agri Retails India Private Limited	23,87,972	19.04%
3	Mrs. Malathi Yeluri	16,84,324	13.43%
4	Mr. N Venkata Subba Rao	7,93,104	6.32%
5	Mr. K Samba Siva Rao	7,58,620	6.05%
6	Mr. G Santosh Chander	6,89,656	5.50%
7	Yeluri Sambasiva Rao (HUF)	5,04,000	4.02%
	<b>Total</b>	<b>36,71,500</b>	<b>100.00%</b>

b) The top ten Shareholders of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Mr. Sambasivarao Yeluri	57,22,872	45.63%
2	Suraksha Agri Retails India Private Limited	23,87,972	19.04%
3	Mrs. Malathi Yeluri	16,84,324	13.43%
4	Mr. N Venkata Subba Rao	7,93,104	6.32%
5	Mr. K Samba Siva Rao	7,58,620	6.05%
6	Mr. G Santosh Chander	6,89,656	5.50%
7	Yeluri Sambasiva Rao (HUF)	5,04,000	4.02%
	<b>Total</b>	<b>36,71,500</b>	<b>100.00%</b>

c) The top ten Shareholders of our Company two years prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Capital
1	Mr. Sambasivarao Yeluri	7,64,000	44.14%
2	Suraksha Agri Retails India Private Limited	5,01,000	28.94%
3	Mrs. Malathi Yeluri	1,80,000	10.40%
4	Yeluri Sambasiva Rao (HUF)	1,26,000	7.28%
5	Ms. Lalitha Bai Katgi	16,000	0.92%
	Ms. Manjudevi Agarwal	16,000	0.92%
	Mr. Murlidhar Kumar	16,000	0.92%
	Mr. Sri Hari Gaddam	16,000	0.92%
	Mr. Sudhakar Hupale	16,000	0.92%
	Mr. Neeraj Sharma	16,000	0.92%
	Mr. Baliram Nigadale	16,000	0.92%
	Mr. Pavan Kumar Sharma	16,000	0.92%
	Mr. Shiv Kumar Katgi	16,000	0.92%
	Mr. Prasanth Kumar	16,000	0.92%
	<b>Total</b>	<b>17,31,000</b>	<b>100.00%</b>

- 6) Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- 7) None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page no. 134 of this Draft Prospectus.
- 8) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page no. 252 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
- 9) 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.
- 10) An over-subscription to the extent of 10% of the Fresh 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% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 11) 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
- 12) 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.
- 13) 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.
- 14) As on date of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
- 15) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

- 16)** Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
- 17)** Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
- 18)** We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
- 19)** As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 20)** Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 21)** Except for the sale of Equity Shares by some of the members of our Promoters in the Issue, our Promoters, Promoter Group, Group Companies will not participate in the Issue.
- 22)** The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 23)** Our Company has Seven (7) shareholders, as on the date of this Draft Prospectus.
- 24)** Our Company has not revalued its assets and we do not have any revaluation reserves till date.
- 25)** Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

## 26) Shareholding pattern of our Company

The following is the shareholding pattern of the Company as on the date of this Draft Prospectus

Category (I)	Category of Share-holder (II)	No. of Share-holder (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 Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a% of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a %of(A+B+C)			No (a)	As a %of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Classes	Total								
(A)	Promoter & Promoter Group	4	1,02,99,168	-	-	1,02,99,168	82.13%	1,02,99,168	-	1,02,99,168	82.13%	-	82.13%	-	-	-	-	-
(B)	Public	3	22,41,380	-	-	22,41,380	17.87%	22,41,380	-	22,41,380	17.87%	-	17.87%	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>1,25,40,548</b>	<b>-</b>	<b>-</b>	<b>1,25,40,548</b>	<b>100.00%</b>	<b>1,25,40,548</b>	<b>-</b>	<b>1,25,40,548</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Public Shareholders holding more than 1% of the pre-issue paid-up capital of our Company

<b>Sr. No.</b>	<b>Particulars</b>	<b>No. of Shares</b>	<b>% of Shares Pre-Issue Share Capital</b>
1	Mr. N Venkata Subba Rao	7,93,104	6.32%
2	Mr. K Samba Siva Rao	7,58,620	6.05%
3	Mr. G Santosh Chander	6,89,656	5.50%
	<b>Total</b>	<b>22,41,380</b>	<b>39.37%</b>



## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

#### *The Offer for Sale*

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

#### *The Fresh Issue*

The Objects of the Fresh Issue is to raise funds for:

- (a) Funding Long Term Working Capital Requirement; and
- (b) Funding expenditure for General Corporate Purposes.

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

#### **Fresh Issue Proceeds & Net Fresh Issue Proceeds**

The details of the proceeds of the Fresh Issue are set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Gross Proceeds from the Fresh Issue	[●]
2	Company's share of Issue related Expenses <sup>(1)(2)</sup>	[●]
	Net Proceeds from the Fresh Issue	[●]

<sup>(1)</sup> Except for the Listing fees and Market making fees, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed / issued in the Issue.

<sup>(2)</sup> The Issue expenses are estimated expenses and subject to change.

#### **Requirement of Funds and Means of Finance**

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

We intend to utilise the Net Proceeds of the Fresh Issue ("Net Proceeds") of ₹ [●] lakhs for financing the objects as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Funding Long Term Working Capital Requirement	[●]
2	Expenditure for General Corporate Purposes	[●]
	<b>Total</b>	[●]

The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

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

variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

In case of delays in raising funds from the Fresh Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Fresh Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page no. 12 of this Draft Prospectus.

## DETAILS OF THE FUND REQUIREMENTS

### 1. Funding Long Term Working Capital Requirements:

#### Working Capital Cycle:

We operate as a manufacturer of various Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products like Pheromone Traps, Lures, Mulch and Pro-Trays, to name a few, providing comprehensive agriculture technology solutions . Our manufactured products are sold under our own brands, namely, Nova.

Our operational infrastructure for manufacture of agricultural technology solution products is working capital intensive and involves maintaining inventory and debtors at levels that may not be in terms with the industry standards. Further, we have a large variety of products which are sold to various farmers and thus our payment cycle involves credit risk due to uncertainty of agricultural output of each farmer and differential payment terms with different customers.

Due to intense competition in this industry, from the organised as well from the unorganised sector, we cannot always dictate payment terms with our customers and suppliers. Also, majority of our customers are farmers, because of which our current credit period is considerably high and not uniform for different customers. Further, recent volatility in the global economy and the subsequent volatility of economic activity in India, especially in the bio-fertilizer and related industry, we are required to maintain higher stocks of raw materials, semi-finished goods and finished goods to cater to last minute demands, to shield ourselves from the volatile pricing and to stay ahead of competition. This is one of the major reasons for increase in our working capital requirements.

#### Basis of estimation of working capital requirement and estimated working capital requirement

(₹ in lakhs)

Sr. No.	Particulars	Holding Levels (days)	Period ended March 31, 2018	Holding Levels (days)	Estimated for period ended 2018-19
<b>I.</b>	<b>Current Assets:</b>				
1.	Inventories	126	2,685.47	175	3,500.00
2.	Trade Receivables	120	3,704.63	135	5,000.00
3.	Loans & Advances and Other Current Assets		93.67		300.00
	<b>Total Current Assets (A)</b>		<b>6,483.77</b>		<b>8,800.00</b>
<b>II.</b>	<b>Current Liabilities</b>				
1.	Trade Payables	190	3,128.95	175	3,100.00
2.	Other Current Liabilities		509.37		440
	<b>Total Current Liabilities (B)</b>		<b>3,638.32</b>		<b>3,540.00</b>
<b>III.</b>	<b>Total Working Capital Gap (A – B)</b>		<b>2,845.45</b>		<b>5,260.00</b>
<b>IV.</b>	<b>Funding Pattern:</b>				
1.	Working Capital Facilities from Banks <sup>(1)</sup>		2,003.03		2,400.00
2.	Internal Accruals / Owned Funds		842.42		●
3.	Part of the Net proceeds to be utilised		-		●

<sup>(1)</sup> For details of the sanctioned limits, please refer the chapter “Financial Indebtedness” on page no. 213 of this Draft Prospectus.

Hence, our Company proposes to utilise ₹ [●] lakhs of the Net Fresh Issue Proceeds towards working capital requirements for meeting our future business requirements.

#### Justification for “Holding Period” levels

<b>Inventories</b>	The Company expects its inventory portfolio to be greater with the increasing scale of operations, greater awareness among farmers regarding crop protection and increasing use of technology in agricultural production in India. The Company expects that it will have to keep the stock of various micronutrients, bio stimulants, pro-trays and other agri-solution products, including the required raw material for manufacture of the same, in line with the estimated requirement of its customers. The Company plans to hold optimum inventory for regular products and keep inventory for products with specific demand. Hence the inventory holding period has been estimated to be higher in the fiscal 2018-19 upto a period of 175 days.
<b>Trade Receivables</b>	With increasing sales to various farmers, our Company estimates that higher credit period will be required to be given to such farmers in order to compete in the market. Also, the credit period given to different farmers / customers, varies with various factors like quantity purchased, credit history of the farmer, Government obligations, etc. Due to this, we estimate the average credit period to be considerably higher in the fiscal 2018-19, i.e. to be the range of approximately 135 days.
<b>Creditors</b>	Trade Payables are mainly for raw materials, including organic and chemical components. With the increasing competition, we face challenges in the form of maintaining good relations with our suppliers, maintaining regular supply of materials and also in negotiating better prices. To avail the raw material in the quantity, quality and variety as required on a regular basis or even on shorter notice basis, we need to maintain good relations with our suppliers. We believe that reducing our current high payment timelines will aid us in improving our terms with our suppliers and hence we estimate the level of creditor’s period to lower in the fiscal 2018-19 to approximately 175 days.

#### 2) General Corporate Purposes

We propose to deploy ₹ [●] lakhs, aggregating to [●]% of the Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board.

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 Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

#### ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees (1 <sup>st</sup> year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]	[●]
2	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs <sup>(1)(2)(3)(4)</sup>	[●]	[●]	[●]
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	[●]	[●]	[●]
4	Listing Fees, Market Regulatory & Other Expenses	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]

<sup>(1)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ 10 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup> The SCSBs would be entitled to processing fees of ₹ 10 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(4)</sup> The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

### **Appraisal and Bridge Loans**

The Objects of the Issue and deployment of Fresh Issue funds have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Fresh Issue Proceeds.

### **Year wise Deployment of Funds / Schedule of Implementation**

As on the date of this Draft Prospectus, no funds have been deployed for these objects, as proposed, from the Net proceeds of the Fresh Issue. The entire Fresh Issue is proposed to be deployed in the Financial Year 2018 – 19.

### **Monitoring of Utilization of Funds**

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Fresh Issue Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

### **Interim Use of Funds**

Pending utilization of the Net Fresh Issue Proceeds for the purposes described above, our Company will deposit the Net Fresh Issue Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Fresh Issue Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

No part of the Net Proceeds of the Fresh Issue will be paid by our Company as consideration to our Promoter, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business and in compliance with applicable law.

## BASIC TERMS OF THE ISSUE

### Terms of the Issue

The Equity Shares, now being issued, are subject to the terms and conditions of this Draft Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, NSE, RBI, ROC and / or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

### Approval for the Issue

The present Issue has been authorized pursuant to a resolution of our Board dated September 25, 2018 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on September 26, 2018.

The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated September 24, 2018 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares Offered
1	Mr. Sambasivarao Yeluri	12,50,000
	<b>Total</b>	<b>12,50,000</b>

The Selling Shareholder have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale

### Other Details

<b>Face Value</b>	The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
<b>Issue Price</b>	The Equity Shares pursuant to this Draft Prospectus are being issued at a price of ₹ [●] each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
<b>Terms of Payment</b>	Applications should be for a minimum of [●] equity shares and in multiples of [●] equity shares thereafter. The entire Issue Price of the equity shares of ₹ [●] per share is payable on application.  In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded / unblocked to the applicants.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari - passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

### Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.



If we do not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest prescribed under the applicable provisions of the Companies Act, 2013.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Selling Shareholder and the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 120 per Equity Shares and is 12 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 12, 157 and 96 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

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ Well experienced promoters and management team with proven project management and implementation skills
- ✓ Well Equipped Research & Development facility
- ✓ Quality Assurance
- ✓ Low labour cost
- ✓ Strong In-house Marketing, Distribution channels and Global distribution network
- ✓ Product Mix
- ✓ Cost effective production and timely fulfilment of orders
- ✓ Fully Integrated Manufacturing Facilities

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Business Overview – Our Strengths” on page no. 97 of this Draft Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from restated financial statements prepared in accordance with Indian GAAP.

#### 1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weight
2018	5.40	3
2017	3.04	2
2016	1.61	1
<b>Weighted Average</b>		<b>3.98</b>

<sup>(1)</sup> Based on Standalone Restated Financials of our Company

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weight
2018	5.40	1
<b>Weighted Average</b>		<b>5.40</b>

<sup>(1)</sup> Based on Consolidated Restated Financials of our Company

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year / period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year / period}}$$

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006

**2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ [●] per share of ₹ 10 each**

Particulars	Standalone	Consolidated
P/E ratio based on Basic and Diluted EPS as at March 31, 2018	[●]	[●]
P/E ratio based weighted average EPS	[●]	[●]

Industry P/E	
Highest – Bharat Agri Fert & Realty Limited	114.9
Lowest – Gujarat Narmada Valley Fertilisers & Chemicals	6.80
Industry Average	12.10

(Source: Capital Market, Vol. XXXIII/16, Sep 24 – Oct 07, 2018; Segment: Fertilizers)

**3) Return on Net Worth (RoNW)**

**Standalone**

Year ended March 31,	RoNW (%)	Weight
2018	29.84%	3
2017	20.13%	2
2016	18.33%	1
<b>Weighted Average</b>	<b>24.69%</b>	

**Consolidated**

Year ended March 31,	RoNW (%)	Weight
2018	29.04%	1
<b>Weighted Average</b>	<b>29.04%</b>	

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit /loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

- 4) Minimum Return on Net Worth (RoNW) after the Issue needed to maintain the Pre – Issue Basic & Diluted EPS (Standalone) of ₹ [●] and Pre – Issue Basic & Diluted EPS (Consolidated) of ₹ [●] for the FY 2016-17 (based on Restated Financials) at the Issue Price of ₹ [●] is [●]% and ₹ [●] is [●]% respectively.

**5) Net Asset Value (NAV)**

Financial Year	Standalone	Consolidated
NAV as at March 31, 2018	₹ 17.10	₹ 17.55
NAV after Issue	₹ [●]	₹ [●]
Issue Price	₹ [●]	₹ [●]

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

## 6) Comparison with Industry Peers

Particulars	Face Value ( ₹ )	EPS ( ₹ )	P/E Ratio <sup>(2)</sup>	RONW (%)	NAV ( ₹ )
Aries Agro Limited	10.00	10.88	16.20	9.73%	112.42
Zuari Agro Chemicals Limited	10.00	9.97	48.20	4.18%	162.97
Coromandel International Limited	1.00	22.57	23.20	19.42%	108.47
<i>Source: Company Financial Results for the F.Y. 2017-18 on BSE Ltd.</i>					
Nova Agritech Limited	10.00	5.40	[•]	29.84%	17.10

*Source: Restated Financials for March 31, 2018*

<sup>(1)</sup> All Peer Comparison is for Financials on Standalone Basis.

<sup>(2)</sup> Based on Closing Prices as on March 31, 2018

- 7) The Company and the Selling Shareholder in consultation with the Lead Manager believes that the Issue price of ₹ [•] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [•] times of the face value i.e. ₹ [•] per share.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors,**  
**Nova Agritech Limited,**  
Plot No: 57, Hanuman Nagar, Chinnatokattu,  
New Bowenpally, Secunderabad – 500 011

Dear Sirs,

**Subject: Statement of Possible Special Tax Benefits available to Nova Agritech Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Offer of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘Regulations’)**

We hereby report that the enclosed annexure prepared by Nova Agritech Limited, states the possible special tax benefits available to Nova Agritech Limited (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Issue”) by the Company.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Issue, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other Issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**FOR NSVR & ASSOCIATES LLP,**  
(Formerly known as Nekkanti Srinivasu & co)  
**Chartered Accountants**  
(Firm Registration No.: 008801S/S200060)

**P. Venkata Ratnam**  
**Partner**  
**Membership number: 230675**  
**Place: Hyderabad**  
**Date: September 25, 2018**

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

*The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

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

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

NIL

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

NIL

### **C. SPECIAL TAX BENEFIT IN REGARD TO INDIRECT TAX**

NIL

#### **Note:**

1. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.



## SECTION V – ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

### INDUSTRY OVERVIEW

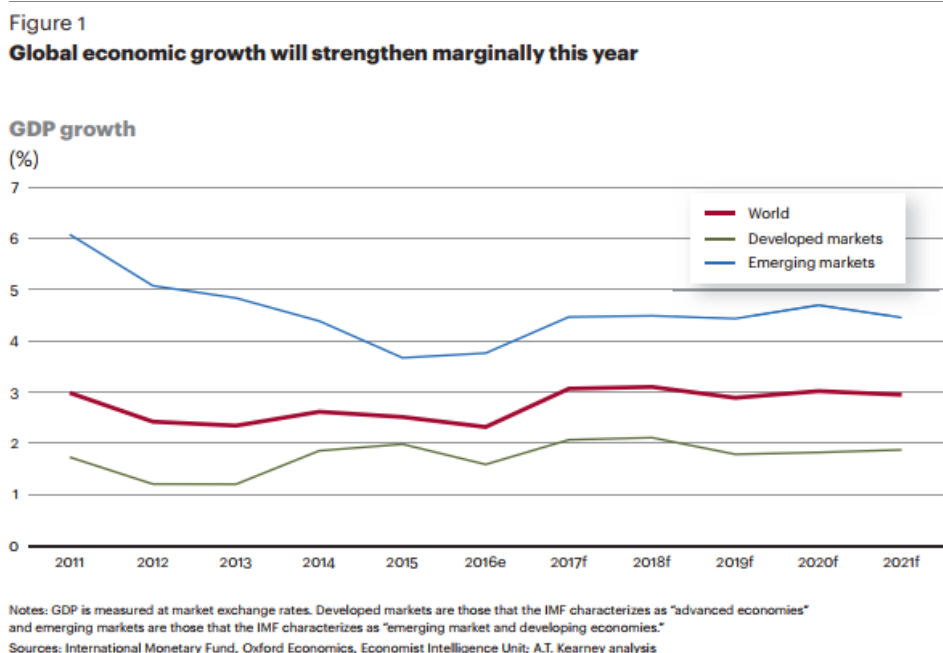
The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

### OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

#### Global Scenario

The global economy remains sluggish heading into 2018, but the growth outlook is nevertheless somewhat stronger than in recent years. On the positive side, we anticipate a few bright spots in the global economy, such as the US and Indian economies, and the marginal recovery of the Brazilian and Russian economies in 2017. Much of this boost will only be short term, however, so the base case forecast is flat over the next five years, with average annual growth rate of 3% projected through 2021. This very modest recovery will be uneven. South Asia, Sub-Saharan Africa and East Asia will see the highest level of dynamism over the next five years. On the negative side, growth in the developed market regions will continue to be weak, and Latin America will underperform relative to other emerging market regions.

(Source: [https://www.atearney.com/web/the-purchasing-chessboard/article/-/asset\\_publisher/9AutfSOjJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www.atearney.com/web/the-purchasing-chessboard/article/-/asset_publisher/9AutfSOjJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))



(Source: [https://www.atearney.com/web/the-purchasing-chessboard/article/-/asset\\_publisher/9AutfSOjJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www.atearney.com/web/the-purchasing-chessboard/article/-/asset_publisher/9AutfSOjJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))

The pickup in growth projected in the April 2017 World Economic Outlook (WEO) is strengthening. The global growth forecast for 2017 and 2018—3.6 percent and 3.7 percent, respectively—is 0.1 percentage point higher in both years than in the April and July forecasts. Notable pickups in investment, trade, and industrial production, coupled with strengthening business and consumer confidence, are supporting the recovery. With growth outcomes in the first half of 2017 generally stronger than expected, upward revisions to growth are broad based, including for the euro area, Japan,

China, emerging Europe, and Russia. These more than offset downward revisions for the United States, the United Kingdom, and India.

Growth prospects for emerging and developing economies are marked up by 0.1 percentage point for both 2017 and 2018 relative to April, primarily owing to a stronger growth projection for China. The country's 2017 forecast (6.8 percent, against 6.6 percent in April) reflects stronger growth outturns in the first half of 2017 as well as more buoyant external demand. For 2018, the revision mainly reflects an expectation that the authorities will maintain a sufficiently expansionary policy mix to meet their target of doubling real GDP between 2010 and 2020. Growth forecasts have also been marked up for emerging Europe for 2017, reflecting stronger growth in Turkey and other countries in the region, for Russia for 2017 and 2018, and Brazil in 2017.

The US economy is projected to expand at 2.2 percent in 2017 and 2.3 percent in 2018. The projection of a continuation of near-term growth that is moderately above potential reflects very supportive financial conditions and strong business and consumer confidence. The downward revision relative to the April WEO forecasts (of 2.3 and 2.5 percent for 2017 and 2018, respectively) reflects a major correction in US fiscal policy assumptions. Given the significant policy uncertainty, IMF staff's macroeconomic forecast now uses a baseline assumption of unchanged policies, whereas the April 2017 WEO built in a fiscal stimulus from anticipated tax cuts. Over a longer horizon, US growth is expected to moderate. Potential growth is estimated at 1.8 percent, reflecting the assumption of continued sluggish growth in total factor productivity and diminished growth of the workforce due to population aging.

(Source: *World Economic Outlook –International Monetary Fund -October 2017 Report*)

### **Indian Scenario**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.. Indian economy is expected to grow at a rate of 6.7 per cent in the year 2017-18 and in the next financial year 2018-19 the economy is expected to grow at a rate of 7.2 per cent. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

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

During September 2017, eight core infrastructure industries grew by 5.2 per cent, as compared to 4.9 per cent growth in August 2017 and 5.3 per cent growth in September 2016. The growth of core industries during April-September 2017 was 3.3 per cent, as compared to 5.4 per cent growth during the same period last year.

Overall growth in the Index of Industrial Production (IIP) was 3.8 per cent in September 2017, as compared with 4.3 per cent growth in August 2017 and 5.0 per cent growth in September 2016. During April-September 2017, IIP growth was 2.5 per cent as compared to growth of 5.9 per cent during the same period last year.

Foreign exchange reserves were US\$ 398.8 billion as on October 27, 2017, as against US\$ 370 billion in March 2017. (Source: *Indian Economic Development and Growth Monthly Economic Report- www.ibef.org*)

Economic growth is projected to remain strong and India will remain the fastest growing G20 economy. The increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented. However, large non-performing loans and high leverage of some companies are holding back investment. Monetary policy is projected to remain tight as inflation expectations have still not fully adjusted down. The need to reduce the relatively high public-debt-to-GDP ratio leaves little room for fiscal stimulus.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook-june-2017.pdf>)

## **OVERVIEW OF GLOBAL AGRICULTURAL INDUSTRY**

### **Introduction**

Agriculture involves the cultivation of plants, and animal and bird rearing for food, fabrics, fibers, bio-fuel, medicinal and other products used to sustain and enhance human life. This industry also includes horticulture and aquaculture.

## Market Share

Asia Pacific was the largest region in the agriculture market in 2017, accounting for \$6419.05 billion or 54.49% market share. This was mainly because the agriculture industry in the region needs to feed a large population, characterized by economic development, and rising purchasing power. Africa was the second largest region accounting for \$1492.79 billion or 12.67% market share. Middle East was the smallest region accounting for \$414.64 billion or 3.52% market share.

(Source: <https://www.prnewswire.com/news-releases/agriculture-global-market-report-2018-300602763.html>)

## Growth

Agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. 2016 analyses found that 65% of poor working adults made a living through agriculture.

(Source: <http://www.worldbank.org/en/topic/agriculture/overview>)

## Challenges

Agriculture in the 21st century faces multiple challenges: it has to produce more food and fibre to feed a growing population with a smaller rural labour force, more feedstocks for a potentially huge bioenergy market, contribute to overall development in the many agriculture-dependent developing countries, adopt more efficient and sustainable production methods and adapt to climate change.

(Source: [http://www.fao.org/fileadmin/templates/wfs/docs/Issues\\_papers/HLEF2050\\_Global\\_Agriculture.pdf](http://www.fao.org/fileadmin/templates/wfs/docs/Issues_papers/HLEF2050_Global_Agriculture.pdf))

Agriculture-driven growth, poverty reduction, and food security are at risk: Climate change could cut crop yields, especially in the world's most food-insecure regions. Agriculture, forestry and land use change are responsible for 25% of greenhouse gas emissions. Mitigation in the agriculture sector is part of the solution to climate change.

(Source: <http://www.worldbank.org/en/topic/agriculture/overview>)

## Road Ahead

For the coming decade, economic growth of 1.8% per annum is expected for OECD countries, broadly the same pace as over the last decade (1.7% p.a.). Growth is projected to slow for the People's Republic of China (hereafter "China") but accelerate in India compared with the past decade. Following the strong increase in 2017, nominal oil prices are expected to increase at an average rate of 1.8% per year over the outlook period, from an average price of USD 43.7 per barrel in 2016 to USD 76.1 per barrel by 2027.

(Source: <http://www.agri-outlook.org/Agricultural-Outlook-2018.pdf>)

## GLOBAL BIOFERTILIZERS INDUSTRY

### Introduction

Bio-fertilizer is a substance that consists of living microorganisms, which help in the growth of plant by increasing the supply of nutrients to it. Increase in the use of bio-fertilizers is expected to reduce the demand for chemical fertilizers and pesticides as they hamper the health of the soil.

### Growth Drivers

There are certain factors, which act as drivers for bio-fertilizers market such as rising environmental awareness, enhancing soil fertility and increasing demand for organic food. Factors restraining the growth of bio-fertilizer market are lack of awareness and lower adoption rate by farmers. The unmet demand for fertilizers, formulation of favorable government policies and countries having agriculture dominant economy would provide growth opportunities for this market.

(Source: <https://www.alliedmarketresearch.com/biofertilizers-market>)

## Industry Trends

Global Bio-fertilizers Market size was worth over USD 1.5 billion in 2016 and will exceed 1,200 kilo tons by 2024.

### *Bio-fertilizers Market, By Product*

Phosphate- solubilizing is the fastest growing product due to its essential properties in converting the insoluble form of phosphate into useful soluble form. Enhancing nutrient absorption rate in cereals, vegetables and cash crops will drive the product demand.

Nitrogen-fixing market was worth over USD 1.1 billion in 2016. The products increase the soil fertility by converting the available nitrogen through nitrogen fixing organisms including blue green algae, rhizobium, azotobacter and azospirilium. Additionally, the production process also includes farm manure that increases the microbial concentration of soil enhancing plant productivity.

Potash mobilizing market will witness growth over 10.5% up to 2024. High costs associated to production technique makes the product less acceptable among manufacturers. Technological advancement and innovations in production process are expected to reduce costs in upcoming years.

### *Bio-fertilizers Market, By Application*

Soil treatment application will witness growth over 11% by 2024. This growth is attributed to the key properties including improving soil fertility and enhancing crop yield per hectare. Moreover, increasing salinity level in soil due to excessive use of chemical fertilizers have resulted in increasing bio-fertilizers demand.

Seed treatment was worth over USD 1.2 billion in 2016. The application is widely used due to its high efficiency and effectiveness. Adding nutritional value in seeds is the major advantage as it enhances plant growth in every stage of plant life.

### *Bio-fertilizers Market, By Crop*

Cereals and grains dominated the industry and accounted for over 40% of the bio-fertilizers market share in 2016. Rising demand for high nutritional content grains contributing towards better health is the major factor fueling the industry growth.

Fruits & vegetables are the fastest growing segment with CAGR over 12% up to 2024. Rising demand for organic fruits & vegetables will enhance the product penetration. High product benefits including retaining the nutritional value of soil are the fueling factors of the industry growth.

Pulses & oil seeds market was worth over 150 million in 2016. Rhizobium, phosphorus solubilizing bacteria, vesicular arbuscular mycorrhiza, and rhizobacteria are the major ingredients used for the pulse production. Micronutrients present in the product, keeps soils biologically active and increase the water absorption for pulse production.

### *Bio-fertilizers Market, By Form*

Dry formulations accounted for over 70% of the industry share in 2016. Easy handling and transportation coupled with economical availability are the key factors boosting the product demand.

Liquid biofertilizers market will witness growth around 12% by 2024, owing to added advantage including longer shelf life, easy storage and long term survival of microorganisms. Liquid formulations are relatively expensive due to added packaging cost.

### *Bio-fertilizers Market, By Region*

Asia Pacific is the fastest growing region with growth over 12% up to 2024. Shifting trends towards healthy lifestyle along with increasing consumer awareness about health & safety will drive the regional demand. Asia Pacific accounts for 40% of the global arable land. High product availability along with subsidized prices will drive the industry growth. Moreover, promotion of farming practices to reduce the hazardous chemical traces in soil & water will trigger the demand.

North America accounted for more than 40% of the overall industry share in 2016. High disposable income coupled with increased consumer preference towards organic food are the key driving factors of the industry growth.

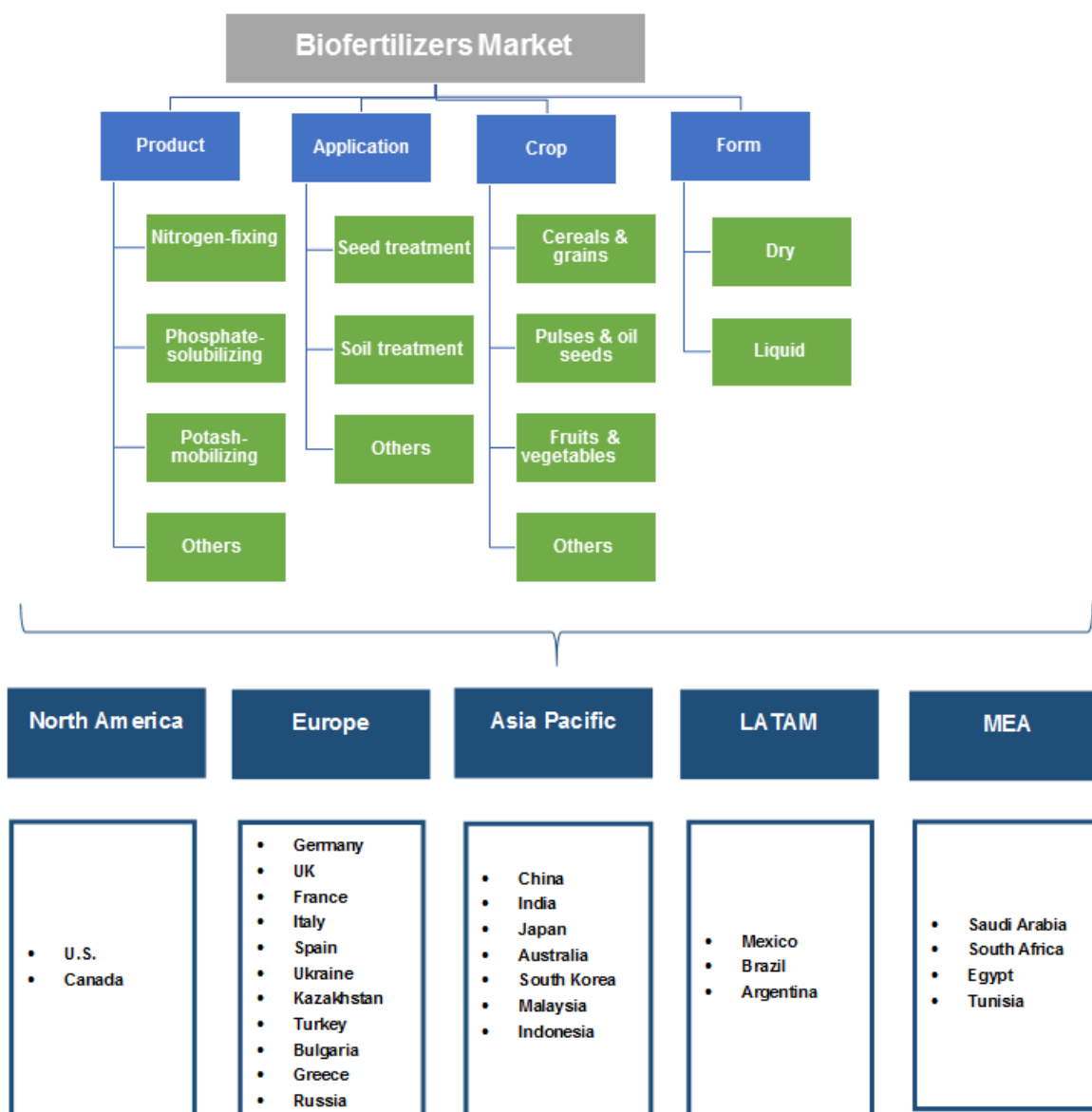
Europe will witness gains over 12% up to 2024. Stringent regulations from organizations including EPA regarding optimum nitrogen level maintenance in soil & water will propel the industry growth. Increasing awareness pertaining to degradation of soil and prolonged chemical traces in soil and food due to chemical fertilizers usage has led to shifting preference towards bio-fertilizers.

### Competitive Market Share

Global biofertilizers market share is fragmented, owing to the large number of regional producers. BF China Biofertilizers AG and Novozymes A/S are the major players. Other key players include AgriLife, Mapleton Agribiotech, Biomax, Labiofam S.A., Antibiotice S.A. and Symborg S.L.

Major industry players rely on value chain distribution for better visibility of products and to gain higher profits. Expansion in developing countries along with supply agreements with retailers and major manufacturers are the key strategies adopted by the industry players.

### Biofertilizers Industry Background



(Source: <https://www.gminsights.com/industry-analysis/biofertilizers-market>)

## Road Ahead

Global Bio Fertilizers market stood at USD1.22 Billion during 2017 and is projected to witness robust growth at a CAGR of 14.08% during 2018-23, thereby reaching USD2.76 Billion by the end of 2023. The growth in the global bio fertilizers market can be attributed to the growing adoption of advanced and sophisticated technologies by farmers to increase arable land and improve the overall productivity. In addition to this, growing fondness for organic food among the health-conscious population is driving the demand for bio fertilizers over chemical fertilizers across the globe. As a result, large volumes of agricultural produce to cater the demand from increasing population is subsequently accelerating the usage and applications of bio fertilizers at a prodigious rate. Several initiatives and favorable regulations laid by government agencies and groups would further fuel the growth of global bio fertilizers market through 2023.

(Source: <https://www.techsciresearch.com/report/global-bio-fertilizers-market/1301.html>)

## OVERVIEW OF INDIAN AGRICULTURE INDUSTRY

### Introduction

Agriculture is the process of producing food, feed, fiber and many other desired products by the cultivation of certain plants and the raising of domesticated animals (livestock).

(Source: <https://www.sciencedaily.com/terms/agriculture.htm>)

### Key Trends

- Agriculture and allied sector's GVA at constant 2011-12 prices grew a CAGR of 2.75 per cent between FY12-18.
- Agriculture is the primary source of livelihood for about 58 per cent of India's population.
- As per Union Budget 2018-19, allocation of Rs 57,600 crore (US\$ 8.9 billion) was made for The Agriculture Ministry.

### FDI Policy in Agricultural Sector:

As per the present FDI Policy, 100% FDI is allowed in the following activities of agriculture through **automatic route**:

- Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions;
- Development and Production of seeds and planting material; and
- Services related to agro and allied sectors.

100% FDI is also permitted in plantation sector namely Tea plantations, Coffee plantations, Rubber plantations, Cardamom plantations, Palm Oil plantations and Olive oil tree plantations through automatic route. 100 percent FDI is allowed in "Single Brand product retail trading". 51% FDI is permitted in "multi brand retail trading" with condition that fresh agricultural produce, including fruits, vegetables, flowers grains, pulses may be unbranded.

Besides the above, FDI is not allowed in any other agricultural sector/ activity.

### Goods and Services Tax:

Government has rolled out a new tax regime namely Goods and Services Tax (GST) with effect from 1st July 2017. GST envisages to introduce a single tax on supply of goods and Services or both, by amalgamating all the central indirect taxes (excise duty, countervailing duty and service tax) and state indirect taxes (VAT, luxury tax, entry tax, octroi, etc). GST is more comprehensive, compliable, simple, harmonized and development oriented tax system. The GST, unlike the present system, will allow the supplier at each stage to set-off the taxes paid at previous levels in the supply chain. It is essentially a tax on value added at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages (GOI).

### Impact of GST on Agricultural Sector:

The impact of GST on agricultural sector is foreseen to be positive. It has been observed that the fitment of rates of items in the food segment is done in a manner that it would not increase inflation. It has been done on the principle that GST rate would be more or less at par with current indirect tax regime.



### **Projected benefits of GST on Agricultural Sector:**

As the GST is being introduced with the objective of having a unified tax structure for goods and services, this is likely to lead various benefits for agricultural sector:

- a) Unified market - the amalgamation of various taxes into one will simplify the Procedure and help in evolution of a common market at national level.
- b) Increase in exports due to cost effective production
- c) The burden of tax on goods is expected to fall under GST leading to benefits to the consumers.
- d) This is likely to facilitate and strengthen the Scheme on National Agricultural Market (NAM) aimed at an integrated system of market of agriculture produce at the national level, allowing free flow of agricultural commodities across states
- e) The implementation of GST is expected to facilitate the implementation of National Agricultural Market on account of subsuming all kinds of taxes/cess on marketing of agricultural produce as well as it would ease interstate movement of agricultural commodities which would improve marketing efficiency, facilitate development of virtual markets through warehouses and reduce overhead marketing cost.
- f) Agricultural commodities are perishable in nature in varying degrees therefore trade is influenced by the time required for transportation. The simple uniform tax regime is expected to improve the transportation time, and curtail wastage of precious food.
- g) GST is essential to improve the transparency, reliability, timeline of supply chain mechanism. A better supply chain mechanism would ensure a reduction in wastage and cost for the farmers/retailers. GST would also help in reducing the cost of heavy machinery required for producing agricultural commodities.

A GST Cell under the Chairmanship of Trade Adviser has been formed to receive grievances, if any, from farmers and others. The GST Cell examines the complains, grievances, proposals and coordinates with Department of Revenue for resolving them immediately.

### **Services Tax on agricultural sectors:**

Mostly all services activities relating to agriculture are currently exempted from the levy of service tax under GST.

(Source: <http://www.agricoop.nic.in/divisiontype/agriculture-trade-policy>)

### **Export**

India ranks second worldwide in farm output and accounts for 7.68% of total global agricultural output. The country exports several agricultural products such as basmati rice, dry fruits, spices etc. and it earns 10% of its export earnings from agricultural products. Total agricultural exports from India increased to US\$ 33.38 billion in FY17 from US\$ 24.7 billion in FY12.

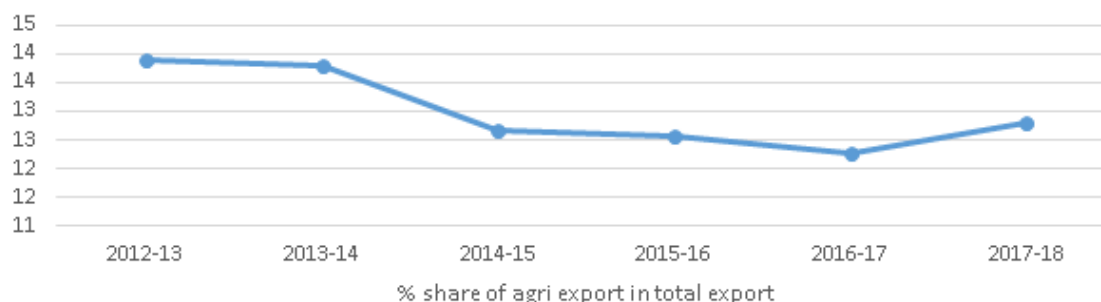
(Source: <https://www.ibef.org/download/IBEF-Theme-1-15-updated-low.pdf>)

### **India's Agri Export Policy - Objective And Vision**

- The National Agriculture Export Policy is formulated in line with the vision to double the farmer's income and increase the share of agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022.
- To boost high value and value added agricultural exports, focusing on perishables. To promote novel indigenous, Organic, ethnic traditional and non-traditional categories.
- To provide an institutional mechanism for tackling market access barriers and deal with sanitary and phytosanitary issues.
- To become one of the top 10 exporting countries of agricultural products and strive to double India's share in world agri exports.
- Focus on export centric clusters for integrated Commodity Focus Value Chain and Infrastructure Development.

(Source: [http://commerce.gov.in/writereaddata/uploadedfile/MOC\\_636571617294118126\\_Draft\\_Agr\\_Export\\_Policy.pdf](http://commerce.gov.in/writereaddata/uploadedfile/MOC_636571617294118126_Draft_Agr_Export_Policy.pdf))

### % share of agri export in total export



(Source: <http://www.agricoop.nic.in/divisiontype/agriculture-trade-policy>)

### Government Initiatives

The agricultural sector in India still contributes to the overall growth of the economy and provides livelihood and food security to a majority of the population. National Rural Employment Guarantee Scheme (NREGS) has been designed to address seasonal unemployment in the agricultural economy, mainly during post rainy season through creating assets which are organically linked to agriculture. Government of India wants to utilize NREGS as a complementary scheme to agriculture. According to the policy makers, there should be a convergence between agricultural activities and the Employment Guarantee Scheme to minimize the deficiencies of rural infrastructure necessary for cultivation in the post rainy season. The scheme is intended to create permanent agricultural infrastructure in rural areas for future needs like water conservation, water harvesting, drought proofing, irrigation channels, land development works, flood control and protections. It is found that water conservation works are the major components of the scheme, followed by providing irrigation facility to the weaker sections like BPL/beneficiaries under IAY of the society, rural connectivity and land development works. The NREGS Act indicates the kinds of works that may be taken up for this purpose. As per Schedule I of the Act, the focus of the NREGS shall be on the following works:

- Water conservation and water harvesting;
- Drought proofing (including afforestation and tree plantation);
- Irrigation canals (including micro and minor irrigation works);
- Provision of irrigation facility to land owned by households belonging to Scheduled Castes and Scheduled Tribes or to land of beneficiaries of land reforms or that of the beneficiaries under the Indira Awas Yojana of the government of India;
- Renovation of traditional water bodies (including desalting of tanks);
- Land development;
- Flood control and protection works (including drainage in water-logged areas);
- Rural connectivity to provide all-weather access

(Source: [http://agriculture.gov.in/Admin\\_MOAFW/Data/January2018.pdf](http://agriculture.gov.in/Admin_MOAFW/Data/January2018.pdf))

### Reforms in Agriculture Sector by Niti Aayog

The Government is aware of the roadmap outlined by NITI Aayog for reforms in agriculture sector and doubling farmers' income by 2022. The Roadmap presents a quantitative framework for doubling farmers' income which has identified seven sources of growth. These are:

- increase in productivity of crops.
- increase in production of livestock.
- improvement in efficiency of input use (cost saving).
- increase in crop intensity.
- diversification towards high value crops.
- improved price realization by farmers.

(Source: [http://agriculture.gov.in/Admin\\_MOAFW/Data/January2018.pdf](http://agriculture.gov.in/Admin_MOAFW/Data/January2018.pdf))

## Road Ahead

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

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

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.

*Exchange rate used: INR 1 = US\$ 0.015 as of March 30, 2018.*

*(Source: <https://www.ibef.org/industry/agriculture-india.aspx>)*

## INDIAN BIOFERTILIZERS INDUSTRY

### Introduction

Bio-fertilizers are the preparations containing live or latent cells of efficient strains of nitrogen fixing, phosphate and some elements solubilizing, plant growth substances producing and some soil-borne diseases preventing micro-organisms. The aim of bio-fertilization is to accelerate the microbial processes which augment the availability of nutrients that can be easily assimilated by plant and to increase the number of useful microorganisms in soil

### Advantages

Bio-fertilizers are eco-friendly organic agro-inputs and provide those benefits:

- a) more cost-effective than chemical fertilizers,
- b) increase nitrogen content of soil and the supply or availability of nitrogen to leguminous,
- c) increase solubility of the insoluble phosphate from organic and inorganic phosphate sources,
- d) increase soil fertility, fertilizer use efficiency and ultimately the yield by 20-30 % in general,
- e) secrete certain plant growth promoting substances,
- f) exhibit anti-fungal activities and protect the plants from pathogenic fungi,
- g) Replace chemical nitrogen and phosphorus by 25 % and therefore helps to environment protection, and
- h) Improve phosphorus nutrition of plants

### Application

Bio-fertilizers are produced in liquid, powder and granular forms and applied to soil, compost, seed, seedling and plant leaves. In the application of bio-fertilizers, the instructions and warnings on the label must be complied. There are three ways in using biofertilizers:

- a) Inoculation to seed,
- b) Seedling root dip and
- c) Field application.

*(Source: <https://biomedres.us/pdfs/BJSTR.MS.ID.001076.pdf>)*

### Limitations

In contrast to the bio-fertilizers, the nutrient based fertilizers give better results and are reliable as well. The core effectiveness of the procedure is maintained by the biological and chemical interactions which are further affected by physical factors like pH, moisture, temperature and other environmental variables as well. If the conditions are not suitable for microbes to multiply and do their work properly their population diminishes gradually with time, and this results in waste of time and money.

*(Source: <http://www.rroi.com/open-access/biofertilizer-as-an-alternative-for-chemical-fertilizers.pdf>)*

## Various Types of Agricultural Input

- **Micronutrients**

The growing population and the increase in the disposable income of the population in developing countries have increased the consumption of agricultural products. This factor is leading to an increase in the demand for agricultural micronutrients, like zinc, and manganese, in order to meet the growing demand for food.

(Source: <https://www.mordorintelligence.com/industry-reports/micronutrient-fertilizers-market>)

Micronutrients assume significance in horticultural crop production due to their ability to:

- Improve quality, size, colour, taste and earliness, thereby enhancing their market appeal
- Improve input use efficiency of NPK fertilizers and water
- Provide disease resistance, thereby reducing dependence on plant protection chemicals
- Increase post-harvest/shelf life of horticultural produce thereby avoiding wastage
- Prevent physiological disorders and increase marketable yield
- Enhance nutritional security by biofortification

(Source: <http://sphindia.org/index.php/jhs/article/viewFile/276/274>)



(Source: <https://www.mordorintelligence.com/industry-reports/micronutrient-fertilizers-market>)

- **Water Soluble Fertilizers**

With commercialization of Agriculture there were bound to be certain consequences and the adverse effects of indiscriminate usage of irrigation water and fertilizers has led to the once fertile soils becoming saline and waterlogged. To overcome this issue, micro irrigation systems (fertigation) for dispensing water soluble formulation of nutrients is increasingly being adopted in place of conventional methods of irrigation. Such water soluble formulations are known as Water Soluble Fertilizers and these can be dissolved in water and added or leached out of the soil easily. Micro irrigation systems include drip irrigation equipment, micro sprinklers and sprays among others.

With the help of WSFs it is far more easier to control the precise amount of nutrients available to plants, thereby greatly reducing the risk of oversupply and undersupply of nutrients. This results in reduced costs due to optimum usage of fertilizers as well as lower labour cost on account of reduced energy and manpower requirement for irrigation. Moreover, these fertilisers also have a higher absorption rate as compared to traditional fertilisers and have substantially reduced levels of residue that may cause contamination.

The major factors for demand for such products include popularity of micro irrigation systems, government support in the form of subsidies for promoting eco-friendly fertilization, increasing number of greenhouses and the efficiency and effectiveness of Water Soluble Fertilizers.

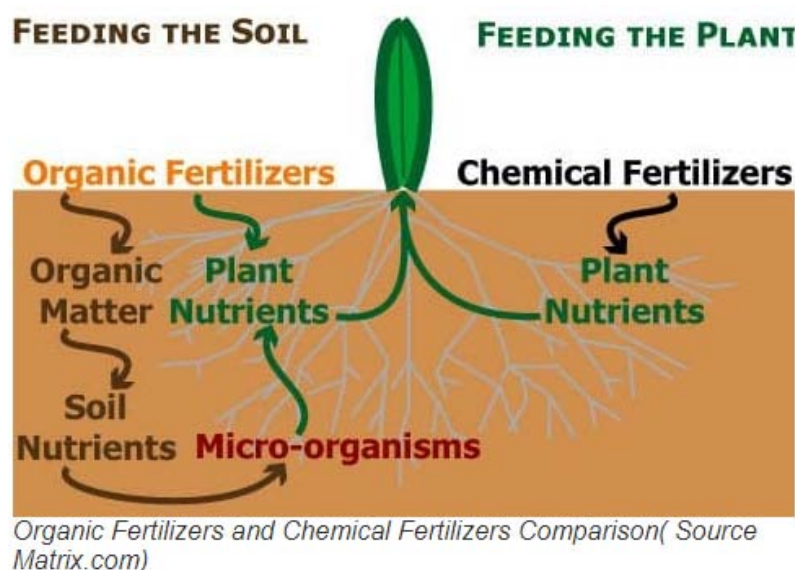
Water Soluble Fertilisers are available in double and multi-nutrient combinations and with or without secondary nutrients or micronutrients. They contain macronutrients – Nitrogen (N), Phosphorus (P), and Potash (K). Some of the Micronutrients such as Magnesium, Calcium, Sulphur, Copper, and Molybdenum are also present in water soluble fertilizer in various compositions. Due to the specific composition, Water soluble fertilizers allow the farmers to choose, with a great amount of precision, the amount of each nutrient that they wish to add to their crops.

Apart from fertigation, these products are also being applied via foliar spray. WSFs also known as Specialty Fertilisers are predominantly being used in horticultural crops such as vegetables, fruits and flowers, and plantation crops are fast emerging as an important crop segment.

The use of Speciality Fertilizers is essential for adequate and balanced fertilization.

(Source: [http://www.sampoorti.in/products\\_type/water-soluble-fertilizers/](http://www.sampoorti.in/products_type/water-soluble-fertilizers/))

- **Organic Fertilizers**



(Source: <https://www.agrifarming.in/types-of-organic-fertilizers/>)

Organic fertilizers are carbon-based compounds that increase the productivity and growth quality of plants. They have various benefits over chemical fertilizers, which include the following:

- **Non-toxic Food**

Use of these organic fertilizers ensures that the food items produced are free of harmful chemicals. As a result, the end consumers who eat these organic products are less prone to diseases such as cancer, strokes, and skin disorders, as compared to those who consume food items produced using chemical fertilizers.

- **On-Farm Production**

The majority of organic fertilizers can be prepared locally or on the farm itself. Hence, the cost of these fertilizers is much lower than the cost of chemical fertilizers.

- **Low Capital Investment**

In addition to the on-farm production possibilities of organic fertilizers, organic fertilizers help in maintaining the soil structure and increasing its nutrient-holding capacity. Therefore, a farmer who has practiced organic farming for many years will require far less fertilizer, because his soil is already rich in essential nutrients.

- **Fertile Soil**

Organic fertilizers ensure that the farms remain fertile for hundreds of years. Land located at the site of ancient civilizations, such as India and China, are still fertile, even though agriculture has been practiced there for thousands of years. The fertility is maintained because organic fertilizers were always used in the past. However, with the increased use of chemical fertilizers today, land is rapidly becoming infertile, forcing many farmers to further increase their use of chemical fertilizers or even leave the farming industry entirely.

- **Safe Environment**

Organic fertilizers are easily bio-degradable and do not cause environmental pollution. On the other hand, chemical fertilizers contaminate both the land and water, which is a major cause of diseases for human beings and is the force behind the extinction of a number of plant, animal, and insect species.

- **Employment**

We all know that chemical fertilizers are made in large plants that are automated and have an annual capacity of millions of tons. Organic fertilizers, on the other hand, are prepared locally and on a much smaller scale. As a result, the production of organic fertilizers leads to employment, especially in rural areas where employment opportunities can sometimes be bleak.

(Source: <https://www.organicfacts.net/organic-products/organic-cultivation/benefits-of-organic-fertilizers.html>)

- **Biostimulants**

Agricultural biostimulants include diverse formulations of compounds, substances and micro-organisms that are applied to plants or soils to improve crop vigour, yields, quality and tolerance of abiotic stresses.

Biostimulants foster plant growth and development throughout the crop life cycle from seed germination to plant maturity in a number of demonstrated ways, including but not limited to:

1. Improving the efficiency of the plant's metabolism to induce yield increases and enhanced crop quality;
2. Increasing plant tolerance to and recovery from abiotic stresses;
3. Facilitating nutrient assimilation, translocation and use;
4. Enhancing quality attributes of produce, including sugar content, colour, fruit seeding, etc;
5. Rendering water use more efficient;
6. Enhancing soil fertility, particularly by fostering the development of complementary soil micro-organisms.

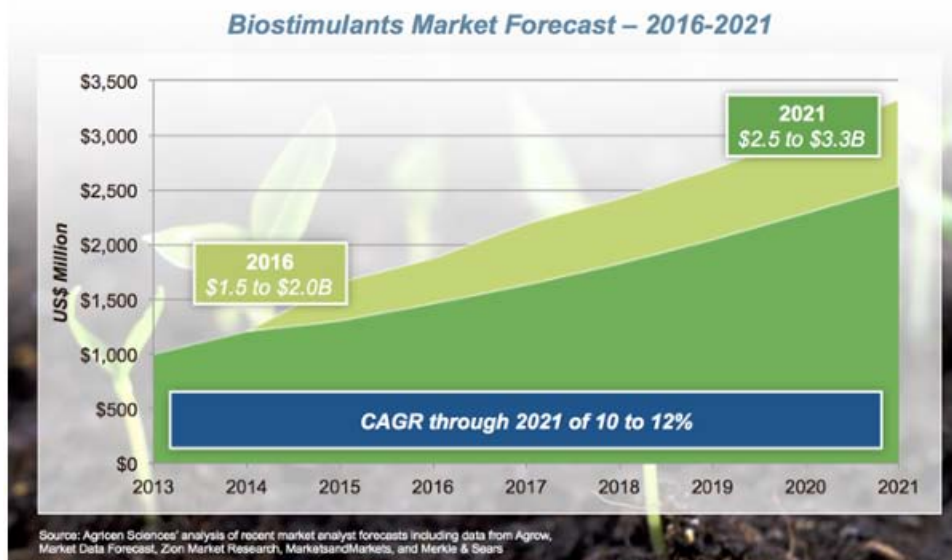
### **Biostimulants are a critical ingredient in Europe's sustainability**

Europe 2020 puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation. As a research-based industry, the biostimulants sector generates knowledge and innovation for the bio-based economy.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy. Biostimulants make many contributions to making agriculture more sustainable.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion. Many biostimulant companies are located in rural areas or small cities, creating jobs and supporting economic development from production through use.

(Source: <http://www.biostimulants.eu/about/what-are-biostimulants-benefits/>)





(Source: <https://www.agricen.com/agricultural-biostimulants>)

- **IPM Products**

IPM is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties. Pesticides are used only after monitoring indicates they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and nontarget organisms, and the environment.

(Source: <https://www2.ipm.ucanr.edu/What-is-IPM/>)

- **Plastic Mulch**

**Plastic mulch**, which gained wide acceptance in the early 1980s, helps warm the soil and reduces water loss. The mulch also protects fruits and leaves from disease by preventing direct contact with the soil. Black plastic mulch even helps control weeds.

(Source: <https://content.ces.ncsu.edu/plasticulture-for-commercial-vegetables>)

## Conclusion

Excess nutrients are accumulated in soils, particularly as a result of over application of chemical fertilizers by farmers during intensive agricultural practices. Hence, major research focus should be on the production of efficient and sustainable bio-fertilizers for crop plants, wherein inorganic fertilizer application can be reduced significantly to avoid further pollution problems. In view of overcoming this bottleneck, it will be necessary to undertake short-term, medium, and long-term research, in which soil microbiologists, agronomists, plant breeders, plant pathologists, and even nutritionists and economists must work together.

(Source: <https://pdfs.semanticscholar.org/de73/a8c29e828f666a9fff174aff4b9a6f5deb0a.pdf>)

## OUR BUSINESS

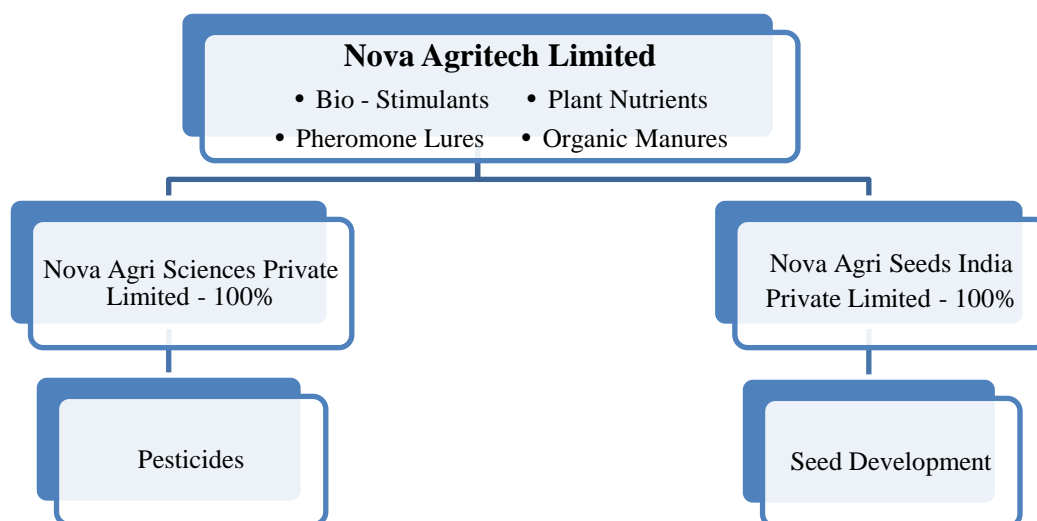
The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on page nos. 12, 202 and 157 of this Draft Prospectus, respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to ‘Nova’, ‘NAL’, ‘the Company’, ‘our Company’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Nova Agritech Limited.

Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP set forth elsewhere in this Draft Prospectus. In this section only, any reference to “we”, “us” or “our” refers to Nova Agri Tech Limited.

### OVERVIEW

We are a manufacturer of organic based bio products, pesticides and fertilizers used by farmers for their agricultural and cropping activities. Our Company was incorporated in the year 2007 with a vision to provide wide range of plant nutrition and plant protection products for specialty agricultural, horticultural and home garden market that are ideal to be used in agricultural industry and which are sustainable, environmentally safe, economically feasible, and chemical free and 100% eco friendly. Currently our Company is engaged in the business of Manufacturing and supplying of bio-fertilizers, bio-pesticides, bio-fungicides, plant growth promoters, micro and macro nutrients that are recognized as ideal organic products, commercially viable for Organic farming. Over the years we have developed a vast network of more than 3,800 dealers spread in Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh, Rajasthan, Odisha, West Bengal and Assam. We are ISO 9001:2015 certified for providing quality in the Manufacturing and Marketing facilities of Agricultural Bio Products, Organic manures and Micro Nutrients as per the requirement of quality standards.

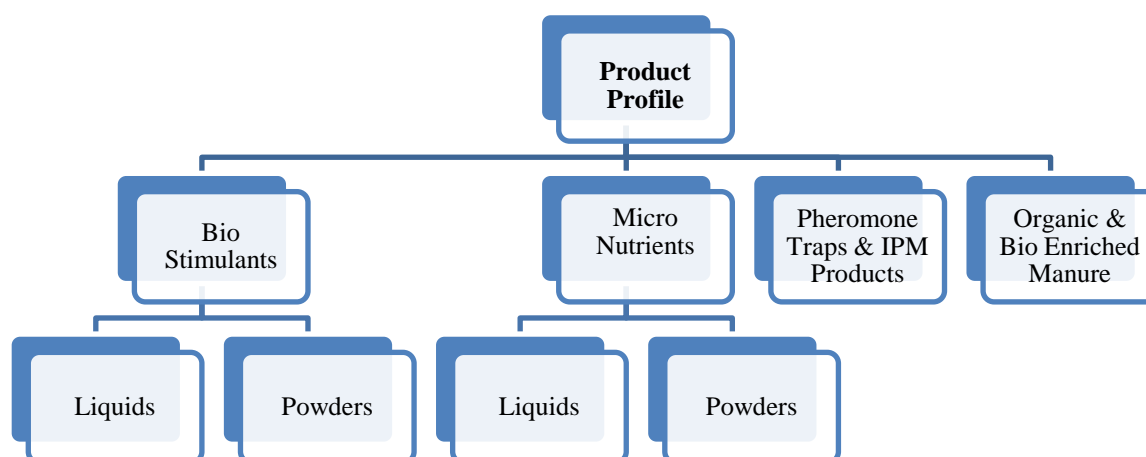
In the year 2017, we acquired the manufacturing unit of Nova Agri Sciences Pvt. Ltd and Nova Agri Seeds India Pvt. Ltd. and established them as our subsidiaries with a view to expand our product scope and our market reach, we, through our subsidiaries, have ventured into manufacturing and marketing of various pesticides and also into research and development of high yield seeds. Our subsidiary Nova Agri Sciences Pvt. Ltd is ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:20017 certified company for “Formulation supply of Pesticides, Insecticides, Fungicides, Herbicides Plant Growth Regulators, Micronutrients, Fertilizers”. Currently Nova Agri Sciences Private Limited has about 157 pesticide products which are predominant requirement of Indian agriculture towards crop protection. Our subsidiary Nova Agri Seeds India Pvt. Ltd. has been set-up to carry out research & development to enhance the seed quality and its reproduction capabilities, keeping its core properties intact. Our corporate structure can be explained as below:



We have a dedicated in-house Research and Development facility and a dedicated Quality Control / Quality Assurance facility at our factory unit situated at Singannaguda to support technology transfer for new products and on-site process improvement. We have dedicated teams actively involved in R&D and QC/QA Lab activities. Our R&D capabilities

enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new products. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community. Our R&D efforts and innovations have enabled our Company to expand its scope of operations and we have increased our product range from 6 products in the year 2007 to 55 products currently, which in turn has resulted in substantial recognition of our brand in the Agro-product Industry.

Our Company has varied product portfolio which has been comprised and categorised as below:



Our Registered office is situated in Secunderabad at Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad – 500 011. Our manufacturing / processing unit is situated at, Singannaguda (village) and the plant is spread over a total area of 11.37 acres and has a total annual installed capacity of 2.92 lakhs litres for liquids and 3.77 lakhs kilogram for powder forms of our products. Besides, the manufacturing unit, the total plant area includes warehousing facilities for storage of raw material and finished goods of our Company and also approximately 10,000 sq. ft. shed has been leased to our subsidiary company – Nova Agri Sciences Private Limited.

We have dedicated automatic, semi-automatic machines for manufacture and packing of finished goods. We also have machine and manual checking systems for raw materials as well as Finished Goods. Our Testing and QC Technical team combined with the various testing equipments used by us, ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

In the past three (3) years our revenues have increased from ₹ 6,996.76 lakhs in F.Y.2015-16 to ₹ 9,613.65 lakhs in F. Y. 2016-2017 further to ₹ 10,621.25 lakhs in F. Y. 2017-18 showing an increase of 37.40% and 10.48%. Our Net Profit after tax for the above mentioned periods are ₹ 111.76 lakhs, ₹ 212.02 lakhs and ₹ 639.88 lakhs. Our consolidated revenue for the F. Y. 2017-18 is ₹ 11,575.01 lakhs and the consolidated net profit for the same period is ₹ 639.37 lakhs.

Between F. Y. 2013-14 and F. Y. 2017-18, our total revenue grew at a CAGR of 15.93% from ₹ 5,071.89 lakhs for F. Y. 2013-14 to ₹ 10,621.25 lakhs for F. Y. 2017-18, and our PAT grew at a CAGR of 56.76% from ₹ 67.59 lakhs for F. Y. 2013-14 to ₹ 639.88 lakhs for F. Y. 2017-18.

## OUR STRENGTHS

### *Well experienced promoters and management team with proven project management and implementation skills*

Our Promoter Mr. Sambasivarao Yeluri is engaged in the business of Agro products for over a decade and has a proven background and rich experience in the field. Over the years our Promoter have increased and expanded our Company’s scale of operations manifold. Our Promoter is a Post Graduate in Horticulture. For further details of our Promoter’s experience and background, please refer the chapter titled “Our Promoters and Promoter Group” on page no. 147 of this Draft Prospectus.

Further our management team consists of a mix of individuals with professional, technical and commercial experience in the agricultural industry. Our team is well qualified and experienced in industry and has been responsible for the growth of our operations. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. We believe the stability of our management team and the industry experience brought in coupled with their strong client relationships, will enable us to continue to take advantage of future market opportunities and expand into new markets. We believe that our Promoters have been a key factor in driving our growth in revenue and earnings through the efficient management and executive of our acquisitions. For further details of the educational qualifications and experience of our Management Team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page no. 134 of this Draft Prospectus.

### ***Well Equipped Research & Development facility***

Our Company, considering the imperative role of research and development facilities for quality products, has taken initiative for strong R&D facility from the initial days of its operations. We currently operate an in-house R&D center at our factory location to enhance the quality of products we deliver and also to bring out development in the products according to changing industry scenario. Our laboratory is equipped with State of Art facilities confirming to Global standards to ensure product quality. Our R & D Department Efficiently Supports:

- Evaluation of new and current formulations in different agro-eco regions of the country.
- Promotion and creating awareness about new products.
- Channelizing information to consumers for the right technical use.
- Developing interface with the state departments of Agriculture.
- Training of Agri-input dealers & farmers.

### ***Quality Assurance***

Our Products pass through quality checks at various stages of the Process. The quality assurance measures taken by the Company includes thorough checking of all raw material and other inputs right down to finished goods. We maintain high standards for quality control and have semi- automatic/ mechanical machines and manual checking being operated by skilled operators under proper quality control and strict supervision. Our products adhere to quality standards and our manufacturing units are ISO 9001: 2015 certified, which confirms that our products conform to the Quality Management System Standard. We have instituted an active QA program where our team monitors all processes to ensure that any problems are identified and corrected pro-actively before, having a chance of occurring. This process is expected to help us not only to improve our Products quality but also reduce wastage and rejections of finished goods.

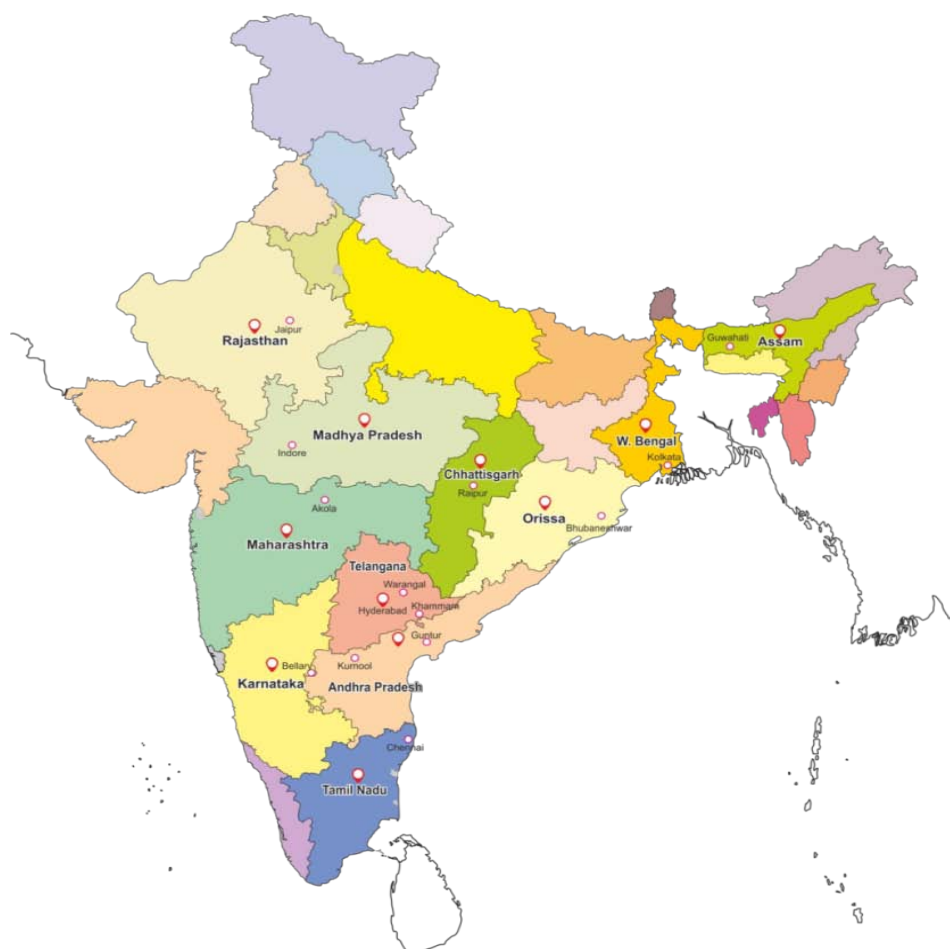
### ***Low Labour cost***

Our Company employs skilled, semi-skilled and unskilled labour for various processes of our manufacturing process. Labour is available in abundance in India. Thus, our labour costs are maintained at realistic levels. Added to that we have kept ourselves updated on the latest available technologies and continuously look for new technological developments and value adding equipment to enhance the performance of our machines such that the labour input required is maintained while the production / productivity is improved. Additionally we have also identified a labour contractor for supply of labour in the event of any requirements.

### ***Strong In-house Marketing, Distribution channels and Global distribution network***

We market, sell and distribute our wide range of products to our diverse customers based in India. Our Company has its own network of distributors who are dedicated to serve the farmers in a most effective way. The process of entering into dealership with our Company is made very easy and convenient. Whosoever is interested in our dealership shall fill an application form along with a declaration and after verifying of the details according to company checklist, a person being offered a dealership of the Company. We have dedicated and hardworking marketing managers and marketing officers, who work as an individual with a vision to maintain relationship with the dealers and make them aware of the current trends in global and domestic agriculture and our new products. Direct presences in the major markets with own distribution channels, sales force and marketing manager have helped our Company in achieving its target on time. Our marketing team also plays an important role in the development of new products based on their study and feedback on latest industrial needs. We maintain our customer relations by providing quality, timely delivery, maintaining design confidentiality and also suggesting them value added propositions.

We believe that our relationship with the third party distributors and availability of our own sales force enables us to introduce new formulations and generic active ingredients in our existing market in a timely manner. We also benefit from their feedback which enables us to gauge the demand for our existing formulations and generic active ingredients. We have entered into agreement with some of the parties on C&F agent basis for selling our products to dealers/retailers. Currently, we have five C&F agents who are working with us. We are having presence in Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh, Rajasthan, Odisha, West Bengal and Assam. Strong presence in this state's enables our Company to grow geographically and financially as well. The Geography foot print of the company state wise has been depicted in the diagram:



**Product mix**

Our Company deals in a range of varied quality product meant for agricultural, horticultural and home garden market. Our Company is engaged in the business of manufacturing of various Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products like Pheromone Traps, Lures, Mulch and Pro-Trays, to name a few, providing comprehensive agriculture technology solutions. These products have wide scale applications in the Agricultural and Horticulture industry. Our manufactured products are sold under our own brands, namely, Nova. Our Company deals in various categories of products each of which have various sub-categories.

Further, we have recently ventured into pesticide business by acquiring major stake Nova Argi Sciences Private Limited. and also ventured into research & development for seed enhancement by acquiring major stake Nova Argi Seeds India Private Limited, making the above companies our subsidiaries. The addition of new products has enabled us to increase our market reach and cater to a substantial needs of the farmers.

**Cost effective production and timely fulfillment of orders**

Timely fulfillment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency at our existing processing units. These steps include identifying quality raw materials from different sourcing, smooth labour relations, use of an efficient



production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also enjoys good relations with our suppliers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

### ***Fully Integrated Manufacturing Facilities***

We carry on all of our core manufacturing activities in-house and there is no dependence on job-work of external manufacturing. Our manufacturing unit is fully integrated and self-sufficient. The raw materials and consumables are readily available. Further, all other utilities like fuel, power and human resources have posed no hurdle till date. All the equipments required for manufacturing the products are in place. Our manufacturing facility is spread over an area of 11.37 acres and is located in the Siddipet District of Telangana. Our manufacturing facilities comprise of manual, semi automated and automated machines which enable our Company to process its products fast and in an effective way.

**For risks related to our business, our Company and our industry, see “Risk Factors” on page no. 12 of this Draft Prospectus.**

## **OUR STRATEGIES**

Our strategic objective is to improve and consolidate our position as a specialty chemicals manufacturer and also to set-up our own distribution channel network.

### ***Augment our fund based capacities in order to scale up business operation***

Our business operations are working capital intensive. In order to effectively expand our Business arenas and also diversify the operations in various geographical locations, along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital.

We expect to increase our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better exploit market opportunities in short term as well as longer duration services in our business. For further details regarding the working capital being raised through this Issue, please refer to section “Objects of the Issue” on page no. 71 of the Draft Prospectus.

### ***Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous project review and timely corrective measures in case of diversion and technology upgradation are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing our brand value and maintaining long term relationships with customers. Through a combination of increased capacities, reduced costs, wider range of products adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, we intend to expand our global footprint and become a preferred supplier.

### ***High productivity / Operational Excellence***

Managerial expertise, trained workforce and modernization of the manufacturing unit results in consistent high level of productivity. We have established modern production facilities at our plant and we are continuously on the look- out for new/ updated technologies. Our investments in value adding equipments / attachments to our machines has resulted in twin benefits of consistent high quality and improved productivity, ensure enhanced operational efficiency. We have invested significant resources, and intend to further invest in our activities to develop automatized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.



## DETAILS OF OUR BUSINESS

### LOCATION

#### Registered Office

Our office Located at Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad Telangana – 500 011

#### Processing/ Manufacturing Units

Located at Sy No.251/A, Singannaguda (village), Mulugu Mandal Siddipet District - 502 279 Telangana

For further details of ownership / lease of the above locations, please refer to “*Our Business – Properties*” beginning on page no. 113 of this Draft Prospectus.

### PROCESSING/ MANUFACTURING UNITS

Our manufacturing facility houses consist of various machineries for processing of manufacturer of various Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products like Pheromone Traps, Lures, Mulch and Pro-Trays, to name a few, providing comprehensive agriculture technology solutions. We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing better quality products as per the demand of the customers and also adapt to latest trends more swiftly.

#### Plant and Equipments

Our Manufacturing Facility and our Research and development centre has the below mentioned Plant & Equipment:

#### List of Lab Equipments:

S. No.	Name of the equipment	Make	Quantity
01	High Performance Liquid Chromatography (HPLC)	Shimadzu	1
02	Peak UV8000 Visible recording Spectrophotometer 200 – 1100 nm, LC 1 nm	MSP Lab Instruments	1
03	Electronic Weighing Balance 0- 220 grams LC – 0.1 mg	Shimadzu	1
04	Electronic weighing Balance 0-200 grams LC-0.01 g	Scale-Tec	1
05	Gas Chromatograph (GC)	Shimadzu	1
06	Atomic Absorption Spectroscopy	Spectrum Instruments	1
07	Ovens with Thermostatic Controller RT-250 <sup>0</sup> C. LC 1 <sup>0</sup> C	Bio-Technics India	1
08	Digital Karl Fisher Apparatus (Micro Controller Based) Model No. KFTA	Lasco	1
09	Digital pH Meter Model DPH507	Global Electronics	1
10	Melting Range Apparatus 0 to 300 <sup>0</sup> C	DBK Instruments	1
11	Flash Point Apparatus 30 <sup>0</sup> C to 110 <sup>0</sup> C LC. 0.5 <sup>0</sup> C	Bestronics	1
12	Distilled water still	Bio-Technics India	1
13	Fume wood	--	1
14	Vacuum Pump	Conformite Europeenne	1
15	Vacuum Pump	Conformite Europeenne	1
16	Water bath with Digital Controller	Bio-Technics India	1
17	Electronic weighing Balance 0-3 kg	Apex Electronics	1
18	Sonicator	Bio-Technics India	1
19	Sieve Shaker	Bio-Technics India	1
20	Refrigerator	Electrolux	2

### Packing Equipment

S. No	Equipment	Quantity
1	Sealing Machine	2
2	Electronic Balance 3-30 Kg Capacity	4
3	Electronic Weighing Machine upto 120 Kg	1
4	Strapping Machine	2
5	Bottle Inner Cap Fixer	1
6	Filling Machine Semi-Automatic	1
7	Dm Water Tank	1

### Glassware and Others

S. No	Glass ware	Quantity
1	Conical Flask 2000 ml	10
2	Conical flask 1000 ml	10
3	Conical flask 250 ml	10
4	Conical flask 100 ml	10
5	Petri dishes 3" dia	10
6	Petri dishes 4" dia	10
7	Test tubes 3"	40
8	Test tubes 4"	40
9	Test tubes 5"	40
10	Test tubes 6"	40
11	Flat bottom screw cap bottles 15 ml	20
12	Incultation loops	10
13	Cotton bundle	1
14	Alluminium foil	2
15	Test sieves bss 52&100	1 EACH
16	Aprons	6
17	Disposible masks box	1
18	Disposible cap box	1
19	First aid box	2
20	Microscopic slide box	2
21	Slide cover slip box	2
22	Wash bottles	6
23	Rectified spirit tank (500 ml)	1
24	Full range ph paper pack	2
25	Test tube stands	3
26	Filter paper ream	1
27	Measuring cylinder 500 ml-2000 ml	8
28	Measuring jars 100 ml-1000 ml	12

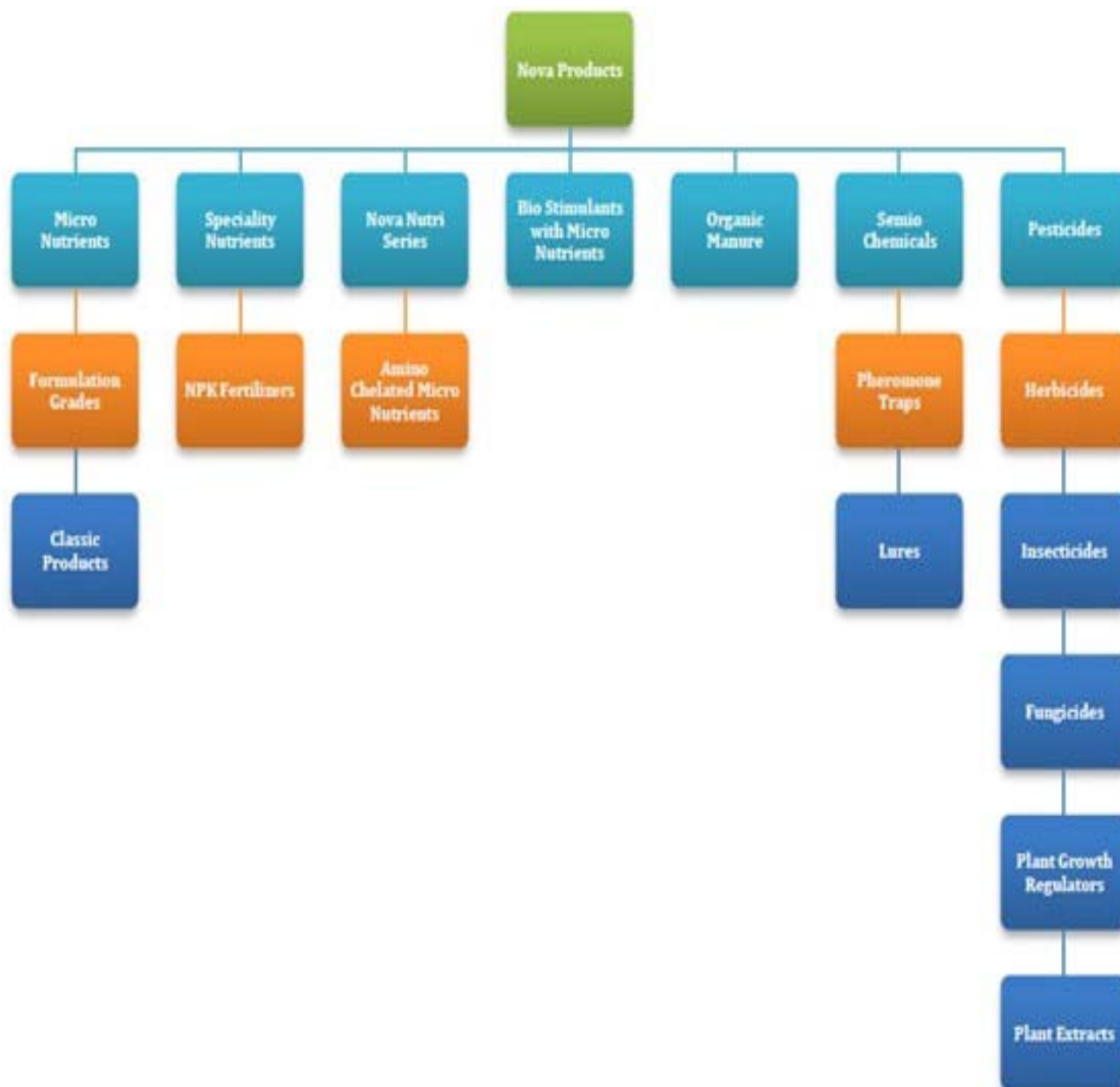
### Equipments

S. No	Equipment	Quantity
1	Pan granulator & spray gun	1
2	Tray drier	1
3	Pulveriser	1
4	SS Fermenters 50lit	2
5	Blenders 50kg	4
6	Incubator	1
7	Sieving machine	1






## PRODUCTS

Our Company is engaged in the business of manufacturing of various Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products like Pheromone Traps, Lures, Mulch and Pro-Trays, to name a few, providing comprehensive agriculture technology solutions. Our manufactured products are sold under our own brands, namely, Nova. Our Company deals in various categories of products each of which have various sub-categories. The details of category given below:




The below chart state the details category wise:



Details of some of our major products are as follows:

Product Name	Description
	<p><b>Nova Nutri Boost</b></p> <p>Nova Nutri Boost with its special composition represents innovative product within bio-stimulants available on the market.</p> <p>With its natural amino acids, carbohydrates, alginic acids &amp; Mannitol gives a strong growth action and thus act as Natural chelating agent and assures quicker absorption &amp; activity of nutrients into the plants</p>
	<p><b>Nova Nutri Power</b></p> <p>Application of Nova Nutri Power by foliar spraying supplies plants with micro nutrients the level which fulfils plant requirements by preventing deficiencies occurred due to absence of micro nutrient such as Zn, Mn &amp; B. This results in high yield of excellent quality and good condition of crop.</p>
	<p><b>Micro Power</b></p> <p>Micro Power is a 100% water soluble Drip Micro Nutrient mixture fertilizer for fertigation application. It helps to prevent crop deficiencies in different forms occurred gradually at different growth stages of crops and thus prevents loss of yield that may occur due to crop nutrition deficiencies.</p>
	<p><b>Nova Gold</b></p> <p>Nova Gold is a % organic micro nutrient fertilizer for soil application. It enhances the disease resistance power of plants and prevent pre dropping of flowers and fruits</p>
	<p><b>Nova Nutri Power SOL</b></p> <p>Nova Nutri Power SOL NPK: 12:12:36:+TE give better results than standard fertilizers, combining the benefits of NPK and Micro Nutrients in one product. It is formulated with best and high quality raw materials guarantee total solubility in water to give a perfect assimilation by the plant.</p>

	<p><b>Nova Nutri Super SOL</b></p> <p>Nova Nutri Super SOL NPK: 21:21:21+TE is a fertilizer with a high content of NPK and enriched with chanted micro elements. It can be used in all types of crops by foliar route to obtain a vegetative vigour, to advance maturation, to improve size and to increase the crop yield.</p>
	<p><b>Nova Nutri Rich MAG</b></p> <p>Nova Nutri Rich MAG NPK: 15:05:30+Mg+B Nitrogen, phosphate and potassium (NPK) should be readily available to the growing crop during the early vegetative stages. Crop production in soils that are nutritionally depleted or where the soil moistures prevents adequate movement of nutrients in the root zone will require regular inputs of fully water soluble nutrients.</p>
	<p><b>Nova Nutri K-41</b></p> <p>Nova Nutri K-41, an important function of Nova K-41 is controlling stomata movements. It is formulated to supply both potassium and magnesium to the plant without causing a nutritional imbalance.</p>
	<p><b>Nova Nutri Phos-54</b></p> <p>Nova Nutri Phos-54 NPK: 10:54:10+B Phosphorous is essential to all plants for optimum yields. Nova Nutri Phos-54 with phosphate will however translocation phosphorous through both the phloem and the xylem and thereby supplying essential phosphorous to the root zone and the crop canopy.</p>
	<p><b>Nova Nutri Sustain</b></p> <p>Nova Nutri Sustain gives better results than standard fertilizers; it is formulated with best and high quality raw materials guarantee total solubility in water, to give a perfect assimilation by the plant. It can be used in all types of crops by foliar route to obtain a vegetative vigour, to advance maturation, to prevent premature flower and fruit drop and to improve fruit size, shape, shape, fruit set and to increase the crop yield.</p>

	<p><b>Nova Wonder</b></p> <p>Nova wonder contains all micro and macro nutrients, amino acids, Enzymes, co-enzymes, and hormones in sufficient quantity. It helps in uniform growth of the plant. It is manufactured scientifically as per international standards, so it contains all nutrients and helps plant to reduce the wastage of nutrients.</p>
	<p><b>OM- K (Bio Enriched Organic Manure)</b></p> <p>OM-K is enriched organic manure and fully decomposed by using millions of decomposing organisms. OM-K balances the soil fertility by preventing the soil getting drained of organic carbon because of over use of chemical fertilizers.</p>
	<p><b>SNIPER</b></p> <p>Sniper is naturally derived product from Nova Agritech with different types of alkaloids helpful for crop protection and production. It is used for effective management of sucking pests like thrips and mites.</p>

## RAW MATERIALS

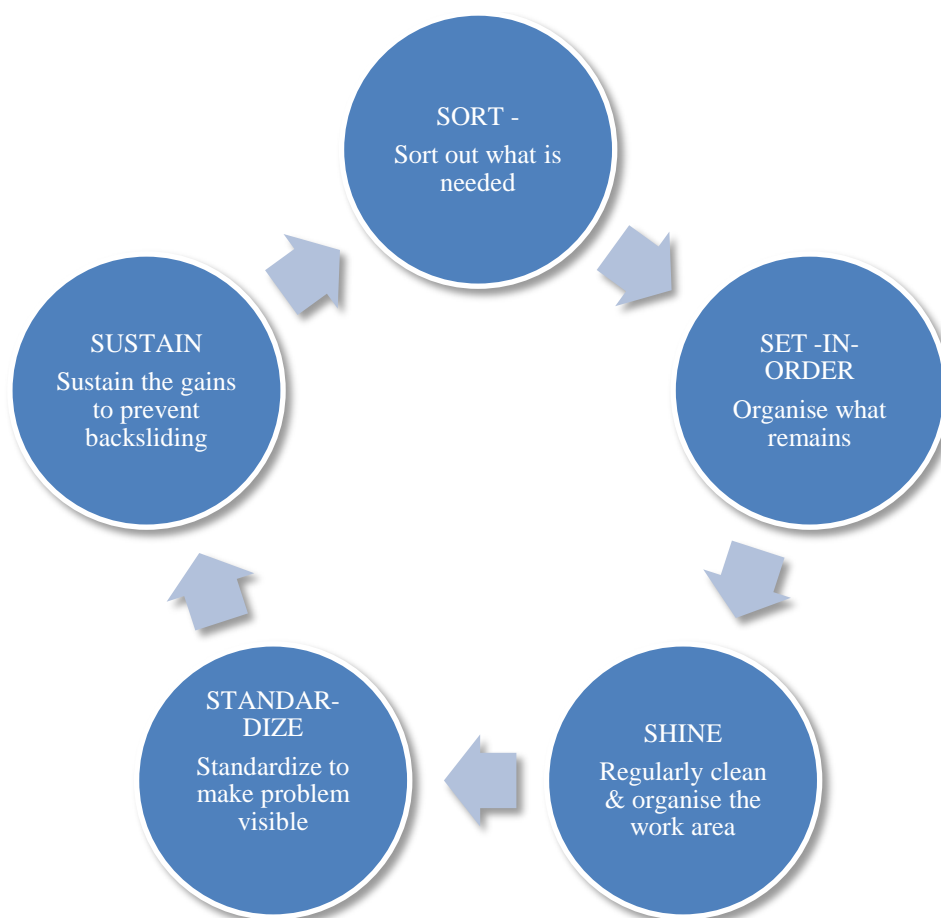
Our Company uses different raw materials for manufacturing of different products. Our Company uses many oil, powders, solvents and fertilizers etc. as raw material to manufacture the specialty Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products. Our major raw materials are water, Karanja Oil, Enzyme protein hydrolysates, Organic Acid, Seaweeds, Inert solvents, Dimethyl formamide etc.

The raw materials once received are first tested before being put up for use. The raw materials are stored under conducive conditions, depending upon the nature of the product. To reduce material handling and for easy accessibility raw material are stored and consumed in FIFO system.



## Raw Material Process

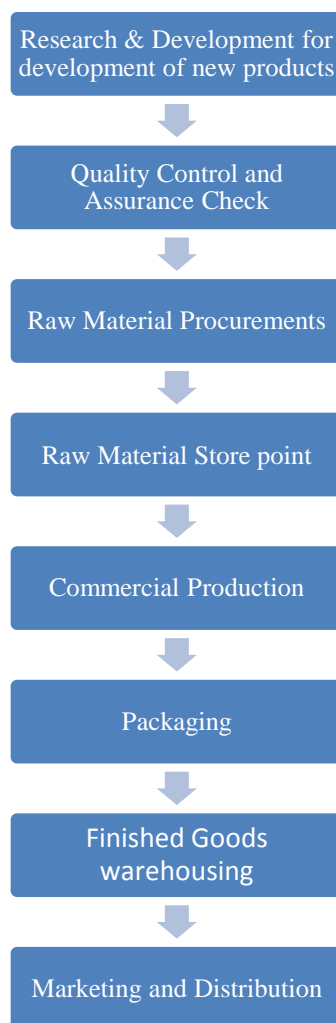
We follow the 5S concept as given below in the diagram:



## MANUFACTURING PROCESS

Our Company is engaged in the business of manufacturing and marketing of various Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products. Our Company conducts some of the activities to bring the product marketable. The manufacturing process is as follows:

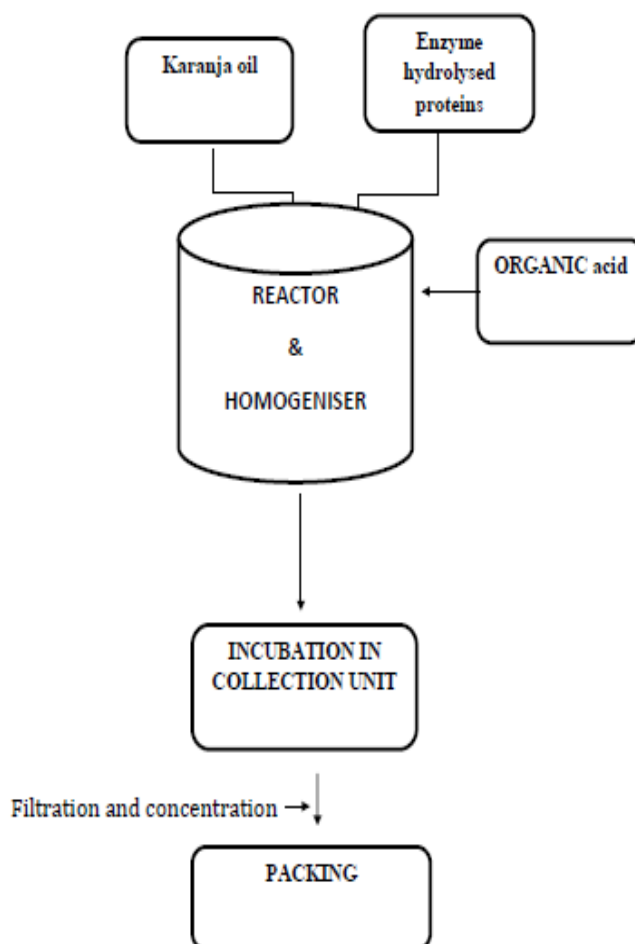
**Our Manufacturing process includes the following:**



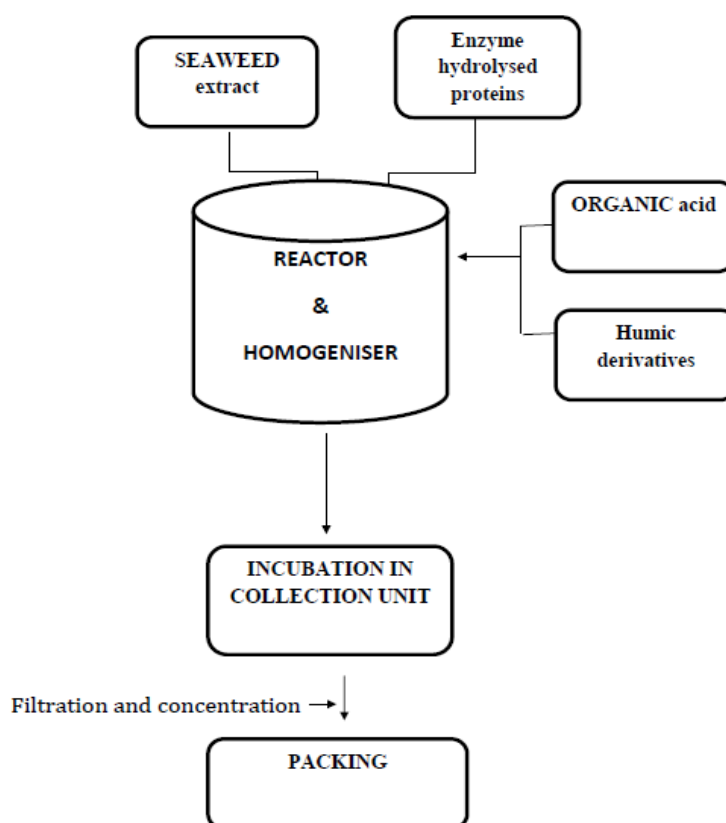
Process	Description
<b>Research and Development</b>	Research & development team develop new products as per our requirements
<b>Quality Control Assurance</b>	Once the product evolve at the stage of Research and development, our Company's Quality Assurance team verify the quality and if finds according to quality standards pass it to management for procurement of raw materials related to the products.
<b>Raw Material Procurements</b>	Our procurement department once gets the requirements from manufacturing head, places the order to the supplier. Our Company procures raw material from different suppliers on the basis of future demand projections and need basis. Respective person put a purchase order with the supplier as and when required.
<b>Raw Material Store Point</b>	In our Company a well equipped store point has been designed for storing of raw materials. Once the order reaches at our factory premises, our production inventory control stores the raw material at our place. All raw materials stored in a hygiene conditions to reduce the chances of wastages.
<b>Commercial manufacturing activity</b>	Well trained and qualified staff monitors each and every phase of manufacturing of manufacturing activity to reduce the chances of any losses <ul style="list-style-type: none"> <li>• Our Manufacturing process plant starts manufacturing product once it gets order or requirement from our sale departments.</li> <li>• Once the finished product emerges after the whole process and passes from the Quality control checks. It's been transferred to packing department.</li> </ul>

Process	Description
<b>Packaging</b>	With the aid of Semi-Automated machinery skilled, semi skilled employee works on for finest packing of goods to minimize damages during transportation of goods.
<b>Finished Goods Warehousing</b>	Once the products are packed as per the requirements. It is transferred to warehousing department for storage.
<b>Marketing &amp; Distribution</b>	Once our Sales and marketing teams gets order, it transferred the order to our warehouse and our warehouse make a dispatch order and transfer the receipt to logistic and then they deliver to Dealer/ Distributor

The basic manufacturing process for **Bio Products Liquid Formulation** is explained as below:



The basic manufacturing process for **Bio Products Powder Formulation** is explained as below:



Though the basic process for manufacturing of Bio Products, as illustrated above, remains same, various products have some additional processes. Also, majority of products follow repeat processes from Reactor to Incubation and then to filtration and concentration processes.

## OUR MAJOR CUSTOMERS

Our Company is a manufacturer of organic based bio products and fertilizer. The percentage of income derived from our top customers in the Financial Year 2017-18, 2016-17 and 2015-16 is given below:

Sr. No.	Particular	For Year ending March 31,					
		2018		2017		2016	
		Revenue (₹ in lakhs)	Percentage (%)	Revenue (₹ in lakhs)	Percentage (%)	Revenue (₹ in lakhs)	Percentage (%)
	Income from Top 10 Customers (%)	980.07	9.23%	1,916.43	19.93%	1,820.39	26.16%

Although our top 10 customers may vary from one reporting period to another, we believe, we have experienced a high degree of returning customers over the years, which reflects the value proposition provided by us. We constantly try to address the needs of our customers for maintaining a long term working relation with the customers, in order to get continuous business.

## UTILITIES

### Power

Our manufacturing unit has adequate power supply from The Southern Power Distribution Company of Telangana (TSSPDCL) the following is the sanctioned power for the Manufacturing Unit:

Details of Location	Sanctioned Load
Singannaguda	45.00 KW

### Water

Our Company have adequate water supply position. Our manufacturing unit sources its water supply from the internal bore-well. The Company as and when required source distilled water from outside as a requirement of some of our products.

### HUMAN RESOURCE

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We have developed a large pool of skilled and experienced personnel. Currently, our company has at its disposal a dynamic team of our manpower is a prudent mix of skilled/ unskilled employees for processing process, quality control and quality assurance assistants and helpers etc. These professionals are assisted by office & administration staff and finance professionals who work in unison in order to meet specific client requirements and attain organizational goals and targets within the set time frame.

We employ 304 employees as on August 31, 2018 considering both the Manufacturing units and Office Administrative staff.

The details of manpower employed as on August 31, 2018 are as under:

Sr. No	Category	Number of employees
1.	Executive Director	3
2.	Key Managerial Personnel (KMP)	4
3.	Other Employees (Registered Office, factory and marketing executives) (including office and administration staff )	297
	<b>Total</b>	<b>304</b>

### Capacity and Capacity Utilization:

Capacity and capacity utilization for the last three years:

Unit	Particulars	for the Financial Year		
		2015-16	2016-17	2017-18
Singannaguda	Installed Capacity Powder Form (Kilogram per annum)	3,76,680	3,76,680	3,76,680
	Capacity Utilisation (%)	90.00%	95.00%	97.00%
	Installed Capacity Liquid Form (Litres per annum)	2,92,000	2,92,000	2,92,000
	Capacity Utilisation (%)	90.00%	95.00%	98.00%

### Proposed Capacity Utilisation

Unit	Particulars	for the Financial Year		
		2018-19	2019-20	2020-2021
Singannaguda	Installed Capacity Powder Form (Kilogram per annum)	3,76,680	3,76,680	3,76,680
	Estimated Utilised Capacity (%)	97.00%	97.00%	98.00%
	Installed Capacity Liquid Form (Litres per annum)	2,92,000	2,92,000	2,92,000
	Estimated Utilised Capacity (%)	98.00%	98.00%	98.00%

### Collaborations

The Company has so far not entered into any technical or financial collaboration agreement with any of the third party.

## Marketing Set-up

Our Company's marketing strategy is a hybrid marketing module comprising of direct customers approach and agent/dealer network. We have a network of dealers and agents in the domestic market. We sell our product through our dealer's networks. Our Company has an established presence in the states of Maharashtra, Madhya Pradesh, Chhattisgarh, Telangana, Andhra Pradesh, Karnataka, Assam, Rajasthan and Tamil Nadu. Our Company has over the years developed excellent relationship with many dealers in India which would enable the company to tap the market.


Our Company has always focused on meeting the requirement of our customers and providing them maximum support in terms of quality and timely delivery. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Company for a long period. We believe our relationship with the dealers is well established as we receive repeated orders for the products manufactured by us.

## Intellectual Property

### I. Registered Trade Marks:

Particulars of Marks	Word / Label/ Device	Trade Mark/ Application Number	Class	Validity
NOVA BAAHU	WORD	3171049	1	28/01/2026
NOVA CONDREA	WORD	3171050	1	28/01/2026
NOVA ANTI-V	WORD	3171051	1	28/01/2026
NOVA LOHA	WORD	3171052	1	28/01/2026
NOVA STICKER	WORD	3538398	21	01/05/2027
NOVA GLUE SOL	WORD	3538400	21	01/05/2027

### II. Trade Marks Pending for Approval:

Particulars of Marks	Word / Label/ Device	Trade Mark/ Application Number	Class	Status
NOVA AKSHARA	WORD	3171046	1	Open to objection
NOVA OPERA	WORD	3171047	1	Open to objection
NOVA JAZZ	WORD	3171048	1	Open to objection
NOVA DELTA TRAP	WORD	3538399	21	Ready for Show cause Hearing
NOVA FUNNEL TRAP	WORD	3538401	21	Ready for Show cause Hearing
NOVA FULL FILL TRAP	WORD	3538402	21	Ready for Show cause Hearing
NOVA FLY TRAP	WORD	3538404	21	Ready for Show cause Hearing
	DEVICE	2959762	5	Accepted & Advertised

## ACCREDITATIONS/ AWARDS / ACHIEVEMENTS

### Accreditations and Certifications obtained

Accreditation/ Certifications	Validity period	Description
9001:2015	13-06-2017 to 12-06-2020	ISO Certified for Manufacturing and marketing of Agricultural Bio Products, Organic Manures and Micro Nutrients by System Verification Services.



## Awards and Achievements

Award	Year	Description
Outstanding Entrepreneurship award	2010	Honoured by Government of India, Ministry of Micro, Small, and Medium Enterprises for outstanding performance in Micro and Small Enterprises (Manufacturing)

## COMPETITION

Agro Products being a global industry, we face competition from small as well as big players in the industry in domestic market. This industry is highly competitive and fragmented. We have a number of competitors offering products similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in Agro products industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise and providing varied quality of products which enables us to provide our clients with best quality products.

## PROPERTIES

Details of our property are as follows:-

Freehold Property

The details of the Free Hold property on which we have our manufacturing factory is as under:

Sr. No.	Schedule of property and area	Purchase Consideration (In ₹)	Date of Agreement	Seller	Purpose
1.	Doc.No.4766/2017, Plot. No. 64, 244.44 Sq. Yards Located at Vijayarai Village, Pedavegi Mandal, Eluru, West Godawari District, Andhra Pradesh.	₹ 4,89,000	07.06.2017	1. Paidi Veera Raghavalu, 2. Paidi Jaya Lalitha, 3. Paidi Sri Nikhil Chandra, 4. Paidi Vijaya Lakshmi. 5. Paidi China Raja 6. Paidi Maheswari	Vacant Land
2.	Doc.No.4767/2017, Plot. No. 65, 244.44 Sq. Yards Located at Vijayarai village, Pedavegi Mandal, Eluru, West Godawari District, Andhra Pradesh.	₹ 4,89,000	07.06.2017	1. Paidi Veera Raghavalu, 2. Paidi Jaya Lalitha, 3. Paidi Sri Nikhil Chandra, 4. Paidi Vijaya Lakshmi. 5. Paidi China Raja 6. Paidi Maheswari	Vacant Land
3.	Doc.No.4768/2017, Plot.No.66, 244.44 Sq. Yards Located at Vijayarai Village, Pedavegi Mandal, Eluru, West Godawari District, Andhra Pradesh.	₹4,89,000	07.06.2017	1. Paidi Veera Raghavalu, 2. Paidi Jaya Lalitha, 3. Paidi Sri Nikhil Chandra, 4. Paidi Vijaya Lakshmi. 5. Paidi China Raja 6. Paidi Maheswari	Vacant Land
4.	Doc. No. 8776/2017, Plot. No. 57, 244.44 Sq. Yards Located at Vijayarai Village, Pedavegi Mandal,	₹ 6,12,000	21.09.2017	1. Paidi Veera Raghavalu, 2. Paidi Jaya Lalitha,	Vacant Land

Sr. No.	Schedule of property and area	Purchase Consideration (In ₹)	Date of Agreement	Seller	Purpose
	Eluru, West Godawari District, Andhra Pradesh.			3. Paidi Sri Nikhil Chandra, 4. Paidi Vijaya Lakshmi. 5. Paidi China Raja 6. Paidi Maheswari	
5.	Doc.No.8777/2017, Plot.No.58, 244.44 Sq. Yards Located at Vijayarai Village, Pedavegi Mandal, Eluru, West Godawari District, Andhra Pradesh.	₹ 6,12,000	21.09.2017	1. Paidi Veera Raghavalu, 2. Paidi Jaya Lalitha, 3. Paidi Sri Nikhil Chandra, 4. Paidi Vijaya Lakshmi. 5. Paidi China Raja 6. Paidi Maheswari	Vacant Land
6.	Doc. No. 8778/2017, Plot. No. 59, 244.44 Sq. Yards Located at Vijayarai Village, Pedavegi Mandal, Eluru, West Godawari District, Andhra Pradesh.	₹ 6,12,000	21.09.2017	1. Paidi Veera Raghavalu, 2. Paidi Jaya Lalitha, 3. Paidi Sri Nikhil Chandra, 4. Paidi Vijaya Lakshmi. 5. Paidi China Raja 6. Paidi Maheswari	Vacant Land
7.	West Godavari District, Eluru Mandal, Eluru Sub - District, Eluru Non Municipal Area, Venkatpuram Gram Panchayat, Eluru Block - 3 Village in R. S. No 850/3, R. S. No 850/3, R. S. No. 861/5	₹ 21,00,000	03.03.2014	1. Gorantla Srinivas Rao 2. Yenigalla Srikantha	Vacant Land
8.	No. 57, forming part of Survey Nos. 70, 72, 73 and 74, admeasuring 227 Sq. Yards. or 189.77 Sq. Mts., situated at Thokatta Village, Bowenpally, Secunderabad Cantonment	₹ 29,81,000	07.11.2011	Sri. N. Gunabushanam, S/o. late. N. K. Narasimha Mudallar	Constructed building for Registered office
9.	Ac.6-33 gts, is situated at Singannaguda Village, Mulugu Mandal, Medak District. Vide Title Deed No. Y. 054417 (Patta No.416), issued the R.D.O. Siddipet <sup>(1)</sup>	₹ 10,24,000	13.02.2013	Sara Rama Linngam S/o. S. Achaiah	Constructed building for Factory premises
10.	Endriyal Village, Tadwai (M), Nizamabad District, within the limits of Endriyal, M. P. Tadwai, Z. P. Nizamabad, Regn Sub - Dist: Kamareddy and Regn: Dist: Nizamabad.	₹16,42,625 17,35,000	17.06.2011	Sri Narayana Sudharshan Reddy S/o Prathap Reddy	Agricultural Land
11.	Endriyal Village, Tadwai (M), Nizamabad District, within the limits of Endriyal, M. P. Tadwai, Z. P. Nizamabad, Regn Sub - Dist: Kamareddy and Regn: Dst: Nizamabad.	₹ 17,35,000	17.06.2011	Sri Nareddy Ravinder Reddy S/o Venkat Ram Reddy	Agricultural Land
12.	Endriyal Village, Tadwai (M), Nizamabad District, within the limits of Endriyal, M. P. Tadwai, Z.	₹ 15,83,125	17.06.2011	Sri Narendra Mohan Reddy S/o Narsa Reddy	Agricultural Land

Sr. No.	Schedule of property and area	Purchase Consideration (In ₹)	Date of Agreement	Seller	Purpose
	P. Nizamabad, Regn Sub-Dist: Kamareddy and Regn: Dst: Nizamabad.				
13.	Endriyal Village, Tadwai (M), Nizamabad District, within the limits of Endriyal, M. P. Tadwai, Z. P. Nizamabad, Regn Sub-Dist: Kamareddy and Regn: Dist: Nizamabad.	₹ 17,16,000	17.06.2011	Sri. Nareddy Manikya Reddy S/o Jaihind Reddy	Agricultural Land

<sup>(1)</sup> Our Company has given 10,000 square feet of shed on rent to Nova Agri Sciences Private Limited at a rent of ₹ 25000 per month

### Leave and License Property

Sr. No.	Name of the Licensor <sup>(1)</sup>	Details of the Property	Term of the Licence	Amount of Licence Fee and Security Deposit	Purpose
1.	Gurudadri Traders R/o Andral, Ballari	Behind Police Station, APMC Yard, Door No.30, Ballari	01-04-2018 to 28-02-2019	License Fee- ₹ 15,000 per month and ₹ 30,000 interest free deposit	Godown
2.	Srmnkata Sai Industries' R/o Andral, Ballari	Ballari, Behind Police Station, APMC Yard, Door No.31, Ballari	01-04-2018 to 28-02-2019	License Fee- ₹ 15,000 per month and ₹ 30,000 interest free deposit	Godown
3.	Sri M. Jaypal Reddy S/o M Sanjeeva Reddy	Plot No 5, MJR Residency, Second Floor, Vital Nagar, New Bowenpally, Secunderabad – 500 011	29-03-2008 to 29-03-2018 <sup>(2)</sup>	License Fee - ₹ 8000 per month and ₹ 15,000 interest free deposit	For office purpose

<sup>(1)</sup> The owners hereby grant permission and license to the Conductor i.e. NAL to (a) use and occupy the said factory premises (b) to use furniture's, fixtures and fittings and all other articles, things, tools.

<sup>(2)</sup> The Company is in process of renewing the agreement with the Licensor

### Insurances

Our Company generally maintains insurance covering our stocks, machineries, assets and in transit products at such levels that we believe to be appropriate. We have taken insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, terrorism etc. and also, which we believe, is in accordance with customary industry practices.

The details of insurance policies obtained by the company are:

Sr. No	Name of the Insurance Company	Type of Policy	Validity Period <sup>(1)</sup>	Policy No	Sum insured (₹ in lakhs)	Premium p.a. (₹ in lakhs)
1.	National Insurance Company Limited	Standard Fire & Special Perils Policy	22/09/2017 to 21/09/2018 <sup>(1)</sup>	551802111710000041	3,050.00	2.36

<sup>(1)</sup> The said policy has expired and the Company has entered into a new insurance with Royal Sundaram General Insurance Company Limited for the period valid from 26/09/2018 to 25/09/2019 covering the sum assured of ₹ 4,700.00 lakhs for fire, Burglary sum assured is ₹3,875.00 lakhs. The premium paid for the insurance is ₹ 2.99 lakhs. As the insurance is taken on 26/09/2018, the Company has not yet received the documents regarding terms and conditions

1. Standard Fire & Special Perils Policy covering risk on Plant & machinery with add on covers for earthquake (Fire and shock) for our property situated at Sy No.251/A,251/A1, Singannaguda Village, Mulugu Mandal, Medak – 502 336. The total sum assured for Plant and Machinery is ₹ 500.00 lakhs.
2. Standard Fire & Special Perils Policy covering risk on stock of raw material and finished goods and Building (without Plinth & foundation).The policy also covers for earthquake (Fire and shock). The policy covers the risk for our property situated at Sy No.251/A,251/A1, Singannaguda Village, Mulugu Mandal, Medak – 502 336.The total sum assured for stock of raw materials and finished goods is ₹ 2,200 lakhs and for Building (without plinth and foundation) the sum assured is ₹ 350.00 lakhs.

## KEY INDUSTRY REGULATIONS AND POLICIES

The following is an overview of the important laws, regulations and policies which are relevant to the business of the Company in India. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Except as otherwise specified in this Draft Red Herring Prospectus, taxation statutes such as the Income Tax Act, 1961 and various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. 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.

### A. BUSINESS/TRADE RELATED LAWS/INDUSTRY RELATED LEGISLATIONS/REGULATIONS:

#### (1) **The Fertilizer (Control) Order, 1985:**

The Government of India has passed the Fertilizer (Control) Order, 1985 (“Order”) in exercise of the powers conferred to it under Section 3 of the Essential Commodities Act, 1955. As per the provisions of this Order, the Government of India has wide powers to regulate the trade in fertilizers across India. As per provision 7 of the Order, no person shall sell or carry on the business of selling fertilizer without obtaining prior permission of the State Government. The State Government under provision 10 has the power to issue license for trading in fertilizers for a period of three years, which may be renewed, suspended or cancelled at its discretion. Under provision 8, any person intending to sell or offer for sale as industrial dealer has to make an application in form A together with the certificate of source in form O and thereafter the Controller shall grant registration in Form B. Further, provision 15 states that the State Government has power to issue a certificate of manufacture, without which no person can carry on the business of manufacture of mixtures of fertilizers, organic fertilizer and bio fertilizer which shall be valid for period of 3 years. The Government of India also has the power to regulate prices and also has the power to direct manufacturers/importers to sell fertilizers to particular States, in order to ensure fair and equitable access to farmers across India.

#### (2) **The Insecticides Act, 1968 and Insecticides Rules, 1971:**

The Insecticides Act, 1968 (“Insecticides Act”) is an Act to regulate import, manufacture, sale, transport, distribution and use of insecticides with a view to prevent risk to human beings or animal and other matters connected therewith. Insecticides Rules, 1971 were formulated under the Insecticides Act. Any person desiring to import or manufacture any insecticide is required to apply to the Registration Committee for the registration of such insecticide under section 9(1) and as per the Insecticides Rules 6, the application shall be made in Form I and there shall be a separate application for each such insecticide. The certificate of registration granted shall be in form II or IIA. Any person desiring to manufacture or sell, stock or exhibit for sale or distribute any insecticide may make an application to the licensing officer for the grant of license within 17 months from the date of such commencement under section 13(1) in form III and form IV as per Insecticides Rule 9. A license granted shall be valid for the period specified therein and the same needs to be renewed from time to time. Section 27 states that no person shall himself, or by any person on his behalf, import or manufacture any misbranded insecticide, any insecticide which for the time being has been prohibited under the Insecticides Act. As per the Insecticides Act, the insecticides, which are manufactured need to be packaged, labeled, transported and stored according to the procedure enumerated under the Insecticides Act.

#### (3) **Environment Protection Act, 1986**

The Environment Protection Act, 1986 (the “Environment Protection Act”) contains provisions for the protection and improvement of the environment on the whole. Environmental legislations such as the Water (Prevention and Control of Pollution) Act 1974 (“Water Act”) as amended, the Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) as amended, and the Environment Protection Act, 1986 (“Environment Act”) as amended must be complied with while undertaking manufacturing projects.

Under the Environmental Protection Act, the Central Government executes various functions including coordination of the activities performed by the State Governments, planning and execution of nation-wide programmes for the prevention and control of environmental pollution, laying down standards for the emission or discharge or environmental pollutants, providing safeguards against accidents causing environmental pollutions.

**(4) Water (Prevention and Control of Pollution) Act, 1974:**

Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”) aims to prevent and control water pollution. The Water Act provides for the constitution of a Central Pollution Control Board (“CPCB”) and State Pollution Control Boards (“SPCBs”).

The CPCB, constituted by the Central Government, performs scores of functions which comprise advising the Central Government in matters relating to prevention and management of water pollution, coordinating the activities of the SPCBs and resolving disputes among them, if any, taking care of the water pollution by organizing programmes through mass media, collecting data relating to water pollution and the stipulation of measures for the prevention and control of water pollution. The streams and wells are required to be maintained according to the standards prescribed by the CPCB. The SPCBs are in turn responsible for the planning of programs for the prevention and management of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water and laying down or annulling standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluents into a stream, well or sewer without the prior consent of the relevant SPCB.

**(5) Water (Prevention and Control of Pollution) Cess Act, 1977:**

Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”), as amended states that every person carrying on any industry is required to pay cess for the purpose specified in the Water Cess Act. The cess shall be calculated on the basis of water consumed by those persons at such rate as specified in the Water Cess Act. However, these persons shall be entitled to a rebate of 25% if they install any plant for the treatment of sewage or trade effluent, provided they do not consume water in excess of the maximum quantity prescribed for that category of industries and also comply with the provisions relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the Environment Act. For recording the amount of water consumption, every industry is required to install meters as prescribed. Non-payment of cess within the specified time may lead to imposition of penalty. In case if any person, liable to pay cess under the Water Cess Act, willfully or intentionally evades or attempts to evade the payment of such cess, shall be punishable with imprisonment which may extend to six months or a fine which may extend to ₹ 1,000 or both.

**(6) Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) envisages the prevention, control and abatement of air pollution, by the establishment of boards for conferring on and assigning to such boards powers and functions as prescribed under the Air Act. Pursuant to the provisions of the Air Act, as amended, no person shall establish or operate any industrial plant in an air pollution control area without the prior consent of the State Board. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the SPCBs. Any contravention to the provisions of the Air Act may lead to imprisonment of up to six years and a fine as may be deemed appropriate.

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

**(7) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989**

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (“Hazardous Chemical Rules”) were made in exercise of the powers conferred under section 6, 8 and 25 of the Environment (Protection) Act, 1986 for the industrial activity in which a hazardous chemical maybe involved. Under rule 7, an occupier has to submit written report to the concerned authority about the notification of sites containing the threshold quantity or more of an additional hazardous chemical. Also rule 10 prohibits the occupier to undertake an industrial activity unless he has prepared a safety report on that industrial activity and that report has to be submitted to the concerned authority at least ninety days before commencing that activity. Further it is stated that every container of hazardous chemical has to be clearly labeled or marked.



#### **(8) Hazardous Waste (Management and Handling) Rules, 1989**

Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Rules”) provides that it is the responsibility of the occupier and the operator of the premises to look into matters relating to proper collection, reception, treatment, storage and disposal of hazardous wastes. The occupier, transporter and operator of a facility shall be liable for damages caused to the environment resulting due to improper handling and disposal of hazardous waste. For this, the occupier shall obtain an authorization from the relevant SPCBs. The SPCBs are empowered to cancel the authorization issued under the Hazardous Waste Rules if such persons fail to comply with any of the provisions of the Hazardous Waste Rules. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to 5 years and imposition of fine as may be specified in the Environment Act or both.

#### **(9) Public Liability Insurance Act, 1991**

Public Liability Insurance Act, 1991 (“Public Liability Act”) provides for the public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith. Under the Public Liability Act, every owner or controller of hazardous substances is required to take out one or more insurance policies providing for contracts of insurance stating that he is insured against the liability to give relief before he starts handling the hazardous substance.

Consecutively, he is required to renew the abovementioned policies from time to time before their expiry so that the insurance policies remain valid throughout the period during which such hazardous waste is handled. The Public Liability Act empowers the Central Government to establish the Environment Relief Fund by notification in the Official Gazette. Pursuant to the provisions of the Public Liability Insurance Rules, 1991, every owner or handler is obliged to contribute to the Environment Relief Fund a sum equal to the premium payable to the insurer. Every contribution to the Environmental Relief Fund shall be payable to the insurer, together with the amount of premium.

### **B. LABOUR LAWS:**

#### **(1) Factories Act, 1948**

Factories Act, 1948 (“Factories Act”) regulates the provisions relating to labour in factories. The Factories Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the preceding twelve months and on which an electronic manufacturing process is carried on. Further, it also includes any premises on which twenty or more workers are employed or were employed on any day of the preceding twelve months and on which a manufacturing process is ordinarily carried on without the use of electricity. The applicant needs to submit the prior plans and obtain the approval of the respective State Government for the establishment, registration and licensing of factories. The provisions for the same are contained in the rules made by the respective State Governments.

The Factories Act defines occupier of a factory as the person who has ultimate control over the factory. In case of a company, any one of the directors shall be deemed to be the occupier. Fifteen days before the occupier begins to use the factory premises, he shall send a notice to the Chief Inspector in writing containing details of the factory (name and situation) and the occupier (name and address). The occupier is responsible for varied functions including the health, safety and welfare of the workers, maintenance of the plant and systems operating in the factory, safety and risk-free environment in relation to the use, handling, storage and transport of substances, monitoring the work environment. The Factories Act provides for provisions relating to health and safety, cleanliness and safe working conditions. Employment of women and children in the factories is prohibited under the Factories Act. Violations to any of the provisions of the Factories Act or the rules framed there under may lead to the imprisonment of the occupier or the manager of the factory for a term not exceeding two years and/or with a fine of ₹ 1,00,000 or both. If any continuing violation after conviction is observed, a fine of up to ₹ 1,000 per day of violation may be levied. The Ministry of Labour and Employment proposes to amend the Factories Act, 1948 vide Office Memorandum dated June 5, 2014 wherein it is proposed to redefine the term “hazardous process” as a process in which a hazardous substance is used and the term “hazardous substance” would have the same meaning as assigned in the Environment Protection Act, 1986. An Occupier would now be required to take permission from the State Government for expansion of a factory within certain prescribed limits. Various safety precautions have been taken by the State Government to prevent persons to enter any confined space unless a written certificate has been given by a competent person and such person is wearing a suitable breathing apparatus. The occupier of a factory which is engaged in a hazardous process is required to inform the Chief Inspector within 30 days before



the commencement of such process. An Inquiry Committee will be appointed by the Central Government to inquire into the standards of health and safety observed in the factory.

(2) **Industrial (Development and Regulation) Act, 1951**

The development and regulation of certain industries are governed under this act. For the purpose of advising on matters relating to development and regulation, the central government may establish a council known as central advisory council. This council shall have not more than 31 members including the chairman who shall be appointed by the Central Government. Every industrial undertaking shall be registered within such period as the central government may notify in this regard. The Central Government has direct power to assume management or control of an industrial undertaking owned or for companies in liquidation.

The suits pertaining to this act shall be tried by no court inferior to that of the presidency magistrate or magistrate of first class. The Central Government has sole power to grant exemption in certain cases. The First schedule to the act mentions the list of industries to which the act applies and it includes industry in the business of plastic and synthetic resins as well as plastic moulded goods.

(3) **Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957:**

Industrial Dispute Act, 1947 provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit strikes and lock-outs, declaration of strikes and lockouts as illegal and provisions relating to lay-off and retrenchment and closure, Conciliation and adjudication of industrial disputes by; Conciliation Officers, a Board of Conciliation, Courts of Inquiry, Labour Courts, Industrial Tribunals and a National Industrial Tribunal.

(4) **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act")**

The EPF Act is applicable to the establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund.

(5) **Employees Provident Fund Scheme, 1952**

The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952. The Chairman of the Central Board shall call a meeting of the Board for the purpose of election to the Executive Committee of the members representing the employer or the employees as the case may be. In case of meetings a notice of not less than 15 days from the date of posting with all the required details of the meeting shall be dispatched by registered post or by special messenger to each trustee or the member of committee that are present in India. The provisions relating to Chairman presiding over the meeting or Quorum or nomination of the business are laid down under the scheme. A previous sanction of the Central Government for undertaking any work by the Central provident fund commissioner and the financial advisor. The act gives an express provision for classes of employees and membership of the fund.

(6) **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The Central Board may by resolution delegate all or any of its power to the Chairman or Commissioner or both, to sanction the expenditure on any single item. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

**(7) The Employees Family Pension Scheme, 1971**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of for joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

**(8) Employees' State Insurance Act, 1948 (the "ESI Act")**

All the establishments to which the ESI Act applies are required to be registered under the ESI Act with the Employees State Insurance Corporation. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

**(9) Payment of Wages Act, 1936**

Payment of Wages Act, 1936 contains provisions as to the minimum wages that are to be fixed by the appropriate Governments for the employees, fixation and revision for the minimum wages of the employees, entitlement of bonus to the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

**(10) Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

**(11) Payment of Gratuity Act, 1972**

The act deals with payment of gratuity to employees engaged in factories, mines and allied companies. The act applies to every factory, mines, oilfield, plantation, port and railway company or every shop or establishment in which ten or more people are employed on any day in preceding twelve months. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

**(12) Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

**(13) Industrial Employment (Standing Orders) Act, 1946**

In order to strengthen the bargaining powers of the workers this act is established, it requires the employers to formally define the working conditions to the employee. The employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. The standing order shall unless in case of an appeal, come into operation on the expiry of thirty days from the date on which authenticated copies were sent. An employer failing to submit the draft standing order as required by the act shall be liable to pay fine as per section 13 of the act.

(14) **Maternity Benefit Act, 1951**

The Maternity Benefit Act, 1951 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

(15) **Equal Remuneration Act, 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

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

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Building and Construction Industry.

(17) **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of female at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. 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, organizing 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.

(18) **Contract Labour (Regulation and Abolition) Act, 1970**

Contract Labour (Regulation and Abolition) Act, 1970 regulates the employment of contract labour in certain establishments, provides for its abolition in certain circumstances. It applies:

- to every establishment which does not carry on intermittent / casual work in which 20 or more workmen are employed on any day of the preceding 12 months as contract labour.
- to every contractor who employ or employed on any data of the preceding 12 months, 20 or more workmen.

Every Establishment must, within the specified period, apply to the registering officer for registration of the Establishment and obtain a certificate of registration containing such particulars as may be prescribed. Further, a contractor can only undertake or execute any work through contract labour under and in accordance with a licence issued in that behalf by the licensing officer. The license may contain conditions including, in particular, conditions as to hours or work, fixation of wages and other essential amenities in respect of contract labour. The license will be valid for the period specified therein. Every contractor is duty-bound to provide and maintain supply of drinking water, canteens, rest-rooms latrines and urinals, washing facilities, first-aid box in the prescribed manner for contract labour employed in connection with the work of an Establishment to which the Act applies. If such amenities are not provided by the contractor within the prescribed time, such amenities shall be provided by the principal employer of the Establishment. Contractor shall be responsible for payment of wages to each worker employed by him as contract labour within the prescribed period and in case he fails to do so, the principal employer of the Establishment will be so responsible.

## **C. INTELLECTUAL PROPERTY RIGHTS:**

### **(1) Trade Marks Act, 1999**

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

## **D. GENERAL CORPORATE COMPLIANCE:**

### **1. The Companies Act 1956 and the Companies Act, 2013.**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the 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 act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. 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. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors' payable by the companies is under Part II of the said schedule.

## **E. TAX RELATED LEGISLATIONS:**

### **(1) Income Tax Act 1961:**

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. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30th September of each assessment year.

### **(2) The Central Goods and Services Act, 2017:**

The Central Goods and Service Tax Act, 2017, ("GST Act"), provides for the levy of a comprehensive tax on manufacture, sale and consumption of goods and service at a national level. The GST Act, has been passed to integrate all indirect taxes levied on goods and services by the Central and State governments in India. The GST Act levies a two-rate structure, namely: (I) a lower rate for necessary items and items of basic importance; and, (ii) a standard rate for goods in general. The GST Act also provides for a special rate for precious metals and a list of exempted items.

### **(3) 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. The Telangana Tax on Professions, Trades, Callings and Employments Act, 1987 is applicable to the Company.

## **F. OTHER LAWS**

### **(1) The Consumer Protection Act, 1986**

The Consumer Protection Act, 1986 (the “Consumer Protection Act”) provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant the following reliefs, that is, removal of defects, replacement of goods, compensation to the consumer, etc.

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

The Foreign Trade (Regulation and Development) Act, 1992 (the “Foreign Trade Act”) was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an import exporter code number granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an Importer Exporter Code (“IEC”) unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

### **(3) Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”) is an act to provide for facilitating the promotion, development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish micro, small or medium enterprise shall file industrial entrepreneur memorandum (IEM) with the authority under section 8 of MSMED Act. After filing IEM to Government of India, it gives acknowledgment receipt in part I to the applicant and informs the Directorate of Industries. The acknowledgement receipt in part I is valid for 2 years and thereafter, immediately after commencement of commercial production, part B has to be filed.

### **(4) The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011:**

The Legal Metrology Act, 2009 (the “Legal Metrology Act”) was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and replaces the Standard of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology (Packaged Commodities) Rules, 2011 (the “Legal Metrology Rules”) were issued by the Central Government under the Legal Metrology Act. Under 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. Pursuant to section 19 of the Legal Metrology Act, no person shall import any weight or measure unless he is registered with the Director in such manner and on payment of such fees, as may be prescribed. Further section 23 of the Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. According to the Legal Metrology Rules, no person shall pre-pack or cause or permit to be pre-packed any commodity for sale, distribution or delivery unless a declaration is made on the package as required under the Legal Metrology Rules. Every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery is required to be registered.



(5) **Shops and Establishments Acts**

According to the Notification published in an Extraordinary Issue of the Telangana Gazette, dated 01.02.2016, Government of Telangana have decided to adapt the Andhra Pradesh Shops and Establishments Act, 1988 as amended from time to time with necessary modification, so as to facilitate its application to the State of Telangana. Further, in the Andhra Pradesh Shops and Establishment Act, 1988, for the words “Andhra Pradesh” (occurring otherwise than in a citation or description or title of other laws including the Rules as the case may be), the word “Telangana” has been substituted.

The Telangana Shops and Establishments Act, 1988 was enacted to consolidate and amend the law relating to the regulation of conditions of work and employment in shops, commercial establishments and other establishments and for matters connected therewith. In the implementation of the said Act and in the changed conditions in labour relations, it is found necessary to provide for some more measures for safeguarding the interests of the employees.

(6) **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 consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

(7) **The Registration Act, 1908:**

The Registration Act, 1908 (“**Registration Act**”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

(8) **The Specific Relief Act, 1963:**

The Specific Relief Act, 1963 (“**Specific Relief Act**”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

(9) **Competition Act, 2002:**

The Competition Act, 2002 (“Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India

(10) **Regulation of Foreign Investment in India**

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) read with the applicable FEMA Regulations and the extant consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the current consolidated FDI Policy, effective from May 12, 2015, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the “Consolidated FDI Policy”), which consolidates the policy framework on FDI, up to 100% FDI through the automatic route is permitted in sectors and activities not specifically restricted under the Consolidated FDI Policy. Therefore, our business is not subject to sectorial investment limits enumerated under the Consolidated FDI Policy



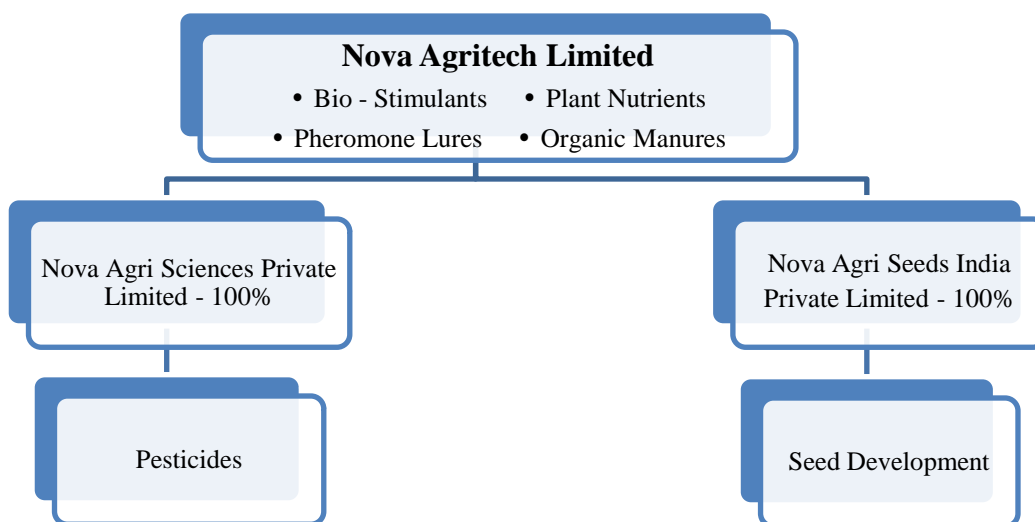
## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Nova Agritech Private Limited on May 09, 2007 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No.053901. The status of our Company was changed to a public limited company and the name of our Company was changed to Nova Agritech Limited by a special resolution passed on September 08, 2018. A fresh Certificate of Incorporation consequent upon conversion was issued on September 24, 2018 by the Registrar of Companies, Hyderabad. The Company's Corporate Identity Number is U01119TG2007PLC053901.

### OVERVIEW

We are a manufacturer of organic based bio products, pesticides and fertilizers used by farmers for their agricultural and cropping activities. Our Company was incorporated in the year 2007 with a vision to provide wide range of plant nutrition and plant protection products for specialty agricultural, horticultural and home garden market that are ideal to be used in agricultural industry and which are sustainable, environmentally safe, economically feasible, and chemical free and 100% eco friendly. Currently our Company is engaged in the business of Manufacturing and supplying of bio-fertilizers, bio-pesticides, bio-fungicides, plant growth promoters, micro and macro nutrients that are recognized as ideal organic products, commercially viable for Organic farming. Over the years we have developed a vast network of more than 3,800 dealers spread in Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh, Rajasthan, Odisha, West Bengal and Assam. We are ISO 9001:2015 certified for providing quality in the Manufacturing and Marketing facilities of Agricultural Bio Products, Organic manures and Micro Nutrients as per the requirement of quality standards.

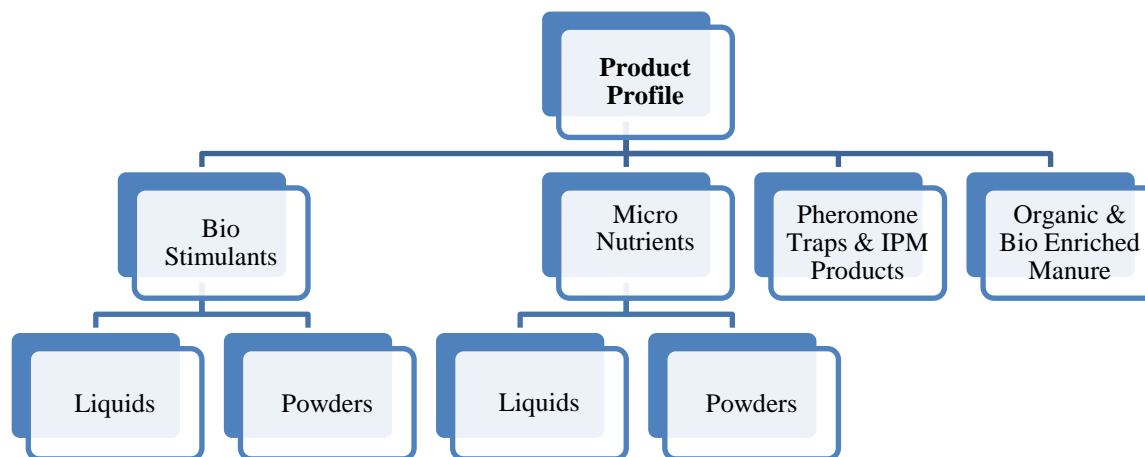
In the year 2017, we acquired the manufacturing unit of Nova Agri Sciences Pvt. Ltd and Nova Agri Seeds India Pvt. Ltd. and established them as our subsidiaries with a view to expand our product scope and our market reach, we, through our subsidiaries, have ventured into manufacturing and marketing of various pesticides and also into research and development of high yield seeds. Our subsidiary Nova Agri Sciences Pvt. Ltd is ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certified company for "Formulation supply of Pesticides, Insecticides, Fungicides, Herbicides Plant Growth Regulators, Micronutrients, Fertilizers". Currently Nova Agri Sciences Private Limited has about 157 pesticide products which are predominant requirement of Indian agriculture towards crop protection. Our subsidiary Nova Agri Seeds India Pvt. Ltd. has been set-up to carry out research & development to enhance the seed quality and its reproduction capabilities, keeping its core properties intact. Our corporate structure can be explained as below:



We have a dedicated in-house Research and Development facility and a dedicated Quality Control / Quality Assurance facility at our factory unit situated at Singannaguda to support technology transfer for new products and on-site process improvement. We have dedicated teams actively involved in R&D and QC/QA Lab activities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new products. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community. Our R&D

efforts and innovations have enabled our Company to expand its scope of operations and we have increased our product range from 6 products in the year 2007 to 55 products currently, which in turn has resulted in substantial recognition of our brand in the Agro-product Industry.

Our Company has varied product portfolio which has been comprised and categorised as below:



Our Registered office is situated in Secunderabad at Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad – 500 011. Our manufacturing / processing unit is situated at, Singannaguda (village) and the plant is spread over a total area of 11.37 acres and has a total annual installed capacity of 2.92 lakhs litres for liquids and 3.77 lakhs kilogram for powder forms of our products. Besides, the manufacturing unit, the total plant area includes warehousing facilities for storage of raw material and finished goods of our Company and also approximately 10,000 sq. ft. shed has been leased to our subsidiary company – Nova Agri Sciences Private Limited.

We have dedicated automatic, semi-automatic machines for manufacture and packing of finished goods. We also have machine and manual checking systems for raw materials as well as Finished Goods. Our Testing and QC Technical team combined with the various testing equipments used by us, ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

For further details regarding our business operations, please see “Our Business” beginning on page no. 96 of this Draft Prospectus.

Our Company has 7 shareholders as on the date of filing of this Draft Prospectus.

#### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Major Events / Achievements
2007	Incorporation of our Company as “Nova Agritech Private Limited”.under Companies Act, 1956 Started with only 6 products with 9 staff
2009	Six more new products were introduced under the brand of ‘Nova’ Company got Import and Export code
2010	Our Company became ISO Certified and got ISO 9001:2015 for Manufacturing and Marketing of Agricultural Bio Products, Organics Manures and Micro Nutrients. Expanded our business in the states of Karnataka & Tamil Nadu. Introduction of Best Quality Mulch Film in farming sector in the States of Andhra Pradesh and Karnataka
2011	Acquired a land in Andhra Pradesh for setting up new Research &Development centre Acquired a another land in Andhra Pradesh for setting up of new office premises Andhra Pradesh Started new Monthly Magazine in the name of “Agriclinic” in Telugu Received “MSME National Award 2010 - Outstanding Performance in Manufacturing Sector from the Ministry of MSME

Year	Major Events / Achievements
2012	Expanded our business in the states of Madhya Pradesh, Chhattisgarh and Maharashtra.
	Introduced eco-friendly Organic Manure based Products.
	Received organic certificate from Vedic organic
2013	Expanded our business in the states of Rajasthan and Orissa.
	Acquired a land for setting up new Manufacturing Facility at Telangana
	Crossed network of 1,000 dealers
2014	Number of dealers increased to 2,500
	Construction of manufacturing facility completed at Telangana
2015	Constructed 6 more new shed for godown / warehouse for storage & manufacturing purposes in our existing Manufacturing Facility
2016	Received Fire and Safety Measures Certificate from Competent Authority for Our Manufacturing Facility
2018	Acquired 100% stake in Nova Agri Seeds India Private Limited, making it our wholly-owned subsidiary
	Acquired 100% stake in Nova Agri Sciences Private Limited, making it our wholly-owned subsidiary
	Status of our Company changed from Private to Public i.e. to Nova Agritech Limited.

### MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company's main objects as per the Memorandum of Association are as follows:

- To promote, establish, develop, produce, process, preserve, buy, sell, research, market, import, export and deal in all types of bio pesticides, Bio Fungicides, Bio Fertilizers, all types of Plant Nutrients, Plant Growth hormones, herbal products, Farm Equipments, Seeds and all necessary agricultural inputs.
- To encourage organic Farming by providing necessary agricultural inputs like bio pesticides, bio fertilizers, herbal products and other quality farming machinery equipments to the farmers in addition to the technical guidance to yield good quality produce and also to initiate and facilitate trade among farmers and organic farm fresh buyers.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change of Registered Office	Registered Address Changed From	Changed to
On Incorporation	Door No.7-1-70/D, First Floor, Dharam Karam Road, Ameerpet, Hyderabad, Andhra Pradesh – 500 016	
June 01, 2007	Door No.7-1-70/D, First Floor, Dharam Karam Road, Ameerpet, Hyderabad, Andhra Pradesh – 500 016	Plot No. 61/A, H. No. 8-7-168/1, Hal Colonu, Old Bowenpally, Secunderabad, Hyderabad, Andhra Pradesh – 500 011
July 01, 2011	Plot No. 61/A, H. No. 8-7-168/1, Hal Colonu, Old Bowenpally, Secunderabad, Hyderabad, Andhra Pradesh – 500 011	Plot No. 5, 2 <sup>nd</sup> Floor, MJR Residency, Vittal Nagar, Chinatokatta, New Bowenpally, Secunderabad, Hyderabad – 500 011
March 25, 2017	Plot No.5, 2 <sup>nd</sup> Floor, MJR Residency, Vittal Nagar, Chinatokatta, New Bowenpally, Secunderabad, Hyderabad – 500 011	Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad, Hyderabad, Telangana- 500 011

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

DATE	NATURE OF AMMENDMENT
January 27, 2010	The authorised share capital of ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each was increased to ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each
March 19, 2012	The authorised share capital of ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each was increased to ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10 each
November 21, 2013	The authorised share capital of ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10 each was increased to ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each

DATE	NATURE OF AMMENDMENT
June 16, 2014	The authorised share capital of ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each was increased to ₹ 4,00,00,000 divided into 40,00,000 Equity Shares of ₹ 10 each
April 20, 2016	The authorised share capital of ₹ 4,00,00,000 divided into 40,00,000 Equity Shares of ₹ 10 each was increased to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each
March 14, 2018	The authorised share capital of ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each was increased to ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each
September 08, 2018	The name of our Company was changed from “Nova Agritech Private Limited” to “Nova Agritech Limited”

## SUBSIDIARIES

As on the date of this Draft Prospectus, we have three (2) subsidiary companies.

### I. NOVA AGRI SEEDS INDIA PRIVATE LIMITED (“NASIPL”)

<b>Incorporation</b>	Nova Agri Seeds Private Limited on November 09, 2009 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad bearing Registration No. 065732. The name of the Company was changed to Nova Agri Seeds India Private Limited and name change Certificate was issued on September 28, 2010 by the Registrar of Companies, Hyderabad.
<b>Registration No.</b>	065732
<b>CIN No.</b>	U01403TG2009PTC065732
<b>Registrar of Companies</b>	Registrar of Companies, Hyderabad
<b>Nature of Business</b>	<ol style="list-style-type: none"> <li>To carry on the business as distributors, marketers, traders, exporters, Agents, representatives, dealers, stockiest, importers, of agricultural input, fertilizers, agricultural, scientific and farm products, pharmaceuticals, chemicals, Agree Seeds, biotech products, consumer goods, household goods, vaccines and antibiotics, veterinary and nutritional products.</li> <li>To carry on the business of research and development, establish, acquire, promote, maintain, application, distribution, export and import, marketing, sales and consulting services of all types of biological and chemical products, biotech products, , vaccines and antibiotics, veterinary, and nutritional products for human, veterinary, poultry and marine biological uses.</li> <li>To carry on the business of trading of carbon, hydrogen, nitrogen, carbon emission products, buying, selling, distributing, importing, exporting, supplying, wholesalers, hiring, marketing and dealing in all kinds of drugs, chemical, agricultural products including fertilizers, seeds and pesticides, pharmaceutical products, genetically material.</li> <li>To carry on the business of manufacturing, developing, producing, processing, Distilling, compounding, formulating, acquiring, buying, selling, importing, Exporting, stocking, storing, distributing, maintaining, handling and dealing in All kind of agricultural inputs, fertilizers, agricultural, scientific and farm Products, chemicals, biotech products, vaccines and antibiotics, veterinary and nutritional Products for human, veterinary, poultry and marine biological uses.</li> </ol>
<b>Registered Office</b>	Plot No 5, 2nd Floor, MJR Residency, Hanuman Nagar, New Bowenpally, Secunderabad, Telangana - 500011

### Board of Directors:

1. Sambasivarao Yeluri
2. Pallela Ajay Babu
3. Kiran Kumar Atukuri

## Capital Structure

Particulars	No. of Equity Shares of ₹ 10 each
Authorised Share Capital	50,000
Issued, Subscribed and Paid-up Capital	50,000

## Shareholding Pattern of NASIPL

Name of the shareholders	No. of Shares
Nova Agritech Limited	49,999
Others – Nominee of NAL <sup>(1)</sup>	1
<b>Total</b>	<b>50,000</b>

<sup>(1)</sup> The actual shareholding of Nova Agritech Limited (NAL) is 50,000 shares i.e. 100.00% of the shareholding. However to meet the minimum shareholders criteria, representative of NAL has been appointed to hold this share as nominee shareholder.

## Financial Information:

The brief financial details of NASIPL derived from its audited financial statements for Fiscals 2018, 2017 and 2016 are set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31		
		2018	2017	2016
1	Equity Shares Fully Paid	5.00	5.00	5.00
2	Reserves and Surplus	(12.85)	(9.07)	(7.99)
3	Networth	(7.85)	(4.07)	(2.99)
4	Income including Other Income	8.26	2.09	0.00
5	Profit/ (Loss) After Tax	(3.78)	(1.08)	(2.86)
6	Earnings Per Share (EPS)	(7.56)	(2.17)	(5.72)
7	Net Asset Value (NAV) per Share	(15.70)	(8.14)	(5.97)

## Other disclosures:

- The equity shares of NASIPL are not listed on any stock exchange;
- NASIPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further, NASIPL have a negative net-worth in the immediately preceding year.
- No application has been made to RoC for striking off the name of NASIPL;
- NASIPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initialled for economic offences against NASIPL.

## II. NOVA AGRI SCIENCES PRIVATE LIMITED (“NASPL”)

<b>Incorporation</b>	Nova Agri Sciences Private Limited (“NASPL”) was incorporated on May 12, 2010 under the Companies Act, 1956 with the Registrar of Companies, Hyderabad.
<b>Registration No.</b>	068405
<b>CIN No.</b>	U01403TG2010PTC068405
<b>Registrar of Companies</b>	Registrar of Companies, Hyderabad
<b>Nature of Business</b>	<ol style="list-style-type: none"> <li>1. To carry on business of production, harvesting, procurement, grading, pooling, handling, marketing, selling, export of all agricultural produce and to undertake measures for the value addition of agriculture produce with a view to enhance the returns from agriculture to the farmers and to promote the efficiency of agricultural inputs.</li> <li>2. To undertake analytical and research work and to establish laboratories and workshops and to participate in programs related to the agricultural and environmental sciences, to start and run educational research institutes/centers on various fields of agricultural science, to conduct training programmes for other agencies, institutions, government,</li> </ol>

	<p>semi government, and non government organisations in the field of science, technology, agriculture and environmental education.</p> <p>3. To organise lectures, seminars, workshops, study groups, debates, symposia and other programmes in the field of science, technology, agriculture environment and environmental education and to establish, run, organise and maintain classes, schools and other institutions and organisations to impart training, knowledge, teaching as well as to undertake research in the field of Agriculture and to undertake research and experimentation to improve and diversify the agricultural and food products through the use of agro-technology.</p> <p>4. To deepen, strengthen and intensify the benefits of Science and Technology in the field of agriculture and to carry on research on cultivation, plantation, farming, gardening of agricultural and horticultural products including the production, procurement, marketing and distribution of crop seeds, pulses, fruits, vegetables and other agricultural product.</p> <p>5. To accelerate the development process of agriculture to meet the emerging challenge of socio-economic matter and to promote the advancement of scientific and technical education which may tend to develop agriculture.</p>
<b>Registered Office</b>	Plot No. 7-2-B12, Industrial Estate, Sanathnagar, Hyderabad, Kurnool Telagana- 500 018.

#### **Board of Directors:**

1. Mr. Sambasivarao Yeluri
2. Mr. Pullela Ajay Babu
3. Mr. Kiran Kumar Atukuri

#### **Capital Structure**

Particulars	No. of Equity Shares of ₹ 10 each
Authorised Share Capital	50,00,000
Issued, Subscribed and Paid-up Capital	18,00,000

#### **Shareholding Pattern of NASPL**

Name of the shareholders	No. of Shares
Nova Agritech Limited	17,99,999
Others – Nominee of NAL <sup>(1)</sup>	1
<b>Total</b>	<b>18,00,000</b>

<sup>(1)</sup> The actual shareholding of Nova Agritech Limited (NAL) is 50,000 shares i.e. 100.00% of the shareholding. However to meet the minimum shareholders criteria, representative of NAL has been appointed to hold this share as nominee shareholder.

#### **Financial Information:**

The brief financial details of NASPL derived from its audited financial statements for Fiscals 2018, 2017 and 2016 are set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31		
		2018	2017	2016
1	Equity Shares Capital	180.00	180.00	1.00
2	Reserves and Surplus	(46.50)	(107.91)	(22.98)
3	Networth	133.50	72.09	(21.98)
4	Income including Other Income	976.91	185.31	75.25
5	Profit/ (Loss) After Tax	61.41	(84.93)	(19.67)
6	Earnings Per Share (EPS)	3.41	(4.72)	(196.69)
7	Net Asset Value (NAV) per Share	7.42	4.00	(219.84)



**Other disclosures:**

- The equity shares of NASPL are not listed on any stock exchange;
- NASPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further, NASPL does not have a negative net-worth in the immediately preceding year.
- No application has been made to RoC for striking off the name of NASPL;
- NASPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against NASPL.

**THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY**

There is no accumulated profit/ (losses) not accounted for by our Company.

**HOLDING COMPANY**

As on the date of this Draft Prospectus, there is no Holding Company of our Company.

**JOINT VENTURES**

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

**SHAREHOLDERS' AGREEMENT**

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

**ACQUISITION OF BUSINESS / UNDERTAKINGS**

Our Company has acquired Nova Agri Seeds India Private Limited and Nova Agri Sciences Private Limited in the fiscal year 2017- 18 and making it our wholly owned subsidiary company. Other than these acquisitions, our Company has not acquired any other business or undertaken any mergers, amalgamation, revaluation of assets in the last five years.

**FINANCIAL PARTNERS**

We do not have any financial partners as on the date of this Draft Prospectus.

**STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Draft Prospectus.

**OTHER AGREEMENTS**

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.

**INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against the company.

## OUR MANAGEMENT

### Board of Directors:

Our Company has Six (6) Directors consisting of three (3) Executive Directors and three (3) Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Kiran Kumar Atukuri</b> <i>Managing Director</i></p> <p><b>Address:</b> Plot No. 301, Akshaya Enclave Madinaguda, Chandanagar, Hyderabad, Andhra Pradesh-500 050</p> <p><b>Date of appointment as Additional Director:</b> July 09, 2018</p> <p><b>Date of appointment as Managing Director:</b> September 08, 2018</p> <p><b>Term:</b> Appointed as Managing Director for a period of three years i.e. till September 07, 2021.</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 08143781</p>	Indian	44 Years	<ul style="list-style-type: none"> <li>• Nova Agri Seeds India Private Limited</li> <li>• Nova Agri Sciences Private Limited</li> </ul>
<p><b>Mr. Sreekanth Yenigalla</b> <i>Executive Director (Marketing)</i></p> <p><b>Address:</b> 5-1015/5/4, Century Avenue, Behind Balaji Hospital, Alwal, Qutubullapur, Kutbullapur, K. V. Rangareddy, Andhra Pradesh-500 055</p> <p><b>Date of appointment as Director:</b> December 06, 2017</p> <p><b>Date of appointment as Executive Director (Marketing):</b> February 16, 2018</p> <p><b>Term:</b> Liable to retire by rotation.</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 07228577</p>	Indian	36 Years	<ul style="list-style-type: none"> <li>• Suraksha Agri Retails (India) Private Limited</li> <li>• Nova Fertilcare Private Limited</li> </ul>
<p><b>Mr. Nadella Basanth Kumar</b> <i>Executive Director (Technical)</i></p> <p><b>Address:</b> Plot No. 192 and 193, Flat No. 102, Vinayaka Residency, Padma Nagar Phase-2, Bank Colony, Chintal, HMT Township, Tirumalagiri, Hyderabad, Telangana-500 054.</p> <p><b>Date of Appointment as Additional Director:</b> May 26, 2018</p> <p><b>Date of appointment as Executive Director (Technical):</b> September 08, 2018</p>	Indian	31 Years	<ul style="list-style-type: none"> <li>• NIL</li> </ul>

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Term:</b> Liable to retire by rotation</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 08139510</p>			
<p><b>Mrs. Sonali Chowdhary</b> <i>Independent Director</i></p> <p><b>Address:</b> 135, Indu Aranya Haritna, Bandlaguda, Nagole, Hyderabad – 500 068</p> <p><b>Date of Appointment as Independent Director:</b> September 08, 2018</p> <p><b>Term:</b> Appointed as Independent Director for a period of Five years i.e. till September 07, 2023</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 08156888</p>	Indian	45 Years	<ul style="list-style-type: none"> <li>• NIL</li> </ul>
<p><b>Mr. Srinivasa Rao Vesangi</b> <i>Independent Director</i></p> <p><b>Address:</b> H No. 5-2-630, Gurukrupa Risalla Abdullah, New Osman Gunj, Hyderabad - 500095</p> <p><b>Date of Appointment as Independent Director:</b> September 08, 2018</p> <p><b>Term:</b> Appointed as Independent Director for a period of Five years i.e. till September 07, 2023</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 01647556</p>	Indian	48 Years	<ul style="list-style-type: none"> <li>• Heterosis Biotech Private Limited</li> <li>• Honey Bee Crop Care Private Limited</li> </ul>
<p><b>Mr. Ramesh Babu Nemani</b> <i>Independent Director</i></p> <p><b>Address:</b> 609/96/A, 1<sup>st</sup> Floor, Radha, Soami, Satsang Ghar, Anand Nagar Colony, Anand Nagar Khairatabad, Khairatabad, Hyderabad, Telangana – 500 004</p> <p><b>Date of Appointment as Independent Director:</b> September 08, 2018</p> <p><b>Term:</b> Appointed as Independent Director for a period of Five years i.e. till September 07, 2023</p> <p><b>Occupation:</b> Services</p> <p><b>DIN:</b> 08089820</p>	Indian	42 Years	<ul style="list-style-type: none"> <li>• Grandeur Products Limited</li> <li>• Hamstech India Limited</li> </ul>

For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below:

**Notes:**

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

**BRIEF BIOGRAPHIES OF OUR DIRECTORS**

**Mr. Kiran Kumar Atukuri**

Mr. Kiran Kumar Atukuri, aged 44 years, Managing Director of our Company. He has completed his Bachelor of Science in Agriculture from Acharya N. G. Ranga Agricultural University and Master of Business Administration from Nagarjuna University. He has almost two decade year of vast experience in the field of Sales & Marketing, Product Development, Channel Management, Key Account Management and Client Relationship Management in Agricultural inputs Business. He has worked with Rasi Seeds (P) Ltd., Maharashtra Hybrid Seeds Co. Ltd., ICICI Bank, Monsanto, Syngenta and EID Parry. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of our Company.

**Mr. Sreekanth Yenigalla**

Mr. Sreekanth Yenigalla, aged 36 years, is Executive Director (Marketing) of our Company. He holds Bachelor of Science degree in Agriculture from Acharya N. G. Ranga Agricultural University. He has more than a decade year of experience in Agricultural Industry. Before joining our Company, he had worked with ITC and Safal National Exchange of India Limited. His functional responsibility is developing industry networks for further business development, setting up the key processes for scaling up, building business partnerships and collaborations.

**Mr. Nadella Basanth Kumar**

Mr. Nadella Basanth Kumar, aged 31 years, is Executive Director (Technical) of our Company. He has done his Bachelor of Science from Kakatiya University and Master of Science in Bio Technology from Osmania University. He has almost 6 years of worked experience in Technical Department. His functional responsibility involves handling the overall technical activity and research and development department of our Company.

**Mrs. Sonali Chowdhary**

Mrs. Sonali Chowdhary, aged 45 years, is Independent Director of our Company. She has completed her Bachelor of Science in Agriculture from Acharya N. G. Ranga Agricultural University, Post Graduate Diploma in Forestry Management from Indian Institute of Forest Management and Masters of Sciences in International Development from University of Bath, U.K. She has almost 18 years of experience in managing large scale capacity building, action research, institutional development, and knowledge management programs in the areas of access to finance, inclusive value chains and markets, enterprise development and affordable housing. As the Independent Director of our Company, she is responsible for providing his expertise & inputs and for ensuring the board adheres to the required corporate governance requirements.

**Mr. Srinivasa Rao Vesangi**

Mr. Srinivasa Rao Vesangi, aged 48 years, is Independent Director of Our Company. He holds Bachelor of Science degree in Agriculture from Andhra Pradesh Agricultural University. He has more than 2 decades of experience in Production Operations, Process Improvements, Maintenance Operations, Quality and Distributions chain. He worked

with Hi-Gene Seeds (I) Pvt. Ltd., Emergent Genetics Ltd., and Hindustan Lever Ltd. Currently, he is working with Mahindra and Mahindra Ltd. as Production Head.

#### **Mr. Ramesh Babu Nemani**

Mr. Ramesh Babu Nemani, aged 42 years, is Independent Director of Our Company. He has completed his Bachelor of Commerce and Master of Commerce from Andhra University, Intermediate Examination from Institute of Cost Accountants of India, Master of Business Administration from Sri Venkateswara University and Master of Philosophy from Sri Venkateswara University. He has more than 2 decades of training and research experience in training personnel from different fields of corporate finance, analysis and interpretation of financial statements, investment analysis, constructing and maintenance of portfolio, wealth management etc.

#### **RELATIONSHIP BETWEEN DIRECTORS**

None of the Directors of the Company are related to each other:

#### **Borrowing Powers of our Board of Directors**

Our Company at its Extra-Ordinary General Meeting held on September 08, 2018 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 100 crores.

#### **REMUNERATION OF EXECUTIVE DIRECTORS**

##### **Mr. Kiran Kumar Atukuri, Managing Director**

The compensation package payable to him as resolved in the shareholders meeting held on September 08, 2018 is stated hereunder:

**Salary:** The total remuneration paid to Mr. Kiran Kumar Atukuri, Managing Director, shall not exceed a sum of ₹ 60.00 lakhs per annum.

Remuneration paid to Mr. Kiran Kumar Atukuri for FY 2017-18 was ₹ Nil

##### **Mr. Sreekanth Yenigalla, Executive Director (Marketing)**

The compensation package payable to him as resolved in the shareholders meeting held on February 16, 2018 is stated hereunder:

**Salary:** The total remuneration paid to Mr. Sreekanth Yenigalla, Executive Director (Marketing), shall not exceed a sum of ₹ 40.00 lakhs per annum.

Remuneration paid to Mr. Sreekanth Yenigalla for FY 2017-18 was ₹ 31.00 lakhs<sup>(1)</sup>

<sup>(1)</sup> Mr. Sreekanth Yenigalla was an employee of our Company till December and paid normal salary and after appointment as director in December, he was paid remuneration for remaining period

##### **Mr. Nadella Basanth Kumar, Executive Director (Technical)**

The compensation package payable to him as resolved in the shareholders meeting held on September 08, 2018 is stated hereunder:

**Salary:** The total remuneration paid to Mr. Nadella Basanth Kumar, Executive Director (Technical), shall not exceed a sum of ₹ 30.00 lakhs per annum.

Remuneration paid to Mr. Nadella Basanth Kumar for FY 2017-18 was ₹ 10.00 lakhs<sup>(1)</sup>

<sup>(1)</sup> Before appointing as director, Mr. Nadella Basanth Kumar was an employee of our Company and paid normal salary

### Compensation to the Non Executive Independent Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on September 26, 2018 the Independent Director will be paid ₹ 5,000 for attending every Board Meeting of the Company & ₹ 5,000 will be paid for every committee meeting of the Company attended by them..

Remuneration paid to our Non Executive Independent Director in Fiscal 2018: Nil

### Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. Of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Kiran Kumar Atukuri	-	-
Mr. Sreekanth Yenigalla	-	-
Mr. Nadella Basanth Kumar	-	-
Mrs. Sonali Chowdhary	-	-
Mr. Srinivasa Rao Vesangi	-	-
Mr. Ramesh Babu Nemani	-	-
<b>Total Holding of Directors</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Paid up Capital</b>	<b>12,54,05,480</b>	<b>100.00%</b>

### Interest of the Directors

All of our Directors may be deemed to be 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 other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this issue. All of our Directors 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.

Except as stated in this chapter titled “Our Management” and the chapter titled “Annexure XXVIII – Related Party Transactions” beginning on page nos. 134 and 198 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “Properties” within the section titled “Our Business” on page no. 113 of this Draft Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus. Further, except as disclosed in “Properties” within the section titled “Our Business” on page no. 113 of this Draft Prospectus, our Company has not taken any property on lease from our Promoter within two years of the date of this Draft Prospectus.

### Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr. No.	Name of Director	Date of Change	Reason for change
1	Mr. Sreekanth Yenigalla	December 06, 2017	Appointment as Director
2.	Mr. Sreekanth Yenigalla	February 16, 2018	Change in Designation to Executive Director (Marketing)
3	Mr. Mohammad Ali	February 16, 2018	Appointment as Additional Director
4	Mr. Mohammad Ali	March 14, 2018	Change in Designation to Executive Director



Sr. No.	Name of Director	Date of Change	Reason for change
5	Mr. Mohammad Ali	May 26, 2018	Resignation as Director
6	Mr. Nadella Basanth Kumar	May 26, 2018	Appointment as Additional Director
7	Mr. Kiran Kumar Atukuri	July 09, 2018	Appointment as Additional Director
8	Mr. Sambasivarao Yeluri	August 18, 2018	Resignation as Director
9	Mrs. Malathi Siripurapu <sup>(1)</sup>	August 18, 2018	Resignation as Director
10	Mr. Kiran Kumar Atukuri	September 08, 2018	Change in Designation to Executive Director
11	Mr. Kiran Kumar Atukuri	September 08, 2018	Change in Designation to Managing Director
12	Mr. Nadella Basanth Kumar	September 08, 2018	Change in Designation to Executive Director (Technical)
13	Mrs. Sonali Chowdhary	September 08, 2018	Appointment as Independent Director
14	Mr. Srinivasa Rao Vesangi	September 08, 2018	Appointment as Independent Director
15	Mr. Ramesh Babu Nemani	September 08, 2018	Appointment as Independent Director

<sup>(1)</sup> DIN of Mrs. Malathi Yeluri is as per her Maiden name i.e. Malathi Siripurapu

### Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has Six (6) Directors. In compliance with the requirements of the Companies Act we have three (3) Executive Directors and three (3) Independent Directors on our Board. We have one woman director on our Board.

### Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

#### 1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated September 26, 2018 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Ramesh Babu Nemani	Independent Director	Chairman
Mr. Srinivasa Rao Vesangi	Independent Director	Member
Mr. Kiran Kumar Atukuri	Managing Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) 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.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) 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.
- p) 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.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

#### *Meeting of Audit Committee*

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

## **2. Stakeholder's Relationship Committee**

The Shareholder and Investor Grievance Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated September 26, 2018 The Shareholder and Investor Grievance Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Srinivasa Rao Vesangi	Independent Director	Chairman
Mr. Ramesh Babu Nemani	Independent Director	Member
Mr. Kiran Kumar Atukuri	Managing Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

### ***Quorum and Meetings***

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated September 26, 2018

The Nomination and Remuneration Committee currently comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Srinivasa Rao Vesangi	Independent Director	Chairman
Mr. Ramesh Babu Nemani	Independent Director	Member
Mrs. Sonali Chowdhary	Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- 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 their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### ***Quorum and Meetings***

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

The Company Secretary of our Company acts as the Secretary to the Committee.

#### 4. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of our Board was constituted by our Directors pursuant to section 135 of the Companies Act, 2013 by a board resolution dated September 26, 2018.

The Corporate Social Responsibility Committee comprises of the following:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Ramesh Babu Nemani	Independent Director	Chairman
Mr. Srinivasa Rao Vesangi	Independent Director	Member
Mr. Kiran Kumar Atukuri	Managing Director	Member

The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII as amended from time to time;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) subject to the limit provided under Section 135 of the Companies Act;
3. To monitor the corporate Social Responsibility Policy of our Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

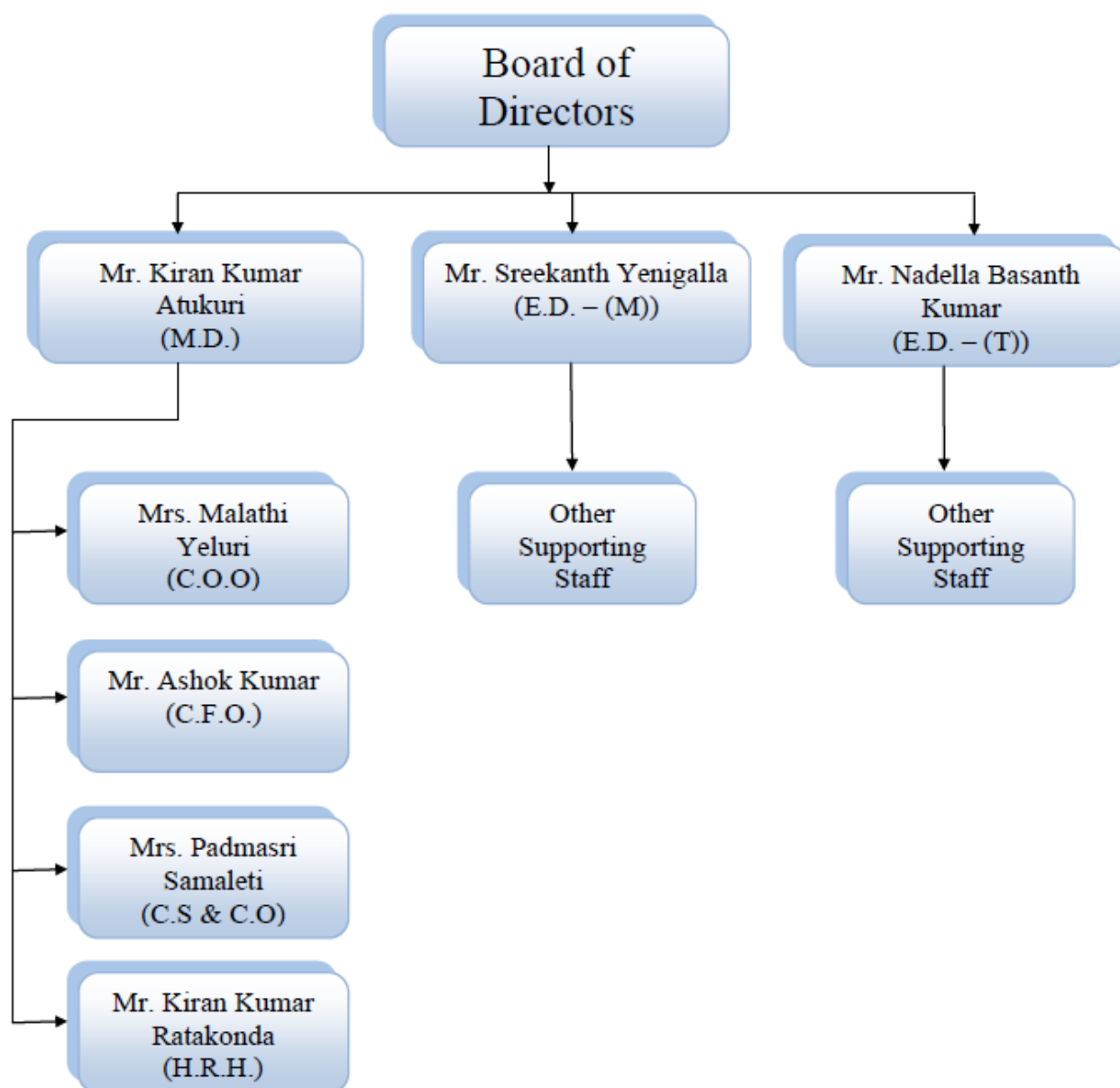
The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

#### Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Board is 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.

## Management Organization Structure



### Terms & Abbreviations

MD	-	Managing Director
E.D. - (M)	-	Executive Director (Marketing)
E.D. - (T)	-	Executive Director (Technical)
C.F.O.	-	Chief Financial Officer
C.S. & C.O.	-	Company Secretary and Compliance Officer
C.O.O.	-	Chief Operating Officer
H.R.H.	-	Human Resource Head

## Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Mrs. Padmasri Samaleti	Company Secretary & Compliance Officer	February 21, 2018	0.52	<ul style="list-style-type: none"> <li>• CS</li> <li>• LLB</li> <li>• B.Com</li> </ul>	<ul style="list-style-type: none"> <li>• Quislex Legal Services Private Limited</li> <li>• Tata Projects Limited (Worked as Management Trainee)</li> </ul>	4 years <sup>(1)</sup>
Mr. Kiran Kumar Ratakonda	Human Resource Head	July 21, 2016	7.00	<ul style="list-style-type: none"> <li>• MBA</li> </ul>	<ul style="list-style-type: none"> <li>• Nagarjuna Agri Chem Limited</li> <li>• Sri Biotech Laboratories India Limited</li> </ul>	10 years
Mr. Ashok Kumar Janjanam	Chief Financial Officer	August 25, 2009 <sup>(2)</sup>	15.00	<ul style="list-style-type: none"> <li>• M.B.A.</li> <li>• B. Com</li> </ul>	<ul style="list-style-type: none"> <li>• Global Aluminium Extrusions Private Limited</li> <li>• Padma Priya Industries</li> <li>• Raghav &amp; Keshav</li> </ul>	18 Years
Mrs. Malathi Yeluri	Chief Operating Officer	July 10, 2011 <sup>(3)</sup>	70.88	<ul style="list-style-type: none"> <li>• M. Com</li> <li>• B. Com</li> </ul>	Nil	7 Years

<sup>(1)</sup> Above that, she also worked as a part time Junior Legal Officer for 2 years under Senior High Court Advocate.

<sup>(2)</sup> Mr. Ashok Kumar Janjanam was initially appointed as Head Finance & Accounts and his designation were changed to Chief Financial Officer from August 18, 2018.

<sup>(3)</sup> Mrs. Malathi Yeluri was initially appointed as Director and her designation were changed to Chief Operating Officer from August 18, 2018. However, DIN of Mrs. Malathi Yeluri is as per her Maiden name i.e. Malathi Siripurapu

### Other Notes –

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Except, Mrs. Malathi Yeluri, no other KMP's are related parties as per the Accounting Standard 18.

### Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's are related to each other, Also, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

### Shareholding of Key Managerial Personnel

None of our KMP's holds any shares of our Company as on the date of this Prospectus except as mentioned below:

- Mrs. Malathi Yeluri holds 16,84,324 Shares of our Company.

### Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key



Managerial Personnel prior to / in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

#### **Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years**

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

#### **Loans taken by Key Management Personnel**

None of our Key Managerial Personnel have taken any loan from our Company.

#### **Employee Share Purchase and Employee Stock Option Scheme**

Presently, we do not have ESOP / ESPS scheme for employees.

#### **Payment or Benefit to our Officers**

Except for the payment of salaries and yearly bonus, if any, we do not provide any other benefits to our employees.

#### **Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus**

Except as disclosed below, there has been no change in KMPs in past three years from the date of this Draft Prospectus:

<b>Name of Employee</b>	<b>Designation &amp; Functional Area</b>	<b>Date of Appointment</b>	<b>Date of Resignation</b>
Mr. Mohammad Ali	Chief Executive Officer	April 05, 2016	May 26, 2018
Mr. Kiran Kumar Atukuri	Chief Executive Officer	July 09, 2018	August 18, 2018
Mrs. Padmasri Samaleti	Company Secretary & Compliance Officer	February 21, 2018	-
Mr. Kiran Kumar Ratakonda	Human Resource Head	July 21, 2016	-
Mr. Ashok Kumar Janjanam	Chief Financial Officer	August 25, 2009 <sup>(1)</sup>	
Mrs. Malathi Yeluri	Chief Operating Officer	June 01, 2007 <sup>(2)</sup>	

<sup>(1)</sup> Mr. Ashok Kumar Janjanam was initially appointed as Head Finance & Accounts and his designation were changed to Chief Financial Officer from August 18, 2018.



<sup>(2)</sup> Mrs. Malathi Yeluri was initially appointed as Director and her designation were changed to Chief Operating Officer from August 18, 2018.

## OUR PROMOTERS, PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Sambasivarao Yeluri
2. Mrs. Malathi Yeluri
3. Yeluri Sambasiva Rao (HUF)

The details of our Promoters are provided below:

MR. SAMBASIVARAO YELURI	
	Mr. Sambasivarao Yeluri, aged 41 years, is one of the founding members of our Company. He has completed his Bachelor of Science in Horticulture and Master of Science in Horticulture from Acharya N. G. Ranga Agricultural University, Hyderabad. He has vast experience of almost 16 years in the field of agricultural products catering to bio fertilizers, bio chemicals and other agri related products. Before starting our Company, Mr. Sambasivarao Yeluri had worked with Department of Horticulture, Government of Andhra Pradesh as a Horticulture Officer and was awarded as best Horticulture Officer in the year 2002. Due to his immense knowledge in the agricultural industry has led our Company to grow at a faster pace.
<b>Residential Address</b>	Villa No. 29, Ashoka Ala Mansion, Dhullapalli Road, Kompally, Quthbullapur, Hyderabad Telangana – 500 014.
<b>PAN</b>	ABWPY6361M
<b>Passport No</b>	K1839625
<b>Driver's License No.</b>	DLFAP020171082007
<b>Voter's ID No.</b>	YQO0639171
<b>Bank A/c No.</b>	520401000075268
<b>Name of Bank &amp; Branch:</b>	Corporation Bank, Secunderabad – Gunrock Enclave
<b>Other Interests</b>	<ul style="list-style-type: none"> <li>• Suraksha Agri Retails (India) Private Limited</li> <li>• Nova Agri Seeds India Private Limited</li> <li>• Nova Agri Sciences Private Limited</li> <li>• Nova Health Sciences Private Limited</li> <li>• Novatek Solutions Private Limited</li> <li>• Nova Dairy Tech India Private Limited</li> </ul>
MRS. MALATHI YELURI	
	Mrs. Malathi Yeluri, aged 39 years, is one of the promoters of our Company. She has completed her Bachelor of Commerce and Master of Commerce from Kakatiya University. She almost has seven years of experience in managing the financial activities of our Company. Currently, She is Chief Operating Officer of Our Company.
<b>Residential Address</b>	Villa No. 29, Ashoka Ala Mansion, Dhullapalli Road, Kompally, Quthbullapur, Hyderabad Telangana – 500 014.
<b>PAN</b>	BKJPS1599A
<b>Passport No</b>	N7338322
<b>Driver's License No.</b>	N.A.
<b>Voter's ID No.</b>	YQO0639189
<b>Bank A/c No.</b>	520401000078259
<b>Name of Bank &amp; Branch:</b>	Corporation Bank, Secunderabad – Gunrock Enclave
<b>Other Interests</b>	<ul style="list-style-type: none"> <li>• Suraksha Agri Retails (India) Private Limited</li> <li>• Nova Health Sciences Private Limited</li> <li>• Novatek Solutions Private Limited</li> <li>• Nova Dairy Tech India Private Limited</li> </ul>

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**YELURI SAMBASIVA RAO (HUF)**

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Yeluri Sambasiva Rao (HUF) having PAN – AAAHY7114B, was formed as a Hindu Undivided Family on April 01, 2005 having its registered office at Plot No. 5, Second Floor, MJR Residency, Hanuman Nagar, New Bowenpally, Secunderabad, Telangana – 500 011. Mr. Sambasivarao Yeluri is the Karta of Yeluri Sambasiva Rao (HUF)

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The present members of Yeluri Sambasiva Rao (HUF) are:

1. Mrs. Malathi Yeluri
  2. Mr. Divyesh Yeluri
  3. Mr. Mainank Tarak Yeluri
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**Name of Bank & Branch:** Corporation Bank, Secunderabad – Gunrock Enclave

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**Bank A/c No.:** 520101214442051

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*For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure – Shareholding of our Promoters" beginning on page no. 60 of this Draft Prospectus.*

### **Other Undertakings and Confirmations**

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoters will be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Further, we confirm that the Permanent Account Number and Bank Account number of Yeluri Sambasiva Rao (HUF) will be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoters Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

### **Interests of Promoters**

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details on the interest of our promoters in our Company, Please see the chapters titled "*Capital Structure*", "*Financial Information*" and "*Our Management*" beginning on page nos. 60, 157 and 134 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

For Further details on the related party transaction, to the extent of which our Company is involved, please see "*Annexure XXVIII - Statement of Related Party Transaction*" on page no. 198 of this Draft Prospectus.

### **Common Pursuits of Promoters**

There are no Common Pursuits between our Company and our Promoter and our Group Company. Further, as on the date of this Draft Prospectus, our Promoter has no interest in any venture that is involved in activities similar to those conducted by our Company.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

### Companies with which the Promoters has disassociated in the last three years.

Except as mentioned below our Promoter has not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus:

Sr. No.	Name of the Promoter	Name of the Company	Date of Cessation/ Disassociation
1.	Mr. Sambasivarao Yeluri	Nova Agritech Private Limited	Cessation
		Kisan Media Innovations Private Limited	Cessation
		Agri Genome Resources India Private Limited	Strike Off
2.	Mrs. Malathi Yeluri <sup>(1)</sup>	Nova Agritech Private Limited	Cessation
		Kisan Media Innovations Private Limited	Cessation
		Nova Powertech Private Limited	Cessation
		Agri Genome Resources India Private Limited	Strike Off

<sup>(1)</sup> DIN of Mrs. Malathi Yeluri is as per her Maiden name i.e. Malathi Siripurapu

### Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years

Except as stated in “Annexure XXVIII – Statement of Related Party Transactions” under the chapter “Financial Statements” on page no. 198 of this Draft Prospectus, there has been no other payment of benefits to our Promoters during the two years preceding the date of this Draft Prospectus.

### Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of her shareholding in our Company and the dividend declared, if any, by our Company.

### Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they does not has any interest in any property acquired by our Company within two years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus. For details, please see “Properties” and “Annexure XXVIII - Related Party Transactions” on page nos. 113 and 198 respectively, of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “Our Business” on page no. 96 of this Draft Prospectus our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our promoters may be interested in rent being paid by our Company to certain relatives who own these premises being occupied by the Company. For further details please see “Our Business” and “Financial Information” beginning on page nos. 96 and 157 of this Draft Prospectus.

### Interest of Promoters in our Company other than as Promoters

Other than as Promoters, our Promoter is interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “Our Management” and “Capital Structure” beginning on page nos. 134 and 60 respectively of this Draft Prospectus.

Except as mentioned in this section and the chapters titled “Capital Structure”, “Our Business”, “History and Certain Corporate matters” and “Annexure XXVIII – Statement of Related Party Transactions” on page nos. 60, 96, 127 and 198 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as promoters.

### Related Party Transactions

Except as stated in the “Annexure XXVIII – Statement of Related Party Transactions” on page no. 198 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters.

## Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 61 of this Draft Prospectus.

## Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters is interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “*Annexure XXVIII – Statement of Related Party Transactions*” on page no. 198 of this Draft Prospectus.

## Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 12 and 217 of this Draft Prospectus.

## OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2 (1) (zb) (ii) of the SEBI (ICDR) Regulation, 2009.

### A. Natural Persons who are Part of the Promoter Group

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Samsivarao Yeluri	Nageswara Rao Yeluri	Father
	Susheela Yeluri	Mother
	Malathi Yeluri	Wife
	Subbayammah Nualapati	Sister(s)
	Aruna Cherakuri	
	Divyesh Yeluri	Son(s)
	Mainank Tarak Yeluri	
	Bhaskar Rao Siripurapu	Wife’s Father
	Lakshmi Bhai Siripurapu	Wife’s Mother
	Madhavi Siripurapu	Wife’s Sister(s)
	Madhuri Siripurapu	

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mrs. Malathi Yeluri	Bhaskar Rao Siripurapu	Father
	Lakshmi Bhai Siripurapu	Mother
	Samsivarao Yeluri	Husband
	Madhavi Siripurapu	Sister(s)
	Madhuri Siripurapu	
	Divyesh Yeluri	Son(s)
	Mainank Tarak Yeluri	
	Nageswara Rao Yeluri	Husband’s Father
	Susheela Yeluri	Husband’s Mother
	Subbayammah Nualapati	Husband’s Sister(s)
	Aruna Cherakuri	

*B. Companies / Corporate Entities forming part of the Promoter Group*

As per Regulation 2(1)(ZB)(IV) of the SEBI (ICDR) Regulations, 2009, the following Company / Trust / Partnership firm / HUF or Sole Proprietorship shall form part of our Promoter Group.

<b>Sr. No.</b>	<b>Name of Promoter Group Entity / Company</b>
1.	Nova Agri Seeds India Private Limited
2.	Nova Agri Sciences Private Limited
3.	Suraksha Agri Retails (India) Private Limited
4.	Nova Dairy Tech India Private Limited
5.	Novatek Solutions Private Limited
6.	Nova Health Sciences Private Limited
7.	Yeluri Sambasiva Rao (HUF)
8.	Nova Agritech Employees Welfare Trust
9.	Yeluri Charitable Trust

## OUR GROUP COMPANY

In accordance with the provisions of SEBI (ICDR) Regulations, for the purpose of identification of Group Company, our Company has considered companies as covered under the applicable Accounting Standards, being Accounting Standard 18 issued by the Institute of Chartered Accountants of India (“AS 18”) as per the Restated Financial Statements and other companies as per the policy adopted by our Board. Our Board of Directors have considered a company as Group Company only if (i) such company disclosed as related parties in accordance with Accounting Standards (AS 18), issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of our Company in last five financial years and (ii) all Companies forming part of the Promoter Group, with whom our Company has entered into one or more transactions during any of the last five fiscals.

Our Group Company based on the above is:

1. Suraksha Agri Retails (India) Private Limited

### DETAILS OF OUR GROUP COMPANY

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group company on the basis of Turnover, are given below:

#### 1. Suraksha Agri Retails (India) Private Limited (‘SARIPL’)

<b>Incorporation</b>	Suraksha Agri Retails (India) Private Limited (‘SARIPL’) was incorporated on March 20, 2009 under the Companies Act, 1956 under the Registrar of Companies, Andhra Pradesh.
<b>CIN</b>	U01820TG2009PTC063119
<b>Registration Number</b>	063119
<b>Registered Office</b>	1-53/2/6, SHOP NO 6, Sanna Mallesh Yadav Complex, Kompally, Secunderabad, Telangana - 500014
<b>Nature of Business</b>	<ol style="list-style-type: none"> <li>1. To carry on the business as distributors, marketers, traders, exporters, Agents, representatives, dealers, stockiest, importers, of agricultural input, fertilizers, agricultural, scientific and farm products, pharmaceuticals, chemicals, biotech products, consumer goods, household goods, vaccines and antibiotics, veterinary and nutritional products.</li> <li>2. To carry on the business of research and development, establish, acquire, promote, maintain, application, distribution, export and import, marketing, sales and consulting services of all types of biological and chemical products, biotech products, consumer goods, household goods, vaccines and antibiotics, veterinary, and nutritional products for human, veterinary, poultry and marine biological uses and their allied products.</li> <li>3. To carry on the business of trading of carbon, hydrogen, nitrogen, carbon emission products, buying, selling, distributing, importing, exporting, supplying, wholesalers, hiring, marketing and dealing in all kinds of drugs, chemical, agricultural products including fertilizers, seeds and pesticides, pharmaceutical products, genetically material.</li> <li>4. To carry on the business of manufacturing, developing, producing, processing, Distilling, compounding, formulating, acquiring, buying, selling, importing, Exporting, stocking, storing, distributing, maintaining, handling and dealing in All kind of agricultural inputs, fertilizers, agricultural, scientific and farm Products, chemicals, biotech products, consumer goods, Household goods, vaccines and antibiotics, veterinary and nutritional Products for human, veterinary, poultry and marine biological uses.</li> </ol>
<b>Registrar of Companies</b>	Registrar of Companies, Hyderabad



### Board of Directors

- Mr. Sambasivarao Yeluri
- Mr. Mohammad Ali
- Mrs. Malathi Siripurapu
- Mr. Sreekanth Yenigalla

### Interest of our Promoters / Promoter Group

Our Promoters and Promoter Group hold 100.00 % Equity Shares of this company

### Capital Structure

Particulars	No. of Equity Shares of ₹ 10 each
Authorised Capital	50,000
Issued, Subscribed and Paid-up Capital	50,000

### Shareholding Pattern:

Sr. No.	Shareholder name	No. of shares	% of total holding
1	Our Promoters and Promoter Group	50,000	100.00%
2	Others	-	-
	<b>TOTAL</b>	<b>50,000</b>	<b>100.00%</b>

### Financial Performance

The brief financial details of SARIPL derived from its Audited Financial Statements for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

Particulars	As at March, 31		
	2017	2016	2015
Equity Share Capital (FV ₹ 10)	5.00	5.00	5.00
Reserves (excluding revaluation reserve) and Surplus	8.83	4.98	1.47
Net-worth	13.83	9.98	6.47
Income including other income	353.22	234.02	88.19
Profit/ (Loss) after tax	3.86	3.50	1.63
Earnings per share	7.71	7.01	3.26
Net asset value per share	27.66	19.95	12.94

### Other disclosures:

- The equity shares of SARIPL are not listed on any stock exchange;
- SARIPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- SARIPL neither has a negative net-worth nor has made a loss in the immediately preceding year;
- No application has been made to RoC for striking off the name of SARIPL;
- SARIPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank /institutional dues. No proceedings have been initiated for economic offences against the Company.

### NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY

#### In the promotion of our Company

None of the Group Company has any interest in the promotion of our Company except their shareholding in our Companies.

### **In the properties acquired by our Company**

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing this Draft Prospectus or proposed to be acquired by our Company.

### **In transactions for acquisition of land, construction of building and supply of machinery**

Our Group Company has no interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery except as mentioned in this Draft Prospectus.

### **Payment of amount or benefits to our Group Companies during the last two years**

Except as disclosed in the section “*Financial Information – Annexure XXVIII – Statement of Related Party Transactions*” beginning on page no. 198 of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Company since the incorporation of our Company.

### **Common pursuits between the Group Companies**

There are no Common Pursuits between our Company and our Group Company.

### **Related business transactions within the Group Companies and its significance on the financial performance of our Company**

For details, please see the chapter titled “*Financial Statements- Annexure XXVIII – Statement of Related Party Transactions*” on page no. 198 of this Draft Prospectus.

### **Sale/purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)**

For details, please see the chapter titled “*Financial Statements- Annexure XXVIII - Statement of Related Party Transactions*” on page no. 198 of this Draft Prospectus.

### **Business interest of Group Companies in our Company**

For details, please see the chapter titled “*Financial Statements- Annexure XXVIII - Statement of Related Party Transactions*” on page no. 198 of this Draft Prospectus.

### **Defunct Group Companies**

None of the Group Companies are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of the Draft Prospectus.

### **Outstanding Litigations**

For details relating to the material legal proceedings involving our Group Company, see the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 217 of this Draft Prospectus.

### **Other Confirmations**

Our Group Company has further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 12, 152 and 217 of this Draft Prospectus, respectively. Additionally, our Group Company has not been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 12, 152 and 217 of this Draft Prospectus, respectively.

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## **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.

## **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. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION VI – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### REPORT OF THE INDEPENDENT AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Board of Directors  
**NOVA AGRITECH LIMITED**  
Bowenpally, Hyderabad.

1. We have examined the attached Restated consolidated Financial Information of M/s. **NOVA AGRITECH LIMITED** (the “Company”), and its subsidiary which comprises of the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31st 2018, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the year ended March 31 2018, and the Summary of Significant Accounting Policies (collectively, the “Restated Consolidated Financial Information”) as approved by the Board of Directors of the Company at their meeting held for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer of equity shares (herein after referred to as the “Issue”), prepared in terms of the requirements of :
  - i. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”), as amended, and
  - ii. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”)
2. The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules and ICDR Regulations.

Our responsibility is to examine the Restated consolidated Financial Information and confirm whether such Restated consolidated Financial Information comply with the requirements of the Act, the Rules and ICDR Regulations.
3. We have examined such Restated Financial Statements taking into consideration
  - i. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of the Company and
  - ii. The Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.
4. These Restated consolidated Financial Information have been compiled by the Management from the audited Financial Statements of the Company for the financial year ended March 31, 2018 which have been approved by Board of Directors at their meeting.

Audit for the financial year ended 31<sup>st</sup> March 2018 was conducted by us M/s NSVR & ASSOCIATES LLP (formerly known as Nekkanti Srinivasu & Co) Chartered Accountants, being the statutory auditors of the company for the year and we also conform that the restated Consolidated Financial Information:

- a. Have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- b. Have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

- c. Do not contain any extra-ordinary items that need to be disclosed separately [other than those presented] in the Restated Standalone Financial Information] and do not contain any qualification requiring adjustments.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts **Nova Agritech Limited**, we NSVR & ASSOCIATES LLP (formerly known as Nekkanti Srinivasu & Co), Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI).

5. In accordance with the requirements of Section 26 of the Companies Act, 2013 and the ICDR Regulations and the Guidance Note, we report that:

- a. The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at, March 31, 2018, examined by us, as set out in **Annexure I** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.

- b. The Restated Consolidated Summary Statement of Profit and Loss of the Group for the year ended on March 31, 2018 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure IV** and the Statement of Adjustments to the Audited Financial Statements in **Annexure VI**.

- c. The Restated Consolidated Summary Statement of Cash flows of the Company for the years ended on March 31, 2018, examined by us, as set out in **Annexure III** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure IV** and the Statement of Adjustments to the Audited Financial Statements in **Annexure VI**.

- d. The Restated Financial Statements have been made after incorporating adjustments for :

- i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods / years.
- ii. Prior Period and other material amounts in the respective financial years to, which they relate, Which are stated in the Notes to Accounts as set out in **Annexure V**

- e. Such Financial statements do not require any corrective adjustments on account of:

- i. Other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (11) of section 143 of the Companies Act, 2013, on Financial Statements of the Company for the years ended on March 31, 2018.
- ii. Extra-ordinary / Exceptional items that need to be disclosed separately in the accounts requiring adjustments.

6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Schedule of Share Capital (**Annexure – VII**);  
Schedule of Reserves & Surplus (**Annexure – VIII**);  
Details of Long Term Borrowings of the Company (**Annexure – IX**);  
Statement of Other Long Term Liabilities (**Annexure – X**);  
Statement of Long Term Provisions (**Annexure – XI**);  
Details of Short Term Borrowings of the Company (**Annexure – XII**);  
Statement of Trade Payables (**Annexure – XIII**);  
Statement of Other Current Liabilities (**Annexure – XIV**);  
Statement of Short Term Provisions (**Annexure – XV**);  
Statement of Fixed Assets (**Annexure – XVI**);  
Statement of Non Current Investments (**Annexure – XVII**);

Statement of Long Term Loans & Advances (**Annexure – XVIII**);  
Statement of Deferred Tax Asset (**Annexure – XIX**)  
Schedule of Inventories (**Annexure – XX**);  
Statement of Trade Receivables (**Annexure – XXI**);  
Statement of Cash and Cash Equivalents (**Annexure – XXII**);  
Statement of Short Term Loans and Advances (**Annexure – XXIII**);  
Statement of Other Current Assets (**Annexure – XXIV**);  
Schedule of Revenue from Operations (**Annexure – XXV**);  
Schedule of Other Income (**Annexure – XXVI**);  
Schedule of Related Party Transactions (**Annexure – XXVII**);  
Schedule of Contingent Liability (**Annexure – XXVIII**);  
Capitalization Statement (**Annexure – XXIX**);  
Summary of Accounting Ratios (**Annexure – XXX**);

7. In our opinion the Restated Financial Statements and the other Financial Information set forth in Annexure VI to XXX read with the Significant Accounting Policies and Notes to the Restated Financial Statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the Financial Information has been prepared after making such regroupings and adjustments, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the Financial Information may not necessarily be the same as those appearing in the respective Audited Financial Statements for the relevant years.

Based on our examination of the Restated Financial Information and the audited financial statements of the Company for the years ended March 31, 2018 we report that:

- i. the restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure VI to this report;
  - ii. adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached restated summary statements;
  - iii. there are no extraordinary items which need to be disclosed separately in the restated standalone summary statements;
8. This report should not in any way construed as a reissuance or redrafting of any of the audit report issued nor should this report be construed as new opinion on any of the financial statement referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of Equity Shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **NSVR & Associates LLP.**,  
**Chartered Accountants**  
**Firm Registration No. 008801S/S200060**

**P. Venkata Ratnam**  
**Partner**  
**Membership No. 230675**  
**Date:** September 25, 2018  
**Place:** Hyderabad



**ANNEXURE I**  
**RESTATED STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES**

(₹ in lakhs)

Particulars	Financial Year Ended
	Mar-18
<b>EQUITY AND LIABILITIES</b>	
<b>Shareholder's funds</b>	
a) Share Capital	1,254.05
b) Reserves & Surplus	947.39
<b>Non-current liabilities</b>	
a) Long term borrowings	484.34
c) Other long term liabilities	85.53
d) Long Term Provisions	46.55
<b>Current liabilities</b>	
a) Short-term borrowings	2,403.78
b) Trade payables	3,582.43
c) Other current liabilities	590.43
d) Short Term Provisions	337.22
<b>TOTAL</b>	<b>9,731.73</b>
.	
<b>ASSETS</b>	
<b>Non - Current Assets</b>	
a) Fixed Assets	
i.) Tangible assets	1,403.44
ii) Intangible Assets	123.92
b) Capital Work in Progress	171.38
c) Non Current Investment	0.01
d) Other Non Current Assets	-
e) Long Term Loans & Advances	237.14
f) Deferred Tax Assets ( Net)	48.71
<b>Current Assets</b>	
a) Inventories	3,415.49
b) Trade Receivables	4,187.61
c) Cash and Cash equivalents	22.34
d) Short-term loans and advances	115.67
e) Other current assets	6.00
<b>TOTAL</b>	<b>9,731.73</b>

**ANNEXURE II**  
**RESTATED STATEMENT OF CONSOLIDATED PROFIT & LOSS ACCOUNT**

(₹ in lakhs)

Particulars	Financial Year Ended
	Mar-18
Revenue from Operations	11,566.41
Other Income	8.60
<b>Total revenue</b>	<b>11,575.01</b>
<b>EXPENSES:</b>	
Purchases	7,879.52
Change in Inventory	(1,557.98)
Employee Benefit Expenses	1,511.09
Financial Cost	309.32
Depreciation & Amortisation cost	250.17
Other Expenses	2,212.91
<b>Total expenses</b>	<b>10,605.04</b>
<b>Exceptional and prior period items</b>	-
<b>Net Profit / (Loss) before Tax</b>	<b>969.97</b>
<b>Less: Provision for Tax</b>	
(a) Current Tax	363.97
(b) Deferred Tax	(33.37)
(c) MAT Credit entitlement	
Prior period Item Expenses / (Income)	
<b>Total</b>	<b>639.37</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>639.37</b>
Extraordinary Items	-
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>639.37</b>
Add/(Less) : Pre Acquisition Profit/(Loss)	-
Less : Proposed Dividend	-
Dividend Distribution Tax	-
<b>Net Profit transferred to Reserves</b>	<b>639.37</b>

**ANNEXURE III**  
**RESTATED STATEMENT OF CONSOLIDATED CASH FLOW**

(₹ in lakhs)

Particulars	Financial Year Ended
	Mar-18
<b>Cash Flow From Operating Activities</b>	
<b>Net Profit Before Tax</b>	<b>969.97</b>
Adjustments for :	
Depreciation/Amortisation	250.17
Preliminary Expenses written off	12.93
Provision for Gratuity	49.25
Interest Paid	310.38
<b>Operating Profit Before Working Capital Adjustment</b>	<b>1,592.70</b>
<b>Adjustment for (Increase)/Decrease in:</b>	
Trade Receivables	(911.62)
Inventories	(1,561.33)
Short Term Loans and Advances	292.00
Other Current Assets	114.69
<b>Adjusted for Increase/ (Decrease) in:</b>	
Trade Payables	714.89
Other Current Liabilities	226.65
Other Long term Loans & Advances	(7.72)
<b>Cash Flow Generated from Operations</b>	<b>460.26</b>
Income Tax and Fringe Benefit Tax Paid	(141.90)
<b>Net Cash flow from Operating activities (A)</b>	<b>318.36</b>
<b>Cash Flow From Investing Activities</b>	
Purchase of Fixed Assets	(181.57)
Sale of Fixed Assets	0.08
Purchase of Investments	(185.00)
Decrease/(Increase) in Capital Work-in Progress	(171.38)
Decrease/(Increase) in Other Long Term Loans & Advances	(50.29)
Decrease/(Increase) in Other Non Current Assets	0.76
<b>Net Cash Flow from Investing Activites ( B)</b>	<b>(587.40)</b>
<b>Cash Flow From Financing Activities</b>	
Increase in Share Capital	-
Increase / (Decrease) in Long Term Borrowing	32.06
Increase / (Decrease) in Short Term Borrowing	486.91
Repayment of Loans	47.36
Interest & Financial Charges	(310.38)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>255.96</b>
<b>Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )</b>	<b>(13.08)</b>
Cash & Cash equivalent at the beginning of the year	35.42
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>22.34</b>

## ANNEXURE IV SIGNIFICANT ACCOUNTING POLICIES

### Disclosure of Accounting Policies:

#### A. Basis of Preparation of Consolidated Financial Statements:

The Restated Consolidated Financial Statements of the company for the year ended 31<sup>st</sup> March 2018 have been prepared under the generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention and on an accrual basis.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

#### B. Use of Estimates :

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### C. Valuation of Inventories :

Inventories are valued in accordance with the requirements of accounting standard (AS-2) on Valuation of Inventories. Inventory consists of Bio Stimulants, Micronutrients and Organic Inputs & packing materials which are valued at lower of cost or net realizable value after providing for obsolescence and other losses, where ever considered necessary. Cost comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition of inventory.

#### D. Cash Flow Statement :

Cash Flow statement is reported using the indirect method, where by 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 flow. The cash flow from operating, investing and financing activities of company is segregated based on the available information.

#### E. Events & Contingencies occurring after the date of Balance Sheet :

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

#### F. Net profit or loss for the period, prior period items and changes in Accounting Policies:

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that its impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately. The same is in compliance with AS-5 to the extent applicable.

#### G. Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of Agri-input products is recognized when significant risks & rewards in relation to the ownership of goods has been transferred to the buyer.

Revenue presented is net of Service Tax and GST, to the extent applicable.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable as on that date.

#### **H. Property, Plant & Equipment:**

Property, Plant & Equipment is stated at cost of acquisition or construction, less accumulated depreciation and impairment losses, if any.

The cost of Property, Plant & Equipment comprises:

1. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
2. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

#### **Method of Depreciation:**

Depreciation on Property, plant and equipment is provided based on useful life prescribed under the Schedule II of the Companies act, 2013. Depreciation is provided on Written down Value method during the Current year.

#### **I. Borrowing Costs :**

Borrowing costs are interest and other costs incurred by an enterprise in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The borrowing cost other than those capitalized as above have been debited to the Statement of Profit and Loss of the current year.

#### **J. Investments :**

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist. Any reduction in the carrying amount and any reversal in such reductions are charged or credited to the statement of profit and loss.

#### **K. Employee Benefit Expenses :**

All short-term employee benefits such as salary, wages etc. is accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. These are considered as the defined contribution schemes and are recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is recognized on the basis of actuarial valuation carried out using projected unit credit method. The liability for Gratuity is accrued and provided for as per the requirements of Accounting Standard - 15 on "Employee Benefits".

#### **L. Segment Reporting :**

The company has only one reportable segment i.e., Sale of Agri Input products and hence this standard is not applicable.

#### **M. Earnings per share :**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

#### **N. Note on Consolidation :**

The company Nova Agritech Limited has acquired the shares of Nova Agri Sciences Private Limited & Nova Agri Seeds India Private Limited with effect from 6<sup>th</sup> April 2017 by way of purchase of shares from existing Shareholders.

In compliance with Indian GAAP requirements consolidated Financial Statements of Nova Agritech Limited (the Holding Company) & its 100% subsidiaries Nova Agri Sciences Private Limited, Nova Agri Seeds India Private Limited has been prepared from the date of acquisition i.e., 6<sup>th</sup> April 2017.

##### **a. Principles of Consolidation:**

The consolidated Financial statements have been prepared on the following basis:

1. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial statements" specified under Section 133 of Companies Act, 2013.
2. In case of associates where the Company directly or indirectly through its subsidiaries holds 20% or more of equity, Investments in associates are accounted under the equity method as per Accounting Standard(AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of Companies Act, 2013.
3. The financial statements of the subsidiaries, and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2018.
4. The excess of cost to the Group, of its investment in the subsidiaries over the Group's share of equity is recognized in the consolidated financial statements as Goodwill and tested for impairment annually. The excess of the Group's share of equity of the subsidiaries on the acquisition date, over its cost of investment is treated as Capital Reserve. The Goodwill / Capital reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.
5. Intra-group balances and intra-group transactions and resulting unrealized profits / loss has been eliminated.
6. The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

**b. The following Subsidiary Companies are consolidated in the Consolidated Financial Statements:**

Name of the Subsidiary	Country of Incorporation	Proportion of Shares held
Nova Agri Sciences Private Limited	India	100%
Nova Agri Seeds India Private Limited	India	100%

**O. Taxes on Income :**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss.

**Current Tax:**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

**Deferred tax:**

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets/ liabilities in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax asset/ liability can be realized against future taxable profits.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**P. Impairment of Assets :**

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account 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 recoverable amount.

**Q. Intangible Assets and Amortization**

Intangible assets are recorded at the consideration paid for acquisition including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure in making the asset ready for its intended use.

Intangible assets are amortized on a Written down value basis over the best estimate of their useful lives, commencing from the date the asset is available to the Company for its use.

The Management's estimates of the useful lives for various categories of intangible assets are given below:

Particulars	Years
Trade Marks	10

The amortization period and the amortisation method for intangible assets are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.



An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the disposal of intangible assets are recognized in the statement of profit and loss.

#### R. Provisions, Contingent Liabilities & Contingent Assets :

A provision is recognized if it is as a result of a past event, the company has a present legal obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### NOTES TO ACCOUNTS:

##### i. Earnings per share:

(₹ in lakhs)

Particulars	As At March 31, 2018
Net Profit as per Profit & Loss Account available for Equity Shareholders	639.37
Weighted Average Number of Equity Shares for EPS Computation	
A. For Basic Earnings Per Share of ₹ 10 each	118.41
B. For Diluted Earnings Per Share of ₹10 each:	118.41
<b>Earnings Per Share</b>	
-Basic	5.40
-Diluted	5.40

##### ii. Deferred Tax:

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Deferred tax (liabilities)/assets arising on account of timing difference in:</b>	
Opening Balance	15.35
Depreciation	16.32
43B Disallowance	17.04
<b>Closing Balance</b>	<b>48.71</b>

##### iii. Remuneration to Statutory Auditor:

(₹ in lakhs)

Particulars	As At March 31, 2018
Statutory Audit Fees	4.87
For Other Matters	1.23
<b>Total</b>	<b>6.10</b>

##### iv. Foreign Exchange Earnings & Expenditure:

(₹ in lakhs)

Particulars	As At March 31, 2018
Earnings in Foreign Exchange	-
Expenditure in Foreign Exchange	182.94
<b>Total</b>	<b>182.94</b>

##### v. Other Regroupings

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the

Accounting Standards, Schedule III of the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). However the same does not impact the PAT of the reported financials."

**vi. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006:**

To the extent of information available, the company has no overdue amounts outstanding to any micro, medium and small scale enterprises.

**vii. We confirm that there are no Auditor's Qualification in the Consolidated Financial Statements.**

**ANNEXURE VII  
STATEMENT OF SHARE CAPITAL, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>SHARE CAPITAL</b>	
<b>Authorised Share Capital :</b>	
Equity Shares of ₹10 each	
Number of Shares	200.00
Amount	2,000.00
<b>Issued Subscribed and Paid Up Capital :</b>	
Equity Shares of ₹10 each	
Number of Shares	125.41
Amount	1,254.05

**Reconciliation of number of shares outstanding :**

Particulars	As At March 31, 2018
<b>Equity Shares</b>	
At the beginning of the period	23.57
Addition during the period	101.84
Shares bought back during the year	-
<b>Outstanding at the end of the period</b>	<b>125.41</b>

**ANNEXURE VIII  
STATEMENT OF RESERVES AND SURPLUS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Security Premium</b>	
Opening balance	168.93
<b>Add:</b> Issued during the year	373.66
<b>Less:</b> Bonus shares issued out of Securities Premium	(542.59)
Closing balance	-
<b>Balance as at the end of the year (a)</b>	<b>-</b>
<b>Reserves</b>	
<b>Surplus</b>	
<b>Balance as at the beginning of the year</b>	705.97
<b>Add:</b> Holding Company CY profit	-
<b>Add/Less:</b> Share of Revenue profit in Subsidiary	-
<b>Add:</b> Net Profit Transferred from Consolidated Statement of P/L	639.37

Particulars	As At March 31, 2018
<b>Add:</b> Capital Reserve	-
<b>Add/Less:</b> Foreign Currency Translation Reserve	-
<b>Less:</b> Bonus shares issued during the year	(397.95)
<b>Balance as at the end of the year (b)</b>	<b>947.39</b>
<b>Total (a+b)</b>	<b>947.39</b>

**ANNEXURE IX  
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>(i)Secured Loans</b>	
<b>(a)Term Loans</b>	
From Banks	195.47
From Other Parties	-
<b>(ii)Unsecured Loans</b>	
Loan from Directors	180.00
Loan from Related parties	108.88
<b>Total</b>	<b>484.34</b>

The above amounts in Annexure IX and XIII include:

Particulars	As At March 31, 2018
Secured Borrowings	2,720.22
Unsecured Borrowings	288.88
<b>Total</b>	<b>3,009.10</b>

*Note: For details of the terms of sanction, maturity and other details of outstanding loans please see "Schedule – I - Financial Indebtedness" forming part of this Restated Financial Report.*

**ANNEXURE X  
STATEMENT OF OTHER LONG TERM LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Security Deposits from Dealers	85.53
<b>Total</b>	<b>85.53</b>

**ANNEXURE XI  
STATEMENT OF LONG TERM PROVISION, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Provision for Gratuity	46.55
<b>Total</b>	<b>46.55</b>

**ANNEXURE XII  
STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>(i)Secured Loans</b>	
<b>(a)Loans Repayable on Demand</b>	
From Banks	2,403.78
From Other Parties	-
<b>(ii)Unsecured Loans</b>	
Loans & Advances from Related Parties	-
<b>Total</b>	<b>2,403.78</b>

**ANNEXURE XIII  
STATEMENT OF TRADE PAYABLES, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Dues to Micro & Small Enterprises	-
Dues to Others	3,582.43
<b>Total</b>	<b>3,582.43</b>

**ANNEXURE XIV  
STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Statutory Dues Payables	282.98
Expenses Payable	92.47
Payable to Employees	89.01
Current Maturities of Long Term Borrowings	120.97
Other Payables	5.00
<b>Total</b>	<b>590.43</b>

**ANNEXURE XV  
STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Provision for Gratuity	2.70
Provision for Taxation	334.51
<b>Total</b>	<b>337.22</b>

**ANNEXURE XVI  
STATEMENT OF FIXED ASSETS AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Office Equipment</b>	
Opening Balance	32.02
Addition during the year	3.06
Reduction during the year	-

Particulars	As At March 31, 2018
Closing Balance	35.07
Depreciation During the year	8.87
Accumulated Depreciation	22.73
<b>Net Block</b>	<b>12.34</b>
<b>Computers &amp; Peripherals</b>	
Opening Balance	29.21
Addition during the year	20.92
Reduction during the year	-
Closing Balance	50.14
Depreciation During the year	16.59
Accumulated Depreciation	32.31
<b>Net Block</b>	<b>17.83</b>
<b>Furniture &amp; Fixtures</b>	
Opening Balance	34.33
Addition during the year	5.26
Reduction during the year	0.08
Closing Balance	39.51
Depreciation During the year	4.99
Accumulated Depreciation	23.70
<b>Net Block</b>	<b>15.75</b>
<b>Motor Vehicles</b>	
Opening Balance	257.44
Addition during the year	-
Reduction during the year	-
Closing Balance	257.44
Depreciation During the year	38.61
Accumulated Depreciation	172.35
<b>Net Block</b>	<b>85.09</b>
<b>Plant &amp; Machinery</b>	
Opening Balance	404.63
Addition during the year	68.76
Reduction during the year	-
Closing Balance	473.39
Depreciation During the year	93.57
Accumulated Depreciation	238.64
<b>Net Block</b>	<b>234.75</b>
<b>Buildings</b>	
Opening Balance	983.57

Particulars	As At March 31, 2018
Addition during the year	1.89
Reduction during the year	-
Closing Balance	985.46
Depreciation During the year	82.66
Accumulated Depreciation	266.10
<b>Net Block</b>	<b>719.36</b>
<b>Land</b>	
Opening Balance	229.63
Addition during the year	81.40
Reduction during the year	-
Closing Balance	311.03
Depreciation During the year	-
Accumulated Depreciation	-
<b>Net Block</b>	<b>311.03</b>
<b>Electrical Equipment</b>	
Opening Balance	19.01
Addition during the year	0.28
Reduction during the year	-
Closing Balance	19.29
Depreciation During the year	3.19
Accumulated Depreciation	12.00
<b>Net Block</b>	<b>7.29</b>
<b>Trade Marks</b>	
Opening Balance	12.31
Addition during the year	-
Reduction during the year	-
Closing Balance	12.31
Depreciation During the year	2.72
Accumulated Depreciation	4.54
<b>Net Block</b>	<b>7.77</b>
<b>Goodwill</b>	
Opening Balance	-
Addition during the year	116.15
Reduction during the year	-
Closing Balance	116.15
Depreciation During the year	-
Accumulated Depreciation	-
<b>Net Block</b>	<b>116.15</b>

Particulars	As At March 31, 2018
<b>Gross Block</b>	<b>2,299.79</b>
Depreciation for the year	251.20
Total Accumulated Depreciation	772.37
<b>Net Block</b>	<b>1,527.37</b>
Additions	297.72
Deletions	0.08
<b>Capital Work-in-Progress</b>	<b>171.38</b>

**ANNEXURE XVII  
STATEMENT OF NON CURRENT INVESTMENTS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Investment in Equity Instruments :</b>	
Agri Genome	0.01
<b>Total</b>	<b>0.01</b>

**ANNEXURE XVIII  
STATEMENT OF LONG TERM LOANS & ADVANCES, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Security Deposits	24.71
Inter Corporate Deposits & Other Advances	211.58
MAT credit entitlement	0.85
<b>Total</b>	<b>237.14</b>

**ANNEXURE XIX  
STATEMENT OF DEFERRED TAX, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Deferred tax Asset (opening)	15.35
<b>Add/(Less): Current Year</b>	<b>33.37</b>
<b>Total</b>	<b>48.71</b>

**ANNEXURE XX  
STATEMENT OF INVENTORIES, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Closing Stock :</b>	
Raw material	1,538.49
Work in Progress	340.27
Finished Goods	1,303.39
Packing Material	233.35
<b>Total</b>	<b>3,415.49</b>



**ANNEXURE XXI  
STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Debtor for less than Six Months</b>	
Unsecured & Considered good	3,330.96
<b>Debtor for more than Six Months</b>	
Unsecured & Considered good	856.65
<b>Total</b>	<b>4,187.61</b>

**Annexure - XXII  
STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Cash-in-Hand</b>	
Cash Balance	5.80
<b>Sub Total (A)</b>	<b>5.80</b>
<b>Balances with Bank</b>	
Balances with Current Accounts	16.53
<b>Sub Total (B)</b>	<b>16.53</b>
<b>Total</b>	<b>22.34</b>

**ANNEXURE XXIII  
STATEMENT OF SHORT TERM LOANS & ADVANCES, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Balance with revenue Authorities	69.02
Security & Other Deposits	1.04
Advances for capital Goods	30.33
Other Advances <sup>(1)</sup>	15.28
<b>Total</b>	<b>115.67</b>

<sup>(1)</sup> Out of other advances ₹ 13.28 lakhs is from related party.

**Annexure - XXIV  
STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Advances to Employees	6.00
<b>Total</b>	<b>6.00</b>

**ANNEXURE XXV  
STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Revenue from sale of services</b>	11,510.19
<b>Operating Income</b>	-
Interest Income	47.78
Rental Income	3.00
Packing Income	3.14
Sale of Scrap	2.30
<b>Total</b>	<b>11,566.41</b>

**ANNEXURE XXVI  
STATEMENT OF OTHER INCOME, AS RESTATED**

(₹ in lakhs)

Particulars	As At March 31, 2018
Misc. Income	0.45
Other Income	8.15
Rate Difference	-
<b>Total</b>	<b>8.60</b>
<b>Profit Before Tax (PBT)</b>	<b>969.97</b>
<b>% OF OTHER INCOME TO PBT</b>	<b>0.89%</b>

**ANNEXURE XXVII  
RESTATED STATEMENT OF RELATED PARTIES**

**A. RELATED PARTIES**

**i. Directors & KMP :**

Name of the Person	Designation
Sambasiva Rao Yeluri	Director
Malathi Siripurapu	Director
Sreekanth Yenigalla	Director
Nadella Basanth Kumar	Director
Kiran Kumar Atukuri	Director
Ashok Kumar J	Manager F &A
Kiran Kumar R	Manager HR
Ajay Babu Pullela	Director of Subsidiary Company

**ii. Relatives of Directors & KMP: Nil**

**iii. Enterprise over which Directors or relatives of Directors are having Significant Influence :**

Name of the Enterprise
Suraksha Agri Retails India Private Limited
Nova Fertilcare Private Limited

**B. Transaction with related parties:**

**i. Director or KMP:**

(₹ in lakhs)

Particulars	As At March 31, 2018
Salary & Remuneration	315.77
<b>Advances given by the company</b>	
Opening Balance	-
Advances given during the year	-
Receipt of Loan given during the year	-
Closing Balance	-
<b>Advances taken by the company</b>	
Opening Balance	129.00
Loans taken by the company	-
Repayment of Loans	129.00
Closing Balance	-

ii. Relatives of Director or KMP : NIL

iii. Enterprises over which Directors or KMP are having significant influence :

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Loans given by the company</b>	
Opening Balance	12.74
Transactions during the year	0.54
Closing Balance	13.28
<b>Advances taken by the company :</b>	
Opening Balance	-
Transactions during the year	-
Closing Balance	-
<b>Sales</b>	-
<b>Purchases</b>	-

#### ANNEXURE XXVIII

#### DETAILS OF CONTINGENT LIABILITIES AS RESTATED

(₹ in lakhs)

Particulars	As At March 31, 2018
<b>Claims against the Company not acknowledged as debts</b>	
Goods & Services Tax	Nil
Income Tax	Nil
<b>Corporate Guarantees</b>	Nil
<b>Claims Made by the government through legal suits</b>	
On Apoorva Diary Farm India Private Limited	149.63
<b>Total</b>	<b>149.63</b>

Note: The company has filed a suit against the Apoorva Diary Farm India Private Limited in respect of recovery of Investment made in Apoorva Diary Farm Private Limited. The case has been filed for an amount of ₹ 1,49.63 lakhs plus interest on the said amount.

#### ANNEXURE XXIX

#### STATEMENT OF CAPITALISATION

Particulars	Pre Issue	Post Issue
<b>Debt</b>		
Long Term Debt (₹ in lakhs)	605.31	605.31
Short Term Debt (₹ in lakhs)	2,403.78	2,403.78
<b>Total Debts (A)</b>	<b>3,009.10</b>	<b>3,009.10</b>
<b>Equity (Shareholder's funds)</b>		
Equity share capital (₹ in lakhs)	1,254.05	[•]
Reserve and Surplus (₹ in lakhs)	947.39	[•]
<b>Total Equity(B)</b>	<b>2,201.45</b>	<b>[•]</b>
<b>Long Term Debt / Equity Shareholder's funds</b>	<b>0.27</b>	<b>[•]</b>
<b>Total Debts / Equity Shareholder's funds</b>	<b>1.37</b>	<b>[•]</b>

**ANNEXURE XXX**  
**STATEMENT OF ACCOUNTING RATIOS**

Particulars		As At March 31, 2018
Restated Net Profit as per P&L Account (₹ in lakhs)	<b>A</b>	639.37
Net Worth (₹ in lakhs)	<b>B</b>	2,201.45
No. of Equity Shares outstanding at the end of the year (₹ in lakhs)	<b>C</b>	125.41
Weighted Average No of Equity Shares outstanding during the year (in ₹ lakhs)	<b>D</b>	118.41
Basic Earnings Per Share	<b>A/D</b>	5.40
Return on Net worth (%)	<b>A/B</b>	29.04%
Net Assets Value per Equity Share	<b>B/C</b>	17.55
Nominal Value per Equity Share		10.00

**Notes to Accounting Ratios:**

- a) The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & VI respectively.
- b) Formulas used for calculating above ratios are as under:

a) Basic Earnings Per Share (₹)	$\frac{\text{Net Profit After Tax as restated}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$
b) Return on Net worth (%)	$\frac{\text{Net Profit After Tax as restated}}{\text{Net Worth}} * 100$
c) Net Asset Value Per Equity Share (₹)	$\frac{\text{Net Worth}}{\text{No. of Equity shares outstanding at the end of the year}}$

1) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. Weighted average no. of equity shares are calculated after giving effect for bonus issue as per AS 20 of the Accounting Standard issued by the ICAI.

2) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

3) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

4) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year.

The above statements should be read with the Notes to Restated Financial Statements

**Notes:**

There is no revaluation reserve in last five years in our Company.

## REPORT OF THE INDEPENDENT AUDITORS ON STANDALONE FINANCIAL STATEMENTS

To,  
The Board of Directors,  
**Nova Agritech Limited,**  
Plot No: 57, Hanuman Nagar, Chinnatokattu,  
New Bowenpally, Secunderabad - 500011

1. We have examined the attached Restated Financial Information of M/s. **Nova Agritech Limited** (the “Company”), which comprises of the Restated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 respectively, and the Summary of Significant Accounting Policies (collectively, the “Restated Financial Information”) for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer of equity shares (herein after referred to as the “Issue”), prepared in terms of the requirements of :
  - i. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”), as amended, and
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the ‘SEBI Regulations’) and the related clarifications issued by the Securities and Exchange Board of India (‘SEBI’); as amended to date.

The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 9 below. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

2. We have examined such Restated Financial Statements taking into consideration
  - i. The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India.
  - ii. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of the Company.
3. These Restated Financial Information have been compiled by the Management from the audited Financial Statements of the Company for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 which have been approved by Board of Directors.
4. We have examined the accompanied ‘Restated Statement of Profit and Loss’ (**Annexure – II**) for the years ended on 31st March 2018, 2017, 2016, 2015 and 2014 and the ‘Restated Statement of Assets and Liabilities’ (**Annexure – I**) as on those dates, forming Part of the ‘Financial Information’ dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company’s management. The information have been extracted from the financial statements for financial year ended on 31st March 2017, 2016, 2015 and 2014 audited by Abhishek K & Associates, Chartered Accountants and for the financial year ended 31<sup>st</sup> March 2018 by us NSVR & ASSOCIATES LLP (formerly known as Nekkanti Srinivasu & Co), Chartered Accountants being the Statutory Auditors of the Company for the respective years which has been approved by the Board of Directors.
5. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of **M/s Nova Agritech Limited**, we NSVR & ASSOCIATES LLP (formerly known as Nekkanti Srinivasu & Co), Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
6. In accordance with the requirements of Section 26 of Companies Act, 2013 and the ICDR Regulations and the Guidance Note, we report that:
  - i. The Restated Summary Statement of Assets and Liabilities of the Company as at, March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in **Annexure I** to this examination report are after making

adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.

- ii. The Restated Statement of Profit and Loss of the Company for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure IV** and the Statement of Adjustments to the Audited Financial Statements in **Annexure VI**.
  - iii. The Restated Statement of Cash flow statement of the Company for the years ended on March 31, 2018, 2017, 2016, 2015, 2014 examined by us, as set out in **Annexure III** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the Statement of Significant Accounting Policies in **Annexure IV** and the Statement of Adjustments to the Audited Financial Statements in **Annexure VI**.
  - iv. The Restated Financial Statements have been made after incorporating adjustments for :
    - a. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period / years.
    - b. Prior Period and other material amounts in the respective financial years to, which they relate, Which are stated in the Statement of Material Adjustments as set out in **Annexure VI**
7. Such Financial statements do not require any corrective adjustments on account of:
- i. Other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (11) of section 143 of the Companies Act, 2013, on Financial Statements of the Company for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014.
  - ii. Extra-ordinary / Exceptional items that need to be disclosed separately in the accounts requiring adjustments.
8. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Schedule of Share Capital (**Annexure – VII**);  
 Schedule of Reserves & Surplus (**Annexure – VIII**);  
 Details of Long Term Borrowings of the Company (**Annexure – IX**);  
 Statement of Deferred Tax Liabilities (**Annexure – X**);  
 Statement of Other Long Term Liabilities (**Annexure – XI**);  
 Statement of Long Term Provisions (**Annexure – XII**);  
 Details of Short Term Borrowings of the Company (**Annexure – XIII**);  
 Statement of Trade Payables (**Annexure – XIV**);  
 Statement of Other Current Liabilities (**Annexure – XV**);  
 Statement of Short Term Provisions (**Annexure – XVI**);  
 Statement of Fixed Assets (**Annexure – XVII**);  
 Statement of Non Current Investments (**Annexure – XVIII**);  
 Statement of Long Term Loans & Advances (**Annexure – XIX**);  
 Statement of Deferred Tax Asset (**Annexure – XX**);  
 Schedule of Inventories (**Annexure – XXI**);  
 Statement of Trade Receivables (**Annexure – XXII**);  
 Statement of Cash and Cash Equivalents (**Annexure – XXIII**);  
 Statement of Short Term Loans and Advances (**Annexure – XXIV**);  
 Statement of Other Current Assets (**Annexure – XXV**);  
 Schedule of Revenue from Operations (**Annexure – XXVI**);  
 Schedule of Other Income (**Annexure – XXVII**);  
 Schedule of Related Party Transactions (**Annexure – XXVIII**);  
 Schedule of Contingent Liability (**Annexure – XXIX**);  
 Capitalization Statement (**Annexure – XXX**);  
 Summary of Accounting Ratios (**Annexure – XXXI**);

Statement of Tax Shelter (**Annexure – XXXII**);

9. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure VII to XXXII read with the Significant Accounting Policies and Notes to the Restated Financial Statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI). Consequently the Financial Information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the Financial Information may not necessarily be the same as those appearing in the respective Audited Financial Statements for the relevant years.
10. This report should not in any way construed as a reissuance or redrafting of any of the previous Audit Reports for financial years ending 2013-14, 2014-15, 2015-16 and 2016-17 issued by M/s M. Abhishek K & Associates., Chartered Accountants, and for the financial year ending 2017-18 issued by us NSVR & ASSOCIATES LLP (formerly known as Nekkanti Srinivasu & Co), Chartered Accountants, being the Statutory Auditors of the company for the respective years nor should this report be construed as new opinion on any of the Financial Statement referred to therein. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO-SME of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **NSVR & Associates LLP.**,  
(Formerly known as Nekkanti Srinivasu & Co)  
**Chartered Accountants**  
**Firm Registration No. 008801S/S200060**

**P. Venkata Ratnam**  
**Partner**  
**Membership No. 230675**  
**Date: September 25, 2018**  
**Place: Hyderabad**



**ANNEXURE I**  
**STATEMENT OF RESTATED ASSETS AND LIABILITIES**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Fund</b>					
Share Capital	1,254.05	235.67	173.10	173.10	173.10
Reserves & Surplus	890.59	817.59	436.64	324.87	240.34
<b>Total (a)</b>	<b>2,144.64</b>	<b>1,053.26</b>	<b>609.74</b>	<b>497.97</b>	<b>413.44</b>
<b>Non Current Liabilities</b>					
Long term borrowings	62.74	265.94	438.07	228.05	266.73
Deferred Tax Liabilities	-	-	-	-	0.53
Other Long Term Liabilities	57.63	47.57	36.94	25.28	24.10
Long Term Provisions	46.55	34.76	24.51	17.63	11.26
<b>Total (b)</b>	<b>166.92</b>	<b>348.27</b>	<b>499.51</b>	<b>270.96</b>	<b>302.62</b>
<b>Current Liabilities</b>					
Short term borrowings	2,003.03	1,513.99	967.75	1,047.60	496.18
Trade payables	3,128.95	2,947.12	1,878.25	1,808.42	1,341.74
Other current liabilities	509.37	297.48	416.83	331.29	132.64
Short term provisions	324.91	137.55	69.58	57.98	19.79
<b>Total (c)</b>	<b>5,966.26</b>	<b>4,896.13</b>	<b>3,332.41</b>	<b>3,039.79</b>	<b>1,989.34</b>
<b>Grand Total (a+b+c)</b>	<b>8,277.82</b>	<b>6,297.65</b>	<b>4,441.66</b>	<b>4,014.23</b>	<b>2,706.40</b>
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Fixed Assets					
(i)Tangible Assets	1,162.70	1,147.46	931.98	752.55	616.54
(ii)Intangible Assets	0.52	0.70	1.20	1.32	1.46
(iii)Capital Work-in-progress	167.10	-	-	-	-
Non Current Investments	185.01	0.01	0.01	0.01	0.01
Long Term Loans and Advances	232.36	173.44	161.98	185.92	183.89
Deferred tax assets	25.34	0.41	3.62	3.84	-
<b>Total (a)</b>	<b>1,773.04</b>	<b>1,322.02</b>	<b>1,098.78</b>	<b>943.64</b>	<b>801.89</b>
<b>Current Assets</b>					
Inventories	2,685.47	1,369.10	971.41	698.25	377.46
Trade Receivables	3,674.06	3,276.96	2,191.35	2,304.13	1,476.92
Cash and Cash Equivalents	21.02	31.50	53.08	27.23	29.23
Short Term Loans and Advances	118.24	179.30	127.04	25.74	15.89
Other Current Assets	6.00	118.77	-	15.24	5.00
<b>Total (b)</b>	<b>6,504.79</b>	<b>4,975.63</b>	<b>3,342.88</b>	<b>3,070.59</b>	<b>1,904.51</b>
<b>Grand Total (a+b)</b>	<b>8,277.82</b>	<b>6,297.65</b>	<b>4,441.66</b>	<b>4,014.23</b>	<b>2,706.40</b>

**ANNEXURE II**  
**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>INCOME</b>					
Revenue from Operations	10,621.25	9,613.65	6,996.76	6,749.01	5,071.89
Other Income	2.69	5.15	4.33	2.26	5.38
<b>Total Revenue (I)</b>	<b>10,623.94</b>	<b>9,618.80</b>	<b>7,001.09</b>	<b>6,751.27</b>	<b>5,077.27</b>
<b>EXPENSES</b>					
Purchases	7,181.40	5,715.00	4,304.22	4,270.67	3,545.45
Changes in Inventories	(1,316.37)	(397.69)	(273.16)	(320.79)	(186.20)
Employee Benefit Expenses	1,329.86	909.51	916.82	607.23	469.11
Finance Cost	233.15	196.22	162.53	159.50	109.71
Depreciation and Amortization Expenses	163.90	102.18	84.44	83.40	59.25
Other Expenses	2,064.54	2,742.63	1,625.95	1,813.90	991.03
<b>Total Expenses (II)</b>	<b>9,656.49</b>	<b>9,267.85</b>	<b>6,820.79</b>	<b>6,613.92</b>	<b>4,988.36</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax (I-II)</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
Exceptional/Extraordinary items	-	-	-	-	-
<b>Net Profit/(Loss) before tax</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
<b>Tax Expenses</b>					
a) Current Tax	352.51	135.72	68.32	57.18	19.41
b) Deferred Tax	(24.93)	3.20	0.22	(4.36)	1.91
<b>Total (a+b)</b>	<b>327.58</b>	<b>138.93</b>	<b>68.53</b>	<b>52.82</b>	<b>21.33</b>
<b>Net Profit/(Loss) for the year</b>	<b>639.87</b>	<b>212.02</b>	<b>111.76</b>	<b>84.53</b>	<b>67.59</b>

**ANNEXURE III  
STATEMENT OF CASH FLOW AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>A. Cash flow from operating activities</b>					
Restated Profit Before Tax	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
<b>Adjustments for:</b>					
Depreciation	163.90	102.18	84.44	83.40	59.25
Finance Cost	233.15	196.22	162.53	159.50	109.71
Chit Dividend Income		-	(0.15)	(2.23)	(5.35)
Provision for Gratuity made during the year	12.67	10.81	7.34	6.80	4.14
Provision for Gratuity adjusted against Opening Balance of Reserves	-	-	-	-	(11.63)
Preliminary Expenses adjusted against Opening Balance of reserves	-	-	-	-	0.27
<b>Operating cash flow before Working capital changes</b>	<b>1,377.18</b>	<b>660.17</b>	<b>434.45</b>	<b>384.83</b>	<b>245.31</b>
Increase / (Decrease) in Trade payables	633.34	857.73	69.83	466.68	858.65
Increase / (Decrease) in Other current liabilities	202.92	96.56	293.57	191.55	(62.46)
Increase / (Decrease) in Short term provisions		-	-	-	-
Decrease / (Increase) in Inventories	(1,316.37)	(397.69)	(273.16)	(320.79)	(186.20)
Decrease / (Increase) in Trade Receivables	(397.10)	(1,085.61)	112.78	(827.21)	(512.29)
Decrease / (Increase) in Short term loans& advances	61.06	(52.27)	(101.30)	(9.85)	37.74
Increase / (Decrease) in Other Long term Liabilities	10.06	10.63	11.65	1.18	9.13
Increase / (Decrease) in Other Current Assets	112.77	(118.77)	15.24	(10.24)	2.31
<b>Cash Generated from Operation</b>	<b>683.88</b>	<b>(29.26)</b>	<b>563.08</b>	<b>(123.84)</b>	<b>392.17</b>
Direct Taxes Paid (Net of Refunds)	(166.03)	(68.32)	(57.18)	(19.41)	(15.25)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>517.84</b>	<b>(97.57)</b>	<b>505.90</b>	<b>(143.26)</b>	<b>376.93</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Purchase of Fixed Assets	(346.14)	(317.16)	(263.75)	(219.27)	(312.10)
Proceeds from Sale of Fixed Assets	0.08	-			
Purchase of Non Current Investments	(185.00)	-	-	-	-
Chit Dividend Income	-	-	0.15	2.23	5.35
(Increase) / Decrease in long term loans and advances	(58.93)	(11.46)	23.94	(2.04)	(6.30)
<b>Net Cash Flow from Investing Activities</b>	<b>(589.99)</b>	<b>(328.62)</b>	<b>(239.65)</b>	<b>(219.08)</b>	<b>(313.04)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Increase / (Decrease) in Short term borrowings	489.05	546.24	(79.86)	551.43	(80.75)
Proceeds from issue of share capital	-	26.00	-	-	23.10
(Repayment)/Proceeds of Long-Term Borrowings	(203.19)	33.37	4.52	(38.69)	(10.70)
Finance Cost	(233.15)	(196.22)	(162.53)	(159.50)	(109.71)
Decrease / (Increase) in Other Current Assets	8.96	(4.78)	(2.53)	7.10	59.58
<b>Net Cash Flow from Financing Activities</b>	<b>61.66</b>	<b>404.60</b>	<b>(240.39)</b>	<b>360.34</b>	<b>(118.47)</b>

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Net Increase/ (Decrease in Cash and Cash Equivalents	(10.48)	(21.59)	25.85	(2.00)	(54.58)
Cash and Cash Equivalents at the beginning of the year	31.50	53.08	27.23	29.23	83.82
Cash and Cash Equivalents at the end of the year	21.01	31.50	53.08	27.23	29.23

## ANNEXURE IV SIGNIFICANT ACCOUNTING POLICIES

### Disclosure of Accounting Policies:

#### A. Basis of Preparation of Financial Statements:

The Restated Summary Financial Statements of the Company for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 have been prepared using the historical audited general purpose financial statements of the Company as at Financial years ended 31st March 2018, 2017, 2016, 2015 and 2014 respectively which were prepared under generally accepted accounting principles in India (Indian GAAP) and originally approved by the Board of Directors of the Company at that relevant time.

The Company has prepared the financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the —Act) and as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those adopted in the preparation of financial statement for the financial years ended 31<sup>st</sup> March 2018, 2017, 2016, 2015 and 2014.

These financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013 in addition to the Revised Schedule VI to the Companies Act, 1956.

#### B. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### C. Valuation of Inventories:

Inventories are valued in accordance with the requirements of accounting standard (AS-2) on Valuation of Inventories. Inventory consists of Bio Stimulants, Micronutrients and Organic Inputs & packing materials which are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all cost of purchase, production or conversion costs and other costs incurred in bringing the inventories to their present location and condition.

#### D. Cash Flow Statement:

Cash Flow statement is reported using the indirect method, where by 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 flow. The cash flow from operating, investing and financing activities of company is segregated based on the available information.

#### E. Contingencies and Events Occurring After Balance Sheet Date:

All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

#### F. Net profit or loss for the period, prior period items and changes in Accounting Policies:

All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that its impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to

explain the performance of the company have been disclosed separately. The same is in compliance with AS-5 to the extent applicable.

#### **G. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of Agri-input products is recognized when significant risks & rewards in relation to the ownership of goods has been transferred to the buyer.

Revenue presented is net of Service Tax and GST, to the extent applicable.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **H. Property, Plant & Equipments:**

Property, Plant & Equipment is stated at cost of acquisition or construction, less accumulated depreciation and impairment losses, if any.

The cost of Property, Plant & Equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

#### **Method of Depreciation:**

##### **2014-15, 2015-16, 2016-17, 2017-18:**

Depreciation on Property, plant and equipment is provided based on useful life prescribed under the Schedule II of the Companies act, 2013. Depreciation is provided on Written Down Value method during these years.

##### **2013-14:**

Depreciation on Property, plant and equipment is provided in the manner prescribed by the Schedule XIV of the Companies act, 1956. Depreciation is provided on Written Down Value method during these years.

#### **I. Borrowing Cost :**

Borrowing costs are interest and other costs incurred by an enterprise in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The borrowing cost other than those capitalized as above have been debited to the Statement of Profit and Loss of the current year.

#### **J. Investments:**

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist. Any reduction in the carrying amount and any reversal in such reductions are charged or credited to the statement of profit and loss.

**K. Employee Benefits Expense:**

All short-term employee benefits such as salary, wages etc. are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. These are considered as the defined contribution schemes and are recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is recognized on the basis of actuarial valuation carried out using projected unit credit method. The liability for Gratuity is accrued and provided for as per the requirements of Accounting Standard - 15 on "Employee Benefits".

**L. Segment Reporting :**

The company has only one reportable segment i.e., Sale of Agri-input products and hence this standard is not applicable.

**M. Earnings per Share and Diluted Earnings per Share :**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares except where the results will be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

**N. Taxes on Income:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss.

**Current Tax:**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**Deferred tax:**

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets/ liabilities in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that such deferred tax Asset/ liability can be realized against future taxable profits.



**O. Impairment of Assets :**

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**P. Intangible Assets and Amortisation**

Intangible assets are recorded at the consideration paid for acquisition including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure in making the asset ready for its intended use.

Intangible assets are amortised on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Company for its use.

The Management's estimates of the useful lives for various categories of intangible assets are given below:

Particulars	Years
Trade Marks	10

The amortisation period and the amortisation method for intangible assets are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the disposal of intangible assets are recognised in the statement of profit and loss.

**Q. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized if, as a result of a past event, the company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**ANNEXURE V  
NOTES TO ACCOUNTS**

**(i) Earnings per Share:**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Net Profit as per Profit & Loss Account available for Equity Shareholders	639.87	212.02	111.76	84.53	67.59
<b>Pre Bonus Issue</b>					
Weighted Average Number of Equity Shares for EPS Computation	-	-	-	-	-
<b>A. For Basic Earnings Per Share of ₹ 10 each (shares in lakhs)</b>	118.41	69.72	69.24	69.24	69.24
<b>B. For Diluted Earnings Per Share of ₹ 10 each: (shares in lakhs)</b>	118.41	69.72	69.24	69.24	69.24
<b>Earnings Per Share</b>					
-Basic	5.40	3.04	1.61	1.22	0.98
-Diluted	5.40	3.04	1.61	1.22	0.98
<b>Post Bonus Issue</b>					
Weighted Average Number of Equity Shares for EPS Computation					
<b>A. For Basic Earnings Per Share of ₹ 10 each (shares in lakhs)</b>	118.41	69.72	69.24	69.24	69.24
<b>B. For Diluted Earnings Per Share of ₹10 each: (shares in lakhs)</b>	118.41	69.72	69.24	69.24	69.24
<b>Earnings Per Share</b>					
-Basic	5.40	3.04	1.61	1.22	0.98
-Diluted	5.40	3.04	1.61	1.22	0.98

**ii) Deferred Tax:**

Deferred Tax liability on account of timing difference between taxable income and accounting income for the year is accounted for by applying the tax rates and laws enacted or substantially enacted as of the balance sheet date. Deferred Tax Assets are recognized only to the extent of virtual certainty of its realization or adjustment against deferred tax liability. The company has accounted for Income Tax in compliance with the accounting standards relating Accounting for Taxes on Income(AS-22) issued by the Institute of Chartered Accountants of India.

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Opening Balance	0.41	3.62	3.84	(0.53)	1.38
<b>Deferred tax (liabilities)/assets arising on account of timing difference in:</b>					
Depreciation	10.73	(3.20)	(0.22)	4.36	(1.91)
43B Disallowance	14.20	-	-	-	-
<b>Closing Balance</b>	<b>25.34</b>	<b>0.41</b>	<b>3.62</b>	<b>3.84</b>	<b>(0.53)</b>

**iii) Remuneration to Statutory Auditors:**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Statutory Audit Fees	4.00	1.85	1.96	1.82	1.57
For Other Matters	1.00	-	-	-	-
<b>Total</b>	<b>5.00</b>	<b>1.85</b>	<b>1.96</b>	<b>1.82</b>	<b>1.57</b>

**iv) Foreign Exchange Earnings & Expenditure:**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Earnings in Foreign Exchange	-	-	-	-	-
Expenditure in Foreign Exchange	182.94	-	-	-	-
<b>Total</b>	<b>182.94</b>	-	-	-	-

**iv) Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006:**

To the extent of information available, the company has no overdue amounts outstanding to any micro, medium and small scale enterprises.

**v) We confirm that there are no Auditor's Qualification in the Financial Statements**
**ANNEXURE VI**
**NOTES ON MATERIAL ADJUSTMENTS AND REGROUPINGS TO RESTATED SUMMARY STATEMENTS**
**1. Adjustment Impacting Profit & Loss A/c**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Profit/(Loss) after tax (as per Audited Financial Statements) (I)</b>	<b>582.56</b>	<b>230.46</b>	<b>116.94</b>	<b>103.46</b>	<b>71.70</b>
<b>Restatement Adjustments:</b>					
<b>Revenue</b>	-	-	-	-	-
<b>Add:</b> Profit on sale of Fixed asset not recognized earlier	-	-	-	-	-
<b>Less:</b> Net Prior period profit	-	-	-	-	-
<b>Expenses</b>					
<b>Less:</b> Restatement/ adjustment of Prior Preliminary Expenses	12.87	(7.95)	1.64	(6.42)	0.14
<b>Less:</b> Deferred Tax restated	(0.16)	(0.42)	(0.23)	3.46	0.05
<b>Add:</b> Depreciation on Assets restated	8.03	0.75	0.75	(9.16)	(0.15)
<b>Less:</b> Provision for Gratuity	36.59	(10.81)	(7.34)	(6.80)	(4.14)
<b>Total Adjustments (II)</b>	<b>57.32</b>	<b>(18.44)</b>	<b>(5.18)</b>	<b>(18.92)</b>	<b>(4.11)</b>
<b>Restated profit/(loss) after tax (I+II)</b>	<b>639.88</b>	<b>212.02</b>	<b>111.76</b>	<b>84.53</b>	<b>67.59</b>

**2. Adjustments made in audited opening balance of surplus in the statement of Profit or loss as at 1st April 2013**

Particulars	Amount
Surplus in the statement of Profit lo loss as at 1st April 2013 as per the Audited Financial Statements	192.09
Less: Preliminary expenses carried as an asset adjusted against Reserves & Surplus	(0.27)
Less: Deferred Tax adjustment in previous years	(2.69)
Less: Provision for Gratuity	(7.49)
Less: Adjustment towards depreciation	(0.22)
<b>Surplus in the statement of Profit lo loss as at 1st April 2013 as restated</b>	<b>181.42</b>

### 3. Other Regroupings:

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the Accounting Standards, Schedule III of the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). However the same does not impact the PAT of the reported financials.

#### ANNEXURE VII STATEMENT OF SHARE CAPITAL AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>SHARE CAPITAL</b>					
<b>Authorised:</b>					
Equity Shares of ₹ 10 each					
Number of Shares	200.00	100.00	100.00	40.00	40.00
Amount	2,000.00	1,000.00	1,000.00	400.00	400.00
<b>Issued, Subscribed &amp; Fully paid up</b>					
Equity Shares of ₹ 10 each					
Number of Shares	125.41	23.57	17.31	17.31	17.31
Amount	1,254.05	235.67	173.10	173.10	173.10

#### ANNEXURE VIII RESERVES AND SURPLUS AS RESTATED

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Security Premium</b>					
Opening Balance	168.93	-	-	-	121.15
<b>Add / (Less): Changes during the year</b>					
<b>Add:</b> Premium on share capital	373.66	168.93	-	-	-
<b>Less:</b> Utilized/transfer during the period	(542.59)	-	-	-	121.15
<b>Total (a)</b>	-	168.93	-	-	-
<b>Profit &amp; Loss A/c</b>					
Opening Balance	648.66	436.64	324.87	240.34	181.42
<b>Add / (Less): Changes during the year</b>					
<b>Add:</b> Profit for the year	639.87	212.02	111.76	84.53	67.59
<b>Less:</b> Issue of Bonus Shares	(397.95)	-	-	-	(8.68)
<b>Less:</b> Adjustment of Preliminary Expenses	-	-	-	-	-
<b>Less:</b> Adjustment of deferred tax	-	-	-	-	-
<b>Less:</b> Adjustment of Prov for Gratuity in Opening Reserves	-	-	-	-	-
<b>Total (b)</b>	890.59	648.66	436.64	324.87	240.34
<b>Total Reserves (a+b)</b>	<b>890.59</b>	<b>817.59</b>	<b>436.64</b>	<b>324.87</b>	<b>240.34</b>

**ANNEXURE IX  
LONG TERM BORROWINGS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Secured</b>					
Term Loan from Banks	62.74	136.93	111.78	133.26	196.94
<b>Unsecured</b>					
Loans & Advances from Related parties	-	129.01	326.29	94.79	69.79
<b>Total</b>	<b>62.74</b>	<b>265.94</b>	<b>438.07</b>	<b>228.05</b>	<b>266.73</b>

**ANNEXURE X  
DEFERRED TAX LIABILITIES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Opening Balance	-	-	-	-	1.38
<b>Add:</b> Change during the year	-	-	-	-	1.91
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.53</b>

**ANNEXURE XI  
OTHER LONG TERM LIABILITIES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Others</b>					
Security Deposits	57.63	47.57	36.94	25.28	24.10
<b>Total</b>	<b>57.63</b>	<b>47.57</b>	<b>36.94</b>	<b>25.28</b>	<b>24.10</b>

**ANNEXURE XII  
LONG TERM PROVISIONS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Provision for employee benefits</b>					
Provision for Gratuity	46.55	34.76	24.51	17.63	11.26
<b>Total</b>	<b>46.55</b>	<b>34.76</b>	<b>24.51</b>	<b>17.63</b>	<b>11.26</b>

**ANNEXURE XIII  
SHORT TERM BORROWINGS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Loans repayable on demand from banks</b>					
<b>Secured</b>					
OD and CC from Banks	2,003.03	1,513.99	960.41	962.85	476.01
<b>Unsecured Short Term Loans</b>					
Banks	-	-	-	-	4.89
Financial Institutions	-	-	7.33	84.75	15.28
Others	-	-	-	-	-
<b>Total</b>	<b>2,003.03</b>	<b>1,513.99</b>	<b>967.75</b>	<b>1,047.60</b>	<b>496.18</b>

The above amounts in Annexure IX and XIII include:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Secured Borrowings	2134.11	1710.28	1136.34	1162.79	732.54
Unsecured Borrowings	-	129.01	333.62	179.54	23.17
<b>Total</b>	<b>2134.11</b>	<b>1839.29</b>	<b>1469.96</b>	<b>1342.33</b>	<b>755.70</b>

Note: For details of the terms of sanction, maturity and other details of outstanding loans please see "Schedule – I - Financial Indebtedness" forming part of this Restated Financial Report

**ANNEXURE XIV  
TRADE PAYABLES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Trade payables for Goods & Services	3,128.95	2,947.12	1,878.25	1,808.42	1,341.74
<b>Total</b>	<b>3,128.95</b>	<b>2,947.12</b>	<b>1,878.25</b>	<b>1,808.42</b>	<b>1,341.74</b>

**ANNEXURE XV  
OTHER CURRENT LIABILITIES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Current maturities of long-term debt	68.33	59.37	64.15	66.68	59.58
Statutory Liabilities	278.49	187.05	56.67	34.61	24.20
Expenses Payable	79.76	5.58	3.57	3.06	1.59
Payable to Employees	77.79	45.49	81.32	9.94	-
Other payables	5.00	-	211.13	217.00	47.27
<b>Total</b>	<b>509.37</b>	<b>297.48</b>	<b>416.83</b>	<b>331.29</b>	<b>132.64</b>

<sup>(1)</sup> Out of other payable ₹ 211.13 lakhs during 2015-16 is to related party

**ANNEXURE XVI  
SHORT TERM PROVISIONS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Provision for Employee benefits</b>					
Provision for Gratuity	2.70	1.82	1.27	0.80	0.37
Provision for Income tax	322.20	135.72	68.32	57.18	19.41
<b>Total</b>	<b>324.91</b>	<b>137.55</b>	<b>69.58</b>	<b>57.98</b>	<b>19.79</b>

**ANNEXURE XVII  
STATEMENT OF FIXED ASSETS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>LAND</b>					
Opening Balance	158.88	158.88	137.86	137.86	132.01
Addition during the year	81.40	-	21.02	-	5.85
Reduction during the year	-	-	-	-	-
<b>Closing Balance</b>	<b>240.28</b>	<b>158.88</b>	<b>158.88</b>	<b>137.86</b>	<b>137.86</b>
<b>BUILDING</b>					

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Opening Balance	983.57	827.24	596.37	401.50	129.12
Addition during the year	1.89	156.32	230.87	194.87	272.38
<b>Closing Balance( Gross value)</b>	<b>985.46</b>	<b>983.57</b>	<b>827.24</b>	<b>596.37</b>	<b>401.50</b>
Reduction during the year	-	-	-	-	-
Depreciation during the year	74.71	66.42	48.83	33.21	24.71
Accumulated Depreciation	266.10	191.39	124.97	76.14	42.94
<b>Closing Balance</b>	<b>719.36</b>	<b>792.17</b>	<b>702.27</b>	<b>520.22</b>	<b>358.57</b>
<b>TOOLS AND EQUIPMENT</b>					
Opening Balance	27.38	10.98	14.91	7.83	7.83
Addition during the year	3.06	16.41	0.71	7.08	-
Reduction during the year	-	-	4.64	-	-
<b>Closing Balance( Gross Value)</b>	<b>30.44</b>	<b>27.38</b>	<b>10.98</b>	<b>14.91</b>	<b>7.83</b>
Depreciation during the year	7.68	4.58	3.09	4.91	0.75
Accumulated Depreciation	19.56	11.88	7.30	8.62	3.70
<b>Closing Balance</b>	<b>10.88</b>	<b>15.51</b>	<b>3.68</b>	<b>6.30</b>	<b>4.13</b>
<b>FURNITURES &amp; FIXTURES</b>					
Opening Balance	29.57	24.23	21.54	21.54	13.62
Addition during the year	5.26	5.35	2.69	-	7.91
Reduction during the year	0.08	-	-	-	-
<b>Closing Balance( Gross Value)</b>	<b>34.75</b>	<b>29.57</b>	<b>24.23</b>	<b>21.54</b>	<b>21.54</b>
Depreciation during the year	4.08	3.76	3.56	4.19	2.27
Accumulated Depreciation	21.55	17.46	13.70	10.15	5.96
<b>Closing Balance</b>	<b>13.15</b>	<b>12.11</b>	<b>10.52</b>	<b>11.39</b>	<b>15.58</b>
<b>VEHICLES(CARS)</b>					
Opening Balance	238.65	139.83	139.83	139.83	133.30
Addition during the year	-	98.82	-	-	6.52
Reduction during the year	-	-	-	-	-
<b>Closing Balance( Gross Value)</b>	<b>238.65</b>	<b>238.65</b>	<b>139.83</b>	<b>139.83</b>	<b>139.83</b>
Depreciation during the year	36.69	10.06	15.09	23.53	23.42
Accumulated Depreciation	157.74	121.05	110.99	95.90	72.37
<b>Closing Balance</b>	<b>80.90</b>	<b>117.60</b>	<b>28.84</b>	<b>43.93</b>	<b>67.46</b>
<b>PLANT AND MACHINERY</b>					
Opening Balance	69.10	41.88	37.75	32.89	20.53
Addition during the year	66.51	27.22	4.12	4.87	12.35
Reduction during the year	-	-	-	-	-
<b>Closing Balance( Gross Value)</b>	<b>135.61</b>	<b>69.10</b>	<b>41.88</b>	<b>37.75</b>	<b>32.89</b>
Depreciation during the year	22.76	10.43	7.44	9.73	3.79
Accumulated Depreciation	58.52	35.76	25.33	17.89	8.16
<b>Closing Balance</b>	<b>77.10</b>	<b>33.34</b>	<b>16.55</b>	<b>19.86</b>	<b>24.72</b>



Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>ELECTRICAL INSTALLATIONS</b>					
Opening Balance	12.45	12.45	12.45	-	-
Addition during the year	-	-	-	12.45	-
Reduction during the year	-	-	-	-	-
<b>Closing Balance ( Gross Value)</b>	<b>12.45</b>	<b>12.45</b>	<b>12.45</b>	<b>12.45</b>	-
Depreciation during the year	2.00	2.00	2.69	2.07	-
Accumulated Depreciation	8.75	6.75	4.75	2.07	-
<b>Closing Balance</b>	<b>3.70</b>	<b>5.70</b>	<b>7.70</b>	<b>10.38</b>	-
<b>COMPUTERS AND PERIPHERALS</b>					
Opening Balance	27.78	15.44	19.37	19.37	12.30
Addition during the year	20.92	12.34	4.34	-	7.07
Reduction during the year	-	-	8.27	-	-
<b>Closing Balance( Gross alue)</b>	<b>48.70</b>	<b>27.78</b>	<b>15.44</b>	<b>19.37</b>	<b>19.37</b>
Depreciation during the year	15.74	3.74	2.97	5.63	4.17
Accumulated Depreciation	31.37	15.62	11.89	16.78	11.15
<b>Closing Balance</b>	<b>17.34</b>	<b>12.16</b>	<b>3.55</b>	<b>2.60</b>	<b>8.22</b>
<b>TRADEMARKS</b>					
Opening Balance	0.70	2.17	2.17	2.17	2.17
Addition during the year	-	0.70	-	-	-
Reduction during the year	-	2.17	-	-	-
<b>Closing Balance( Gross Value)</b>	<b>0.70</b>	<b>0.70</b>	<b>2.17</b>	<b>2.17</b>	<b>2.17</b>
Depreciation during the year	0.18	0.11	0.13	0.14	0.15
Accumulated Depreciation	0.18	0.00	0.97	0.84	0.70
<b>Closing Balance</b>	<b>0.52</b>	<b>0.70</b>	<b>1.20</b>	<b>1.32</b>	<b>1.46</b>
<b>Total Tangible &amp; Intangible Assets</b>	<b>1,163.22</b>	<b>1,148.16</b>	<b>933.18</b>	<b>753.87</b>	<b>618.00</b>
Opening Gross Block	1,548.08	1,233.08	982.25	762.98	450.88
Net Additions	178.96	314.99	250.83	219.27	312.10
<b>Closing Gross Block</b>	<b>1,727.04</b>	<b>1,548.08</b>	<b>1,233.08</b>	<b>982.25</b>	<b>762.98</b>
Depreciation for the year	163.84	101.10	83.79	83.40	59.25
Total Accumulated Depreciation	563.76	399.92	299.90	228.38	144.98
<b>Closing Net Block of Tangible Assets</b>	<b>1,162.70</b>	<b>1,147.46</b>	<b>931.98</b>	<b>752.55</b>	<b>616.54</b>
<b>Capital Work-in-Progress</b>	<b>167.10</b>	-	-	-	-

**ANNEXURE XVIII  
NON CURRENT INVESTMENTS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Investment In Equity Instruments-Unquoted</b>					
Agri Genome Resources India Private Limited	0.01	0.01	0.01	0.01	0.01
Nova Agri Sciences Private Limited – Subsidiary	180.00	-	-	-	-
Nova Agri Seeds India Private Limited – Subsidiary	5.00	-	-	-	-
<b>Investment In Equity Instruments-Quoted</b>	-	-	-	-	-
<b>Total</b>	<b>185.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>

**ANNEXURE XIX  
LONG TERM LOANS& ADVANCES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Unsecured-Considered good</b>					
Security and Other Deposits	27.53	22.52	8.22	7.02	5.97
Inter Corporate Deposits & Other Loans & Advances	204.83	150.91	153.76	178.90	177.91
<b>Total</b>	<b>232.36</b>	<b>173.44</b>	<b>161.98</b>	<b>185.92</b>	<b>183.89</b>

**ANNEXURE XX  
DEFERRED TAX ASSET AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Opening Balance	0.41	3.62	3.84	-0.53	-
Add/Less: Changes during the year	24.93	-3.20	-0.22	4.36	-
<b>Closing Balance</b>	<b>25.34</b>	<b>0.41</b>	<b>3.62</b>	<b>3.84</b>	<b>-</b>

**ANNEXURE XXI  
INVENTORIES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Inventories:</b>					
Raw Materials	1,347.60	581.67	384.84	313.59	187.55
Work-in-Progress	237.81	50.58	33.46	38.76	9.87
Packing Materials	174.80	96.65	10.28	10.40	11.30
Finished Goods	925.26	640.20	542.82	335.50	168.74
<b>Total</b>	<b>2,685.47</b>	<b>1,369.10</b>	<b>971.41</b>	<b>698.25</b>	<b>377.46</b>

**ANNEXURE XXII  
TRADE RECEIVABLES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Trade Receivables</b>					
<b>Outstanding for less than 6 months</b>					
Secured, considered good	-	-	-	-	-
Unsecured, considered good					
- From Promoters / Promoter Group / Related Party					0.98
- From Others	3,060.71	2,012.23	1,741.91	1,864.76	1,101.57

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Outstanding for more than 6 months</b>					
Secured, considered good	-	-	-	-	-
Unsecured, considered good					
- From Promoters / Promoter Group / Related Party					
- From Others	613.34	1,264.73	449.44	439.37	374.37
<b>Total</b>	<b>3,674.06</b>	<b>3,276.96</b>	<b>2,191.35</b>	<b>2,304.13</b>	<b>1,476.92</b>

**ANNEXURE XXIII  
CASH & CASH EQUIVALENTS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>Cash on hand</b>	4.75	6.43	12.92	4.74	5.28
<b>Balances with banks</b>					
In Current accounts	16.27	25.07	40.17	22.49	23.95
<b>Total</b>	<b>21.02</b>	<b>31.50</b>	<b>53.08</b>	<b>27.23</b>	<b>29.23</b>

**ANNEXURE XXIV  
SHORT TERM LOANS AND ADVANCES AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Balances with revenue authorities	54.30	51.07	13.50	23.21	13.42
Advance to Suppliers	-	46.63	31.63	-	-
Advances for capital Goods	30.33	80.30	80.30	-	-
Others Loans & Advances <sup>(1)</sup>	32.57	1.31	1.61	2.52	2.46
Security & Other Deposits	1.04	-	-	-	-
Income Tax Refund	-	-	-	-	0.01
<b>Total</b>	<b>118.24</b>	<b>179.30</b>	<b>127.04</b>	<b>25.74</b>	<b>15.89</b>

<sup>(1)</sup> Out of Other loans & advances, 30.57 lakhs during the year 2017-18 is from related parties

**ANNEXURE XXV  
OTHER CURRENT ASSETS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Advances to Employees	6.00	118.77	-	15.24	5.00
<b>Total</b>	<b>6.00</b>	<b>118.77</b>	<b>-</b>	<b>15.24</b>	<b>5.00</b>

**ANNEXURE XXVI  
REVENUE FROM OPERATIONS AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Sale of products</b>	<b>10,572.80</b>	<b>9,578.15</b>	<b>6,958.87</b>	<b>6,724.92</b>	<b>5,068.79</b>
<b>Other operating revenue</b>	<b>48.46</b>	<b>35.50</b>	<b>37.89</b>	<b>24.09</b>	<b>3.11</b>
Packing Expenses	3.14	22.00	25.34	23.90	3.11
Interest Received	42.32	10.50	12.55	0.19	-
Rental Income	3.00	3.00	-	-	-
<b>Total</b>	<b>10,621.25</b>	<b>9,613.65</b>	<b>6,996.76</b>	<b>6,749.01</b>	<b>5,071.89</b>

**ANNEXURE XXVII  
OTHER INCOME AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Chit Dividend	-	-	0.15	2.23	5.35
Insurance Claims	-	5.14	4.17	-	-
Other non-operating income	0.39	0.01	0.01	0.03	0.03
Sale of Scrap	2.30	-	-	-	-
<b>Total</b>	<b>2.69</b>	<b>5.15</b>	<b>4.33</b>	<b>2.26</b>	<b>5.38</b>
<b>Profit Before Tax (PBT)</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
<b>% OF Other Income to PBT</b>	<b>0.28%</b>	<b>1.47%</b>	<b>2.40%</b>	<b>1.64%</b>	<b>6.05%</b>

**ANNEXURE XXVIII  
RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

As per accounting standard 18 on Related party disclosures issued by Institute of chartered Accountants of India, the company's related parties are disclosed as below:

**i. Director or Key managerial Person:**

2017-18	2016-17	2015-16	2014-15	2013-14
Y Samba siva Rao	Y Samba siva Rao	Y Samba siva Rao	Y Samba siva Rao	Y Samba siva Rao
S Malathi	S Malathi	S Malathi	S Malathi	S Malathi
Y Sreekanth	Y Sreekanth	Y Sreekanth	Y Sreekanth	Y Sreekanth
N Basanth Kumar	N Basanth Kumar	N Basanth Kumar	N Basanth Kumar	N Basanth Kumar
J Ashok Kumar	J Ashok Kumar	J Ashok Kumar	J Ashok Kumar	J Ashok Kumar
A Kiran Kumar	-	-	-	-
R Kiran Kumar	R Kiran Kumar	R Kiran Kumar	-	-

**ii. Relatives of Directors / Key managerial person:**

Nil

**iii. Enterprises over which directors/ Key managerial person is having significant Influence:**

2017-18	2016-17	2015-16	2014-15	2013-14
Suraksha Agri Retails India Pvt Ltd	Suraksha Agri Retails India Pvt Ltd	Suraksha Agri Retails India Pvt Ltd	Suraksha Agri Retails India Pvt Ltd	Suraksha Agri Retails India Pvt Ltd
Nova Agri Sciences Pvt Ltd	Nova Agri Sciences Pvt Ltd	Nova Agri Sciences Pvt Ltd	Nova Agri Sciences Pvt Ltd	Nova Agri Sciences Pvt Ltd
Nova Agri Seeds India Pvt Ltd	Nova Agri Seeds India Pvt Ltd	Nova Agri Seeds India Pvt Ltd	Nova Agri Seeds India Pvt Ltd	Nova Agri Seeds India Pvt Ltd

**Transactions with related parties:**

**i. Director or key managerial Person:**

(₹ in lakhs)

Particulars	2018	2017	2016	2015	2014
Salary / Remuneration	292.77	222.31	210.91	104.52	69.30
<b>Advances given by company</b>					
Opening Balance	-	-	-	-	-
Transactions during the year	-	-	-	-	-
Closing Balance	-	-	-	-	-
<b>Advances taken by company</b>					
Opening balance	129.01	326.89	94.79	69.79	74.42
Transactions during the year	(129.01)	(197.28)	231.50	25.00	(4.63)
<b>Closing balance</b>	<b>-</b>	<b>129.01</b>	<b>326.29</b>	<b>94.79</b>	<b>69.79</b>

**ii. Relatives of Director or KMP:**

Nil

**iii. Enterprises over which Director or KMP is having significant influence:**

(₹ in lakhs)

Particulars	2018	2017	2016	2015	2014
<b>Advances given by company</b>					
Opening Balance	(22.10)	-	-	-	-
Transactions during the year	52.68	-	-	-	-
Closing Balance	30.57	-	-	-	-
<b>Creditors &amp; Advances taken by company</b>					
Opening balance	47.80	211.13	24.96	72.37	13.44
Transactions during the year	(46.73)	(141.23)	186.17	(47.41)	58.93
Closing balance	1.07	69.90	211.13	24.96	72.37
<b>Sales</b>	<b>9.15</b>	-	-	-	<b>69.28</b>
<b>Purchases</b>	<b>11.06</b>	<b>101.78</b>	-	<b>62.74</b>	<b>130.77</b>
<b>Investments</b>	<b>185.00</b>	-	-	-	-

**ANNEXURE XXIX**

**DETAILS OF CONTINGENT LIABILITY AS RESTATED**

The Company has the following Contingent Liabilities for which no provision has been made in the books of accounts.

(₹ in lakhs)

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
<b>Claims against the Company not acknowledged as debts</b>					
Goods & Services Tax	Nil	Nil	Nil	Nil	Nil
Income Tax	Nil	Nil	Nil	Nil	Nil
Corporate Guarantee to Nova Agri Sciences Private Limited (Subsidiary)	400.00	400.00	400.00	Nil	Nil
Claims made by the Company through Legal suits	-	-	-	-	-
- On Apoorva Dairy Farm India Private Limited	149.63	149.63	149.63	149.63	Nil
<b>Total</b>	<b>549.63</b>	<b>549.63</b>	<b>549.63</b>	<b>149.63</b>	Nil

**Note:** The Company has filed a suit against the Apoorva Dairy Farm India Private Limited in respect of recovery of Investment made in Apoorva Dairy Farm Private Limited. The case has been filed for an amount of ₹ 1,49.63 lakhs plus interest on the said amount.

**ANNEXURE XXX**

**CAPITALISATION STATEMENT**

(₹ in lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	2,003.03	2,003.03
Long Term Debt (B)	131.07	131.07
<b>Total debts (C=A+B)</b>	<b>2,134.11</b>	<b>2,134.11</b>
<b>Shareholders' funds</b>		
Equity share capital (D)	1,254.05	[●]
Reserve and surplus - as restated (E)	890.59	[●]
<b>Total shareholders' funds (F=D+E)</b>	<b>2,144.64</b>	<b>[●]</b>
<b>Long term debt / shareholders funds</b>	0.06	[●]
<b>Total debt / shareholders funds</b>	1.00	[●]

**ANNEXURE XXXI**  
**STATEMENT OF ACCOUNTING RATIOS AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Restated PAT as per P & L Account	639.87	212.02	111.76	84.53	67.59
Actual Number of Equity Shares outstanding at the end of the year	125.41	23.57	17.31	17.31	17.31
Equivalent Weighted Avg number of Equity Shares at the end of the year ( <b>Post-Bonus Issue</b> )#	118.41	69.72	69.24	69.24	69.24
Share Capital	1,254.05	235.67	173.10	173.10	173.10
Reserves & Surplus	890.59	817.59	436.64	324.87	240.34
Net Worth	<b>2,144.64</b>	<b>1,053.26</b>	<b>609.74</b>	<b>497.97</b>	<b>413.44</b>
<b>Earnings Per Share:</b>					
Basic & Diluted ( <b>post-Bonus issue</b> )#	5.40	3.04	1.61	1.22	0.98
Return on Net Worth (%)	29.84%	20.13%	18.33%	16.98%	16.35%
Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year	17.10	44.69	35.22	28.77	23.88
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00	10.00

# The Company has made Bonus issue on March 14, 2018. The Company has issued bonus shares in the ratio of 3:1 (i.e. Three bonus equity share of ₹ 10 each for every one fully paid up equity shares of ₹ 10 each), to the shareholders. The EPS (Post Bonus Issue) is also calculated by considering total number of shares after the Bonus issue.

**Notes to Accounting Ratios:**

1) The Ratios have been computed as follows:

a) Basic Earnings Per Share (₹)	$\frac{\text{Net Profit After Tax as restated}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$
b) Return on Net worth (%)	$\frac{\text{Net Profit After Tax as restated}}{\text{Net Worth}} * 100$
c) Net Asset Value Per Equity Share (₹)	$\frac{\text{Net Worth}}{\text{No. of Equity shares outstanding at the end of the year}}$

2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year. The above statements should be read with the Notes to Restated Financial Statements.

**Notes:**

There is no revaluation reserve in last five years in our company.

**ANNEXURE XXXII  
STATEMENT OF TAX SHELTER**

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>NORMAL TAX</b>					
Income Tax Rate (%)	34.61%	33.06%	33.06%	32.45%	30.90%
<b>Restated Income before tax as per books (A)</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
Incomes considered separately	-	-	-	-	-
<b>Total Incomes considered separately (B)</b>		-	-	-	-
<b>Restated Profit other than income considered separately (C)=(A-B)</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
Tax Adjustment	-	-	-	-	-
<b>Permanent Differences</b>					
Section 40 Disallowance	-	-	-	0.94	-
Section 37 Disallowance	22.16	11.34	-	-	-
<b>Total Permanent Differences (D)</b>	<b>22.16</b>	<b>11.34</b>	-	<b>0.94</b>	-
<b>Timing Differences</b>					
Book Depreciation (a)	155.83	102.18	84.44	83.40	59.25
Income Tax Depreciation allowance (b)	126.67	106.75	85.15	71.32	65.44
Section 43B Disallowance (c)	12.67	10.81	7.34	6.80	4.14
<b>Total Timing Differences (E=a-b+c)</b>	<b>41.83</b>	<b>6.25</b>	<b>6.63</b>	<b>18.89</b>	<b>(2.04)</b>
<b>Income From Business or Profession (F)=(C+D+E)</b>	<b>1,031.45</b>	<b>368.53</b>	<b>186.93</b>	<b>157.18</b>	<b>86.87</b>
<b>Taxable income from other sources (G)</b>		-	-	-	-
<b>Taxable Income/(Loss) (F+G)</b>	<b>1,031.45</b>	<b>368.53</b>	<b>186.93</b>	<b>157.18</b>	<b>86.87</b>
Unabsorbed Losses	-	-	-	-	-
<b>Gross Total Income</b>	<b>1,031.45</b>	<b>368.53</b>	<b>186.93</b>	<b>157.18</b>	<b>86.87</b>
<b>Deductions under chapter VI-A</b>					
<b>Taxable Income</b>	<b>1,031.45</b>	<b>368.53</b>	<b>186.93</b>	<b>157.18</b>	<b>86.87</b>
<b>Tax on Total Income</b>	<b>356.96</b>	<b>121.85</b>	<b>61.80</b>	<b>51.00</b>	<b>26.84</b>
<b>MINIMUM ALTERNATE TAX</b>					
Minimum Alternate Tax Rate (%)	21.34%	20.39%	20.39%	20.01%	19.06%
<b>Restated Income before tax as per books (A)</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
<b>Book Profit u/s 115JB</b>	<b>967.46</b>	<b>350.95</b>	<b>180.30</b>	<b>137.35</b>	<b>88.91</b>
<b>MAT on Book Profit</b>	<b>206.46</b>	<b>71.55</b>	<b>36.76</b>	<b>27.48</b>	<b>16.94</b>
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal
Total Tax as per Return	352.51	124.48	61.26	53.08	26.80
Difference	4.45	(2.63)	0.54	(2.08)	0.04



## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

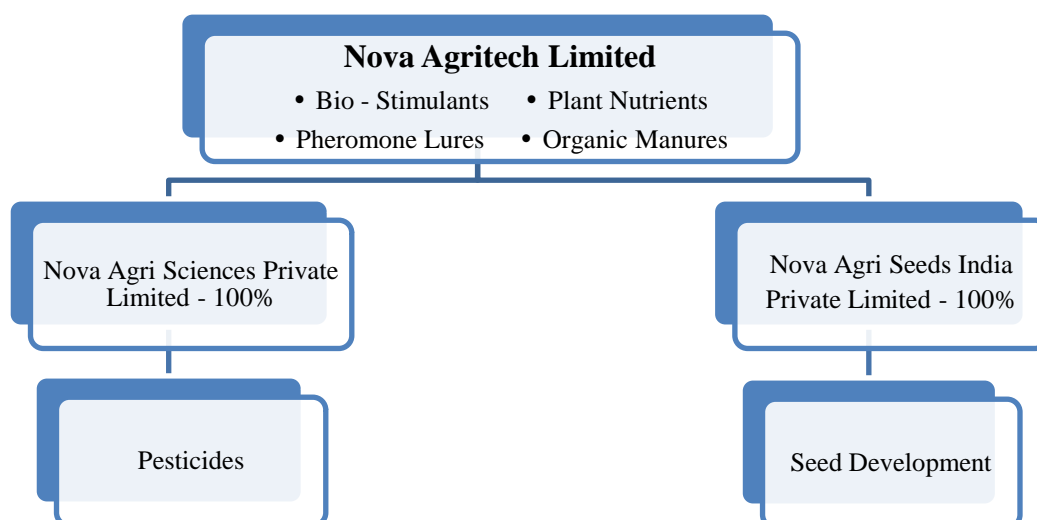
You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

*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

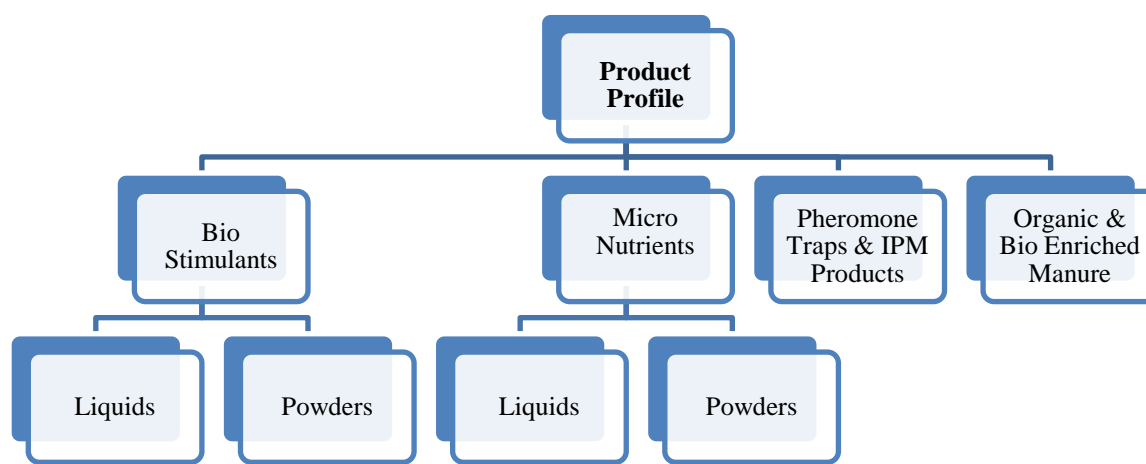
We are a manufacturer of organic based bio products, pesticides and fertilizers used by farmers for their agricultural and cropping activities. Our Company was incorporated in the year 2007 with a vision to provide wide range of plant nutrition and plant protection products for specialty agricultural, horticultural and home garden market that are ideal to be used in agricultural industry and which are sustainable, environmentally safe, economically feasible, and chemical free and 100% eco friendly. Currently our Company is engaged in the business of Manufacturing and supplying of bio-fertilizers, bio-pesticides, bio-fungicides, plant growth promoters, micro and macro nutrients that are recognized as ideal organic products, commercially viable for Organic farming. Over the years we have developed a vast network of more than 3,800 dealers spread in Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh, Rajasthan, Odisha, West Bengal and Assam. We are ISO 9001:2015 certified for providing quality in the Manufacturing and Marketing facilities of Agricultural Bio Products, Organic manures and Micro Nutrients as per the requirement of quality standards.

In the year 2017, we acquired the manufacturing unit of Nova Agri Sciences Pvt. Ltd and Nova Agri Seeds India Pvt. Ltd. and established them as our subsidiaries with a view to expand our product scope and our market reach, we, through our subsidiaries, have ventured into manufacturing and marketing of various pesticides and also into research and development of high yield seeds. Our subsidiary Nova Agri Sciences Pvt. Ltd is ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:20017 certified company for “Formulation supply of Pesticides, Insecticides, Fungicides, Herbicides Plant Growth Regulators, Micronutrients, Fertilizers”. Currently Nova Agri Sciences Private Limited has about 157 pesticide products which are predominant requirement of Indian agriculture towards crop protection. Our subsidiary Nova Agri Seeds India Pvt. Ltd. has been set-up to carry out research & development to enhance the seed quality and its reproduction capabilities, keeping its core properties intact. Our corporate structure can be explained as below:



We have a dedicated in-house Research and Development facility and a dedicated Quality Control / Quality Assurance facility at our factory unit situated at Singannaguda to support technology transfer for new products and on-site process improvement. We have dedicated teams actively involved in R&D and QC/QA Lab activities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new products. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community. Our R&D efforts and innovations have enabled our Company to expand its scope of operations and we have increased our product range from 6 products in the year 2007 to 55 products currently, which in turn has resulted in substantial recognition of our brand in the Agro-product Industry.

Our Company has varied product portfolio which has been comprised and categorised as below:



Our Registered office is situated in Secunderabad at Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad – 500 011. Our manufacturing / processing unit is situated at, Singannaguda (village) and the plant is spread over a total area of 11.37 acres and has a total annual installed capacity of 2.92 lakhs litres for liquids and 3.77 lakhs kilogram for powder forms of our products. Besides, the manufacturing unit, the total plant area includes warehousing facilities for storage of raw material and finished goods of our Company and also approximately 10,000 sq. ft. shed has been leased to our subsidiary company – Nova Agri Sciences Private Limited.

We have dedicated automatic, semi-automatic machines for manufacture and packing of finished goods. We also have machine and manual checking systems for raw materials as well as Finished Goods. Our Testing and QC Technical team combined with the various testing equipments used by us, ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

For further details regarding our business operations, please see “Our Business” beginning on page no. 96 of this Draft Prospectus.

## COMPETITION

Agro Products being a global industry, we face competition from small as well as big players in the industry in domestic market. This industry is highly competitive and fragmented. We have a number of competitors offering products similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in Agro products industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise and providing varied quality of products which enables us to provide our clients with best quality products.

## **Significant Developments after March 31, 2018 that may affect our Future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

### **Factors affecting our Result of Operation**

Except as otherwise stated in this Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

#### ***Revenue Generation***

We earn majority of our revenue from manufacture and sale of Agro Products. We are engaged in the business of manufacture of Plant Nutrients, Bio- Stimulants, IPM Products and Agri Plastics at Singannaguda, Telangana. Our customers for our products are farmers

We have a robust marketing team allocated amongst different units / divisions, each handled by well trained Managers who are in turn headed by the Board of Directors.

#### ***Direct Expenses***

Raw Material costs are the largest component of our cost structure. Our Company manufactures various Agro Products which require a variety of inputs for the manufacturing process. For details of raw materials used for manufacturing various products please refer chapter “*Our Business*” beginning on page no. 96 of this Draft Prospectus. Our total raw material purchases in the last three years constitute approx. 67.60%, 59.41% and 61.48% of our turnover.

Our raw materials are procured from both domestic as well as international market at very competitive prices from various suppliers. We generally maintain adequate stock of raw material to cover the existing order book position, which mitigates any adverse effect due to price fluctuation.

#### ***Our Financial Expenses***

We have term loan and working capital facilities from our bankers. Our profitability is significantly impacted by our financial costs. For the fiscal 2018, 2017 and 2016, our financial expenses were ₹ 233.15 lakhs, ₹ 196.22 lakhs, and ₹ 162.53 lakhs. Our financial growth depends on how well we manage and service our debts.

#### ***Our ability to successfully implement its strategy and its growth and expansion plans***

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company’s roll out schedules and cause cost and time over runs.

#### ***Increasing competition in the industry***

Our Company faces competition from local, national and international Agro Products manufacturers and traders. Our Company operates in competitive environment which may force us to reduce the prices of our products and it may have an effect on our margins.

#### ***General economic and business conditions***

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect Agro Products industry in India. India’s gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

**RESULTS OF OUR OPERATIONS**
*(₹ in lakhs)*

Particulars	For the year ended March 31,							
	2018	% of Total Income	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income
<b>REVENUE:</b>								
Revenue from Operations	10,621.25	99.97%	9,613.65	99.95%	6,996.76	99.94%	6,749.01	99.97%
Other Income	2.69	0.03%	5.15	0.05%	4.33	0.06%	2.26	0.03%
<b>Total Revenue (I)</b>	<b>10,623.94</b>	<b>100.00%</b>	<b>9,618.80</b>	<b>100.00%</b>	<b>7,001.09</b>	<b>100.00%</b>	<b>6,751.27</b>	<b>100.00%</b>
<b>EXPENSES:</b>								
Purchases	7,181.40	67.60%	5,715.00	59.41%	4,304.22	61.48%	4,270.67	63.26%
Changes in Inventories	(1,316.37)	(12.39)%	(397.69)	(4.13)%	(273.16)	(3.90)%	(320.79)	(4.75)%
Employee Benefit Expenses	1,329.86	12.52%	909.51	9.46%	916.82	13.10%	607.23	8.99%
Finance Cost	233.15	2.19%	196.22	2.04%	162.53	2.32%	159.50	2.36%
Depreciation and Amortization Expense	163.90	1.54%	102.18	1.06%	84.44	1.21%	83.40	1.24%
Other Expenses	2,064.54	19.43%	2,742.63	28.51%	1,625.95	23.22%	1,813.90	26.87%
<b>Total Expenses (II)</b>	<b>9,656.48</b>	<b>90.89%</b>	<b>9,267.85</b>	<b>96.35%</b>	<b>6,820.79</b>	<b>97.42%</b>	<b>6,613.92</b>	<b>97.97%</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax(I-II)</b>	<b>967.46</b>	<b>9.11%</b>	<b>350.95</b>	<b>3.65%</b>	<b>180.30</b>	<b>2.58%</b>	<b>180.30</b>	<b>2.03%</b>
Exceptional/Extraordinary items	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) before tax</b>	<b>967.46</b>	<b>9.11%</b>	<b>350.95</b>	<b>3.65%</b>	<b>180.30</b>	<b>2.58%</b>	<b>180.30</b>	<b>2.03%</b>
<b>Tax Expenses</b>								
a. Current tax	352.51	3.32%	135.72	1.41%	68.32	0.98%	57.18	0.85%
b. Deferred tax	(24.93)	(0.23)%	3.20	0.03%	0.22	0.00%	(4.36)	(0.06)%
<b>Total (a+b)</b>	<b>327.58</b>	<b>3.08%</b>	<b>138.93</b>	<b>1.44%</b>	<b>68.53</b>	<b>0.98%</b>	<b>52.82</b>	<b>0.78%</b>
<b>Net Profit/(Loss) for the year</b>	<b>639.88</b>	<b>6.02%</b>	<b>212.02</b>	<b>2.20%</b>	<b>111.76</b>	<b>1.60%</b>	<b>84.53</b>	<b>1.25%</b>

## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from operations and other income.

#### *Revenue from Operations*

Our revenue from operations as a percentage of total income was 99.97%, 99.95%, 99.94% and 99.97% for fiscals year 2018, 2017, 2016 and 2015 respectively.

#### *Other Income*

Our other income includes mainly insurance claims, Other non-operating income, sale of scrap and misc. income. Other income, as a percentage of total income was 0.03%, 0.05%, 0.06% and 0.03%, for the fiscals year 2018, 2017, 2016 and 2015 respectively.

### **Expenditure**

Our total expenditure primarily consists of Purchases, Employee Benefit Expenses, Finance cost, Depreciation & Amortisation Expenses and Other Expenses.

#### *Purchases & Direct Expenses*

Costs of Purchases are primarily in relation to purchases of raw materials for the manufacturing of agri products & Direct Expenses including Consumables Plant, Electricity & Petrol Expenses, Loading & Unloading Expenses, Transport Charges etc.

#### *Employee Benefit Expenses*

Expenses in relation to employees' remuneration and benefits include salary, bonus and staff welfare expenses, statutory contributions, etc.

#### *Financial Cost*

Financial Cost primarily consists of interest payable on loans availed by our Company from various banks, financial institutions and entities and also includes Bank Charges.

#### *Depreciation and Amortization Expenses*

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes Plant and Machinery, Factory and Office Buildings, Vehicles, Furniture and fixtures, Computers, Office Equipments and Fixed Asset W/Off.

#### *Other Expenses*

Other expenses primarily include Rent, Insurance, Electricity charges, Advertising expenses, Office expenses, Legal expenses, Foreign Travel expenses, etc.

#### *Provision for Tax*

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of

the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

### **Fiscal 2018 compared with fiscal 2017**

#### *Income*

In fiscal 2018, our total income increased by ₹ 1,007.61 lakhs or 10.48%, from ₹ 9,613.65 lakhs in fiscal 2017 to ₹ 10,621.25 lakhs in fiscal 2018. The increase represents the steady growth of the sales and operations of our manufacturing units.

Other income decreased by ₹ 2.46 lakhs or 47.80%, from ₹ 5.15 lakhs in fiscal 2017 to ₹ 2.69 lakhs in fiscal 2018. The major factor for such decrease was due to insurance claims.

#### *Purchases*

The purchases in fiscal 2018 were ₹ 7,181.40 lakhs, increase by ₹ 1,466.40 lakhs or 25.66% as compared to the previous year purchases of ₹ 5,715.00 lakhs in fiscal 2017. The above increase was due to better inventory management at our manufacturing units and benefits of economies of scale.

#### *Employee Benefit Expenses*

Our staff cost increased by ₹ 420.35 lakhs or 46.22%, from ₹ 1,329.86 lakhs in fiscal 2018 from ₹ 909.51 lakhs in fiscal 2017. This increase was mainly due to increase annual increments in Staff salaries, Staff welfare expenses and certain staff additions.

#### *Financial Cost*

Financial cost during the year increased by ₹ 39.93 lakhs or 18.82% from ₹ 233.15 lakhs in fiscal 2018 from ₹ 196.22 lakhs in fiscal 2017. The increase was due to increase in interest on non-fund based facilities and also increase in bank charges and processing fees.

#### *Depreciation and Amortization Expenses*

Depreciation and Amortisation expenses increase by ₹ 61.72 lakhs, from ₹ 102.18 lakhs in fiscal 2017 to ₹ 163.90 lakhs in fiscal 2018. The increase was mainly on account of increase in Fixed Assets like Plant and Machinery, Factory and Office Building and other assets and equipments.

#### *Other Expenses*

Other expenses decreased by ₹ 678.10 lakhs or 24.72% from ₹ 2,742.63 lakhs in fiscal 2017 to ₹ 2,064.54 lakhs in fiscal 2018. The decrease was due to better administration resulting in reduction of costs

#### *Profit before Tax*

Due to better management of our overall expenses and corresponding increase in our revenues, our Profit before tax increased by ₹ 616.51 lakhs from ₹ 350.95 lakhs in fiscal 2017 to ₹ 967.48 lakhs in fiscal 2018.

#### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 427.86 lakhs or 201.80 %, from ₹ 212.02 lakhs in fiscal 2018 to ₹ 639.88 lakhs in fiscal 2018.

### **Fiscal 2017 compared with fiscal 2016**

#### *Income*

Our total income increased by ₹ 2,616.89 lakhs or 37.40% from ₹ 6,996.76 lakhs in fiscal 2016 to ₹ 9,613.65 lakhs in fiscal 2017. The increase was mainly due to better sales, thus representing consistent growth of our business operations.

Other income marginally increased by ₹ 0.82 lakhs or 18.86%, from ₹ 4.33 lakhs in fiscal 2016 to ₹ 5.15 lakhs in fiscal 2017. The major factor for increased was insurance claim.

#### *Purchases*

The purchases in fiscal 2017 increased by ₹ 1,410.78 lakhs or 32.78% i.e. from ₹ 4,304.22 lakhs in fiscal 2016 to ₹ 5,715.00 lakhs in fiscal 2017. The above increase was majorly due to increase in our scale of operations.

#### *Employee Benefit Expenses*

Our staff costs decreased by ₹ 7.31 lakhs or 0.80%, from ₹ 916.82 lakhs in fiscal 2016 to ₹ 909.51 lakhs in fiscal 2017. This decreased was due to staff and other employee welfare expenses.

#### *Financial Cost*

Financial cost during the year increased by ₹ 33.70 lakhs or 20.73% from ₹ 162.53 lakhs in fiscal 2016 to ₹ 196.22 lakhs in fiscal 2017. The increase was due to increase in interest on fund based facilities and other unsecured loans.

#### *Depreciation Expenses*

Depreciation expenses increased by ₹ 17.74 lakhs, from ₹ 84.44 lakhs in fiscal 2016 to ₹ 102.18 lakhs in fiscal 2017, mainly on account of increase in Fixed Assets like Plant and Machinery, Factory and Office Building and other assets and equipments.

#### *Other Expenses*

Other Expenses increased by ₹ 1,116.68 lakhs or 68.68% in fiscal 2017, from ₹ 1,625.95 lakhs in fiscal 2016 to ₹ 2,742.63 lakhs in fiscal 2017. The cause of increase was mainly due to increased discount allowed, transport charges, Selling & Distribution expenses, Travelling & Conveyance, Excise Duty etc.

#### *Profit before Tax*

PBT increased by ₹ 170.65 lakhs or 94.65% as compared from ₹ 180.30 lakhs in fiscal 2016 to ₹ 350.95 lakhs in fiscal 2017. This was due to better increased revenue from sale for our products and overall cost reduction during the year.

#### *Profit after Tax*

After accounting for taxes at applicable rates, our profit after tax increased by ₹ 100.26 lakhs from ₹ 111.76 lakhs in fiscal 2016 to ₹ 212.02 lakhs in fiscal 2017.

### **Fiscal 2016 compared with fiscal 2015**

#### *Income*

In fiscal 2016, we recorded a total income of ₹ 7,001.09 lakhs, an increase of ₹ 249.83 lakhs or 3.70% as compared to ₹ 6,751.27 lakhs in fiscal 2015. The increase was due to increase in sales of products during this year.

Other income increased by ₹ 2.08 lakhs or 91.98%, from ₹ 2.26 lakhs in fiscal 2015 to ₹ 4.33 lakhs in fiscal 2016. The major factor for such increase was due to increase in interest.

#### *Purchases*

The purchases in fiscal 2016 increased by ₹ 33.55 lakhs or 0.79% i.e. from ₹ 4,270.67 lakhs in fiscal 2015 to ₹ 4,304.22 lakhs in fiscal 2016. The above increase was due to increase in our scale of operations including the increase in purchases at our Formulations division during this year.

#### *Employee Benefit Expenses*

Our staff costs increased by ₹ 309.59 lakhs, from ₹ 607.23 lakhs in fiscal 2015 to ₹ 916.82 lakhs in fiscal 2016. This increase was mainly on account of increments of the existing staff and other employee welfare expenses.



### Financial Cost

Financial cost during the year increased by ₹ 3.02 lakhs or 1.90% from ₹ 159.50 lakhs in fiscal 2015 to ₹ 162.53 lakhs in fiscal 2016. The increase was due to increase in interest on fund based facilities, term loans and other unsecured loans from banks.

### Depreciation Expenses

Depreciation expenses increased by ₹ 1.04 lakhs, from ₹ 83.40 lakhs in fiscal 2015 to ₹ 84.44 lakhs in fiscal 2016 on account of increase Fixed Assets like Plant and Machinery, Factory and Office Building, Vehicles and other assets and equipments.

### Other Expenses

Other expenses decreased marginally by ₹ 187.96 lakhs or 10.36%, from ₹ 1,813.90 lakhs in fiscal 2015 to ₹ 1,625.95 lakhs in fiscal 2016. This was on account of marginal decrease in selling and distribution expenses, license and renewal fees, discount allowed and travelling expenses during this period.

### Profit before Tax

Due to decreased expenses on account of our units and moderate increase in sales, our PBT increased by ₹ 42.95 lakhs or 31.27% as compared from a profit of ₹ 137.35 lakhs in fiscal 2015 to a loss of ₹ 180.30 lakhs in fiscal 2016.

### Profit after Tax

After accounting for taxes at applicable rates, our profit after tax increased by ₹ 27.23 lakhs or 32.21% from a profit of ₹ 84.53 lakhs in fiscal 2015 to a profit of ₹ 111.76 lakhs in fiscal 2016.

### Cash Flows

(₹ in lakhs)

Particulars	Year ended March 31,			
	2018	2017	2016	2015
Net Cash from Operating Activities	517.85	(97.57)	505.90	(347.77)
Net Cash from Investing Activities	(589.99)	(328.62)	(445.15)	(219.07)
Net Cash used in Financial Activities	61.66	404.60	(34.89)	564.84
Net Increase / (Decrease) in Cash and Cash equivalents	(10.48)	(21.59)	25.85	(2.00)

### Cash Flows from Operating Activities

Net cash from operating activities in fiscal 2018 was ₹ 517.85 lakhs as compared to the PBT of ₹ 967.46 lakhs for the same period. This difference is primarily on account of changes in trade receivables, inventories, other current liabilities, trade payables, etc.

Net cash from operating activities in fiscal 2017 was ₹ (97.57) lakhs as compared to the PBT of ₹ 350.95 lakhs for the same period. This difference is primarily on account of changes in trade & other payables, other current liabilities and Trade & other Receivables.

Net cash from operating activities in fiscal 2016 was ₹ 505.90 lakhs as compared to the PBT were ₹ 180.30 lakhs for the same period. This difference is primarily on account of changes in trade payables, trade receivables, inventories, short term loans and advances and other current liabilities.

Net cash from operating activities in fiscal 2015 was ₹ (347.77) lakhs as compared to the PBT of ₹ 137.35 lakhs for the same period. This difference is primarily on account of changes in trade receivable, trade payables, and other current liabilities.

### *Cash Flows from Investment Activities*

In fiscal 2018, the net cash invested in Investing Activities was negative ₹ 589.99 lakhs. This was on account of purchase of fixed assets.

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 328.62 lakhs. This was on account of purchase of fixed assets.

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 445.15 lakhs. This was on account of purchase of fixed assets and increase in long term loans and advances.

In fiscal 2015, the net cash invested in Investing Activities was negative ₹ 219.07 lakhs. This was on account of purchase of fixed assets.

### *Cash Flows from Financing Activities*

Net cash from financing activities in fiscal 2018 was ₹ 61.66 lakhs. This was on account of increase in short term and decrease in long term borrowings and interest paid.

Net cash from financing activities in fiscal 2017 was ₹ 404.60 lakhs. This was on account of increase in short term and decrease in long term borrowings and interest paid.

Net cash from financing activities in fiscal 2016 was negative ₹ 34.89 lakhs. This was on account of decrease in short term borrowings, interest paid and increase in long term borrowings.

## RESULTS OF OUR CONSOLIDATED OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31,	
	2018	% of Total Income
<b>REVENUE:</b>		
Revenue from Operations	11,566.41	99.93%
Other Income	8.60	0.07%
<b>Total Revenue (I)</b>	<b>11,575.01</b>	<b>100.00%</b>
<b>EXPENSES:</b>		
Purchases	7,879.52	68.07%
Changes in Inventories	(1,557.98)	-13.46%
Employee Benefit Expenses	1,511.09	13.05%
Finance Cost	309.32	2.67%
Depreciation and Amortization Expense	250.17	2.16%
Other Expenses	2,212.91	19.12%
<b>Total Expenses (II)</b>	<b>10,605.04</b>	<b>91.62%</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax(I-II)</b>	<b>969.97</b>	<b>8.38%</b>
Exceptional/Extraordinary items	-	-
<b>Net Profit/(Loss) before tax</b>	<b>969.97</b>	<b>8.38%</b>
<b>Tax Expenses</b>		
a. Current tax	363.97	3.14%
b. Deferred tax	(33.37)	-0.29%
<b>Total (a+b)</b>	<b>639.37</b>	<b>0.60%</b>
<b>Net Profit/(Loss) for the year</b>	<b>639.37</b>	<b>0.60%</b>

### **Fiscal 2018**

#### *Main Components of our Profit and Loss Account*

##### *Income*

In fiscal 2018, we recorded a total income of ₹ 11,566.41 lakhs, or 99.93% of our total revenue.

Other income stands at ₹ 8.60 lakhs or 0.07% of our total revenue.

*Purchases*

The purchase in fiscal 2018 is ₹ 7,879.52 lakhs or 68.07%.

*Employee Benefit Expenses*

Our staff costs was by ₹ 1,511.09 lakhs, or 13.05%

*Financial Cost*

Financial cost during the year was ₹ 309.32 lakhs or 2.67%

*Depreciation Expenses*

Depreciation expenses stand by ₹ 250.17 lakhs.

*Other Expenses*

Other expenses was ₹ 2,212.91 lakhs or 19.12% in the fiscal year 2018

*Profit before Tax*

Profit before Tax for the year stand at ₹ 969.97 lakhs or 8.38%

*Profit after Tax*

After accounting for taxes at applicable rates, our profit after tax was ₹ 639.37 lakhs or 0.60%

**Consolidated Cash Flows**

(₹ in lakhs)

Particulars	Year ended March 31,
	2018
Net Cash from Operating Activities	318.36
Net Cash from Investing Activities	(587.40)
Net Cash used in Financial Activities	255.96
Net Increase / (Decrease) in Cash and Cash equivalents	(13.08)

***Cash Flows from Operating Activities***

Consolidated net cash from operating activities in fiscal 2018 was ₹ 318.36 lakhs as compared to the PBT of ₹ 969.97 lakhs for the same period.

***Cash Flows from Investment Activities***

In fiscal 2018, the net cash invested in Investing Activities was negative ₹ 587.40 lakhs.

***Cash Flows from Financing Activities***

Net cash from financing activities in fiscal 2018 was ₹ 255.96 lakhs.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages nos. 157 and 202 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 12 and 202 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 12 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

### **6. Total turnover of each major industry segment in which our Company operates.**

The Company is an Information Technology Company and is in the business of providing IT products, solutions and services to clients across sectors. Our Company operates under a single segment. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 83 of this Draft Prospectus.

### **7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page no. 96 of this Draft Prospectus.

### **8. The extent to which the business is seasonal.**

Since our business is into agro base industry and the product we manufacture or market requires certain season and / or weather to consume. Due to nature of the products we deal in, seasonality and weather conditions do affect our businesses.

### **9. Any significant dependence on a single or few suppliers or customers**

The revenues from our top 10 customers constituted approximately 9.23% for FY 2018.

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2018 together with a brief description of certain significant terms of such financing arrangements.

(₹ in lakhs)

Category of Borrowings	Amount Sanctioned	Amount Outstanding as on March 31, 2018
<b>A. Fund Based Borrowings</b>		
<b>(a) Term Loans</b>		
Secured	619.00	263.79
Unsecured	-	-
<b>(b) Working Capital Facility</b>		
Secured	2400.00	2403.78
<b>(c) Related Parties</b>		
	-	-
<b>B. Non- Fund Based Borrowings</b>		
Bank Guarantees	-	-
<b>Total</b>	<b>3019.00</b>	<b>2667.57</b>

<sup>(1)</sup>Includes Rs.120.97 lakhs shown under Current Liabilities as 'Current Maturities of Long Term Debt'.

**Details of Secured Loans: Term Loan**
*(₹ in lakhs)*

Name of Lender	Type of Loan	Date of Sanction	Amount Sanctioned	Amount Outstanding as on March 31, 2018	Interest	Repayment Schedule	Security
Corporation Bank	Term Loan – Building	28-03-13	289.00	57.99	13.45%	Repayable in 66 monthly installments of ₹ 4,37,000/- each last installment being ₹ 4,95,000/-	Hypothecation of Factory Building being constructed at a cost of ₹ 385.82 lakhs & land connected to that Building amounting to ₹ 69.96 lakhs
Corporation Bank	Vehicle (Benz)	09-03-17	80.00	73.08	9.90%	Repayable in 84 monthly installments of ₹ 1,32,400/- each	Hypothecation of vehicle Purchased amounting to ₹ 99.39 lakhs
Corporation Bank <sup>(1)</sup>	Term Loan – Machinery	29-09-15	250.00	132.72	13.10%	Repayable in 84 monthly equal installments of ₹ 306845/- each.	Exclusive First charge on entire Fixed assets of the company & Hypothecation of machineries to be purchased.

<sup>(1)</sup> The said loan is in the books of our subsidiary company, Nova Agri Sciences Private Limited

**Details of Secured Loans: Working Capital**

Name of Lender	Type of Loan	Date of Sanction	Amount Sanctioned	Amount Outstanding as on March 31, 2018	Interest	Repayment Schedule	Security
Corporation Bank	Cash credit	14-11-17	2400	2003.03	11.35%	Repayable on Demand	Secured by hypothecation of Inventory, Trade receivables & all other assets of the company
Corporation Bank <sup>(1)</sup>	Cash Credit	29-09-15	400	400.75	12.50%	Repayable on Demand	Secured by hypothecation of Stock, Trade receivables & all other current assets of the company.

<sup>(1)</sup> The said loan is in the books of our subsidiary company, Nova Agri Sciences Private limited

The securities given for the above mentioned loans includes immovable property, movable Fixed Assets and other current assets of the company and Guarantors.

**Details of such security is given below:**

1. Residential land 227 sq yards and building thereon situated at Plot no 57 Sy no. 70,72,873,74, Thotakatta village, bowenpally, Secunderabad which is in the name of the company valued at ₹ 72.64 lakhs as per the valuation report dated 02.12.2015.
2. Residential land 458 sq yards and the villa thereon situated at Plot no 29 Sy no. 88 to 97, 101 to 104, 106 to 114, Dhulapally village, Quthbullapur Dist, Rangareddy Dist in the name of S malathi valued at ₹ 174.21 lakhs as per the valuation report dated 02/12/2015.
3. Non agricultural land situated in Sy no. 113/B/A Konaki village, Martoor mandal, Prakasam Dist in the name of Samba Siva Rao valued at ₹ 374 lakhs as per the valuation report dated 02/12/2015
4. Non Agricultural land located at Sy no 55,60 & 61, Endriyal village, tadwai mandal, nizamabad Dist in the name of the company valued at ₹ 178.36 lakhs as per the valuation report dated 02/12/2015.
5. Agricultural land situated in Sy no. 125, 125/A2 in Kattangur Village, nalgonda dist in the name of S malathi valued at ₹ 283.50 lakhs as per the valuation report dated 02/12/2015
6. Agricultural land situated in Sy no 34/6 and Agricultural land situated in sy no 39/2b in Bhimavaram village, Krishna Dist in the name of Sambasiva Rao valued at ₹ 301.70 lakhs as per the valuation report dated 02/12/2015
7. Non Agricultural Land Ac 6.39 in Sy no. 228/E/5, Singannaguda village, mulugu mandal, medak dist owned by the company valued at ₹ 160.71 lakhs as per the valuation report dated 15/07/2017.
8. Non agricultural Land & shed & office under construction in the name of Y Samba siva rao valued at ₹ 78.90 lakhs as per the valuation report dated 15/07/2017
9. Hypothecation / First charge on the Plant & machinery and all other moveable assets of the company valued at ₹ 78.90 lakhs as per the audited balance sheet for the year ending 31<sup>st</sup> March 2017.
10. First charge on the open plot situated at sy no. 123/1, 123/5, 123/6, near ramapuram junction, vetapalem mandal, prakasam dist in the name of Y Sambasiva rao valued at ₹ 342.61 lakhs.



#### **Restrictive covenants for Cash credit from Corporation Bank**

- The company shall not divert working capital funds for payment of instalments under term loans, meeting cost of acquisition of additional fixed assets.
- The borrower shall not transfer / invest funds of the firm whatsoever manner in any other concern without obtaining prior approval of the Bank.
- Current ratio need to be maintained at above 1.25: 1 throughout the currency of bank loan.
- Buildings, Machineries and other assets hypothecated shall be comprehensively get insured for full value against all risks at the cost of the company.
- The company is prohibited from using the loan amount or any part thereof for any purpose other than for which it has been sanctioned and if the bank apprehends or it has reason to believe that the company has violated, the borrower has a right to recall the loan amount.
- The bank may revoke in part or in full or withdraw financial assistance at any stage without prior notice.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*As described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and our Group Entities that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

*Further, except as disclosed in this section, our Board of Directors do not consider any other outstanding litigation or past penalties involving our Company, Subsidiaries, Promoter, Group Companies and Directors as material as on the date of this Prospectus. Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding ₹10 lakhs as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed at their board meeting held on September 26, 2018.*

The Company has the following Contingent Liabilities for which no provision has been made in the books of accounts.

(₹ in lakhs)

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
<b>Claims against the Company not acknowledged as debts</b>					
Goods & Services Tax	Nil	Nil	Nil	Nil	Nil
Income Tax	Nil	Nil	Nil	Nil	Nil
Corporate Guarantee to Nova Agri Sciences Private Limited (Subsidiary)	400.00	400.00	400.00	Nil	Nil
Claims made by the Company through Legal suits	-	-	-	-	-
- On Apoorva Dairy Farm India Private Limited	149.63	149.63	149.63	149.63	Nil
<b>Total</b>	<b>549.63</b>	<b>549.63</b>	<b>549.63</b>	<b>149.63</b>	Nil

**Note:** The Company has filed a suit against the Apoorva Dairy Farm India Private Limited in respect of recovery of Investment made in Apoorva Dairy Farm Private Limited. The case has been filed for an amount of ₹ 1,49.63 lakhs plus interest on the said amount.

#### LITIGATION INVOLVING OUR COMPANY

##### A. LITIGATION AGAINST OUR COMPANY

###### 1. Litigations involving Criminal matters

NIL

###### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### 4. Other Pending Litigations

NIL

## B. LITIGATIONS FILED BY OUR COMPANY

### 1. Litigation Involving Criminal matters

Sr. No.	Particulars	Remarks
1	<b>Case Number</b>	CC.654/2016
	<b>Filed Before (Court Details)</b>	XVIII Acmm Court Secunderabad
	<b>Parties</b>	M/S. Sandeep Fertilizers
	<b>Under Section</b>	138 of NI Act
	<b>Fact of the Case</b>	Cheque Bounce
	<b>Amount Involved</b>	8,00,000/-
	<b>Status</b>	Warrant Pending
2	<b>Case Number</b>	CC. 655/2016
	<b>Filed Before (Court Details)</b>	XVIII Acmm Court Secunderabad
	<b>Parties</b>	M/s. Sajida Fertilizers
	<b>Under Section</b>	138 of NI act
	<b>Fact of the Case</b>	Cheque Bounce
	<b>Amount Involved</b>	30,000/-
	<b>Status</b>	Warrant Pending
3	<b>Case Number</b>	CC. 656/2016
	<b>Filed Before (Court Details)</b>	XVIII Acmm Court Secunderabad
	<b>Parties</b>	M/s. Madhu Sudan Agro Agencies
	<b>Under Section</b>	138 of NI Act
	<b>Fact of the Case</b>	Cheque Bounce
	<b>Amount Involved</b>	88,000/-
	<b>Status</b>	Warrant Pending
4	<b>Case Number</b>	CC. 657/2016
	<b>Filed Before (Court Details)</b>	XVIII Acmm Court Secunderabad
	<b>Parties</b>	M/s Sai Baba Fertilizers
	<b>Under Section</b>	138 of NI Act
	<b>Fact of the Case</b>	Cheque Bounce
	<b>Amount Involved</b>	40,150/-
	<b>Status</b>	Warrant Pending
5	<b>Case Number</b>	CC. 658/2016
	<b>Filed Before (Court Details)</b>	XVIII Acmm Court Secunderabad
	<b>Parties</b>	M/s Sai Eswara Fertilizers
	<b>Under Section</b>	138 of NI Act
	<b>Fact of the Case</b>	Cheque Bounce

Sr. No.	Particulars	Remarks
	Amount Involved	1,10,000/-
	Status	Warrant Pending
6	Case Number	CC. 1415/2018
	Filed Before (Court Details)	XX th Acmm Court Secunderabad
	Parties	M/S Tarun Krishi Seva Kendra
	Under Section	138 of NI Act
	Fact of the Case	Cheque Bounce
	Amount Involved	5,08,342/-
	Status	Summons Stage
7	Case Number	CC.1416/2018
	Filed Before (Court Details)	XX th Acmm Court Secunderabad
	Parties	M/s. Deepak Agro Agencies
	Under Section	138 of NI Act
	Fact of the Case	Cheque Bounce
	Amount Involved	2,55,180/-
8	Status	Summons Stage
	Case Number	CC.1417/2018
	Filed Before (Court Details)	XX th Acmm Court Secunderabad
	Parties	M/s Ajey Krishi Seva Kendra
	Under Section	138 of NI Act
	Fact of the Case	Cheque Bounce
9	Amount Involved	8,49,487/-
	Status	Summons Stage
	Case Number	CC.1414/2018
	Filed Before (Court Details)	XX th Acmm Court Secunderabad
	Parties	M/s Chohan Traders
	Under Section	138 of NI Act
10	Fact of the Case	Cheque Bounce
	Amount Involved	3,09,071/-
	Status	Summons Stage
	Case Number	CC.1418/2018
	Filed Before (Court Details)	XX th Acmm Court Secunderabad
	Parties	M/s Rohith Agro Agencies
11	Under Section	138 of NI Act
	Fact of the Case	Cheque Bounce
	Amount Involved	7,36,569/-
	Status	Summons Stage
	Case Number	CC.1419/2018
	Filed Before (Court Details)	XX th Acmm Court Secunderabad
12	Parties	M/S Kranthi Agro Agencies
	Under Section	138 OF NI Act
	Fact of the Case	Lower Court Pronounced Judgment To The Accused (Mekana Samba Siva Rao, Director of Apporva Dairy Farm) of 1 year Imprisonment, however the Accused had preferred a appeal in the VI MSJ Court Secunderabad
	Amount Involved	1,49,63,089/-
	Status	Appeal Pending coming for Hearing
	Case Number	CRAL. 1148/2016
13	Filed Before (Court Details)	VI MSJ Court at Secundrabad
	Parties	M/s. Apporva Dairy Farm
	Parties	Apporva Dairy Farm

Sr. No.	Particulars	Remarks
	<b>Under Section</b>	Section 26 R/w Order VII of CPC
	<b>Fact of the Case</b>	Recovery of Money
	<b>Amount Involved</b>	2,11,44,349/-
	<b>Status</b>	Coming for Issues

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(iii) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**(iv) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR DIRECTORS**

**A. LITIGATION AGAINST OUR DIRECTORS**

**1. Litigation Involving Criminal Matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. LITIGATION INVOLVING TAX LIABILITIES**

**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### 4. Other Pending Litigations

NIL

#### B. LITIGATION FILED BY OUR DIRECTORS

##### 1. Litigation Involving Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

#### 3. LITIGATION INVOLVING TAX LIABILITIES

##### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

##### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### 4. Other Pending Litigations

NIL

#### LITIGATION INVOLVING OUR PROMOTERS

#### A. LITIGATION AGAINST OUR PROMOTERS

##### 1. Litigation Involving Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

##### 3. Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR PROMOTERS**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1. Litigation involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL



### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### 4. Other Pending Litigations

NIL

## B. LITIGATION FILED BY OUR GROUP COMPANIES

### 1. Criminal matters

NIL

### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

#### (ii) Indirect Taxes Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in lakhs)
1.	NIL	NIL	NIL
<b>Total</b>		NIL	NIL

### 4. Other Pending Litigations

NIL

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

**Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Prospectus for the Company and its Subsidiaries for default or outstanding defaults.

**Non-Payment of Statutory Dues**

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company. For details of dues of income tax, GST, customs duty, excise duty, and cess, which have not been deposited as on March 31, 2018 on account of disputes, see “*Financial Information*” beginning on page 157 of this Draft Prospectus.

**Amounts owed to small scale undertakings and other creditors**

The Board of Directors of our Company considers dues exceeding ₹ 10.00 lakh to small scale undertakings and other creditors as material dues for our Company. Our Company owes to small scale undertakings amounts aggregating to ₹ 3,128.95 lakhs as on March 31, 2018.

There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: [www.novaagritech.com](http://www.novaagritech.com) the detail in relation to other creditors and amount payable to each creditor is available on the website of our Company.

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date

## GOVERNMENT AND OTHER KEY APPROVALS

The Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed 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 above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

### ❖ Approvals for the Issue:

- 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 September 25, 2018 authorized the Issue, 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 September 26, 2018 authorized the Issue.
- 3) In-principle approval dated [●] from the NSE for listing of the Equity Shares issued by the Company pursuant to the Issue.
- 4) Our Company's International Securities Identification Number (“ISIN”) is [●].

### (1) COMPANY RELATED APPROVALS:

1. Certificate of Incorporation dated May 09, 2007 issued by the Registrar of Companies, Hyderabad (“RoC”) in the name of “Nova Agritech Private Limited.”
2. Subsequently, the Company had obtained the approval of the shareholders vide special resolution passed on September 08, 2018 and converted itself into a Public Company as per the provisions of Companies Act, 2013. Consequent upon which the word “Private” was deleted from the name of the Company and the name of the Company was changed to M/s. “**Nova Agritech Limited**” and the Company had obtained the fresh Certificate of Incorporation from the by the Registrar of Companies, Hyderabad on September 24, 2018
3. The Corporate Identity Number (CIN) of the Company is U01119TG2007PLC053901.

### (2) BUSINESS RELATED APPROVALS:

Sr. No.	Type of License/Approval	Authority	Authority Registration/License Number	Valid Upto
(1)	Factory license	Office of the Inspector of Factories, Siddipet (for the state of Telangan)	B/105705/2018	Valid until cancelled or surrendered
(2)	Enrolment Certificate under the Micro, Small and Medium Enterprises	Central Government Ministry of Micro, Small and Medium Enterprises	UAN: TS06B0003635	Valid until cancelled or surrendered
(3)	Enrolment under Telangana State Pollution Control Board	Telangana State Pollution Control Board	TSPCB/ZO/RCP/RCPM/527/ CFO/2018-1255	Valid until cancelled or surrendered
(4)	Enrolment Certificate of Importer-Exporter Code	Ministry of Commerce and Industry Government of India	090900997	Valid until cancelled or surrendered

**Licences for Manufacturing of Fertilizers and Bio Products**

(5)	Fertilizers registration certificate Manufacturing of NPK (100% water Soluble, Micronutrients, Bio fertilizers and organic Fertilizers) - Telangana	Commissioner and Director of Agriculture	RRD/07/COMM/FM/2012/2058	11/03/2019
	Approval for Manufacturing of Bio Products	High Court of Hyderabad for the State of Andhra Pradesh and Telangana	W.P No: 6170/2009	24/03/2009

**Licences for Marketing of Fertilizers and Bio Products**

(6)	State of Telangana	Additional Director of Agriculture	RRD/0/ADDL.DA/FM/2013/7849	30/09/2019
	State of Andhra Pradesh	Additional Director of Agriculture	GUN/26/ADDL.DA/FW/2015/16818	17/06/2021
	State of Maharashtra	Commissioner of Agriculture	LCFD10010110	27/01/2020
	State of Chattisgarh	Director of Agriculture	402	12/08/2019
	State of Madhya Pradesh	Director of Agriculture	168/Micro/13	01/09/2019
	State of Karnataka	Director of Agriculture	1384/2018-19	31/03/2028

**(3) LABOUR RELATED APPROVALS:**

Sr. No.	Type of License/Approval	Authority	Authority Registration/License Number	Valid Upto
(1)	Registration certificate under Telangana Shops and Establishments Act, 1988	Department of Labour Government Telangana	SER/HYD/DCL/H1/45900/2017 & SEA/SID/ALO/GJ/55106/2017	31/12/2018
(2)	Registration certificate under Contract Labour (Regulation and Abolition) Act, 1970	Department of Labour Government Telangana	CLP/SID/ALO/GJ/01160/2017	Valid until cancelled or surrendered

**(4) TAX RELATED APPROVALS:**

Sr. No.	Type of license/approval	Authority	Authority Registration/License Number	Valid Upto
(1)	Income Tax Permanent Account Number (PAN)	Income Tax Department, Government of India	AACCN8771A	Valid until cancelled or surrendered
(2)	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	HYDN03585B1	Valid until cancelled or surrendered
(3)	Certificate for Registration issued under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Funds Department Central Government	APKKP0068112000	Valid until cancelled or surrendered
(4)	Certificate for Registration issued under Employees' State Insurance Act, 1948	Department of Labour Government Telangana	52000429500000304	Valid until cancelled or surrendered

Sr. No.	Type of license/approval	Authority	Authority Registration/License Number	Valid Upto
(5)	Telangana Tax on Profession, Trades, Callings and Employment Act, 1987	Commercial Tax Department Government Telangana	36884760928	Valid until cancelled or surrendered
<b>Registration under Centre Goods and Services Tax Act, 2017</b>				
(6)	State of Telangana	Department of Goods and Services Tax - Telangana	36AACCN8771A2ZH	Valid until cancelled or surrendered
	State of Andhra Pradesh	Department of Goods and Services Tax - Andhra Pradesh	37AACCN8771A1ZG	Valid until cancelled or surrendered
	State of Karnataka	Department of Goods and Services Tax - Karnataka	29AACCN8771A1ZD	Valid until cancelled or surrendered
	State of Maharashtra	Department of Goods and Services Tax - Maharashtra	27AACCN8771A1ZH	Valid until cancelled or surrendered
	State of Madhya Pradesh	Department of Goods and Services Tax - Madhya Pradesh	23AACCN8771A1ZP	Valid until cancelled or surrendered
	State of Chhattisgarh	Department of Goods and Services Tax - Chhattisgarh	22AACCN8771A1ZR	Valid until cancelled or surrendered
	State of Rajasthan	Department of Goods and Services Tax - Rajasthan	08AACCN8771A1ZH	Valid until cancelled or surrendered


**(5) TRADEMARK:**

**III. Registered Trade Marks:**

Particulars of Marks	Word / Label/ Device	Trade Mark/ Application Number	Class	Validity
NOVA BAAHU	WORD	3171049	1	28/01/2026
NOVA CONDREA	WORD	3171050	1	28/01/2026
NOVA ANTI-V	WORD	3171051	1	28/01/2026
NOVA LOHA	WORD	3171052	1	28/01/2026
NOVA STICKER	WORD	3538398	21	01/05/2027
NOVA GLUE SOL	WORD	3538400	21	01/05/2027

**IV. Trade Marks Pending for Approval:**

Particulars of Marks	Word / Label/ Device	Trade Mark/ Application Number	Class	Status
NOVA AKSHARA	WORD	3171046	1	Open to objection
NOVA OPERA	WORD	3171047	1	Open to objection
NOVA JAZZ	WORD	3171048	1	Open to objection
NOVA DELTA TRAP	WORD	3538399	21	Ready for Show cause Hearing
NOVA FUNNEL TRAP	WORD	3538401	21	Ready for Show cause Hearing
NOVA FULL FILL TRAP	WORD	3538402	21	Ready for Show cause Hearing
NOVA FLY TRAP	WORD	3538404	21	Ready for Show cause Hearing

Particulars of Marks	Word / Label/ Device	Trade Mark/ Application Number	Class	Status
	DEVICE	2959762	5	Accepted & Advertised

**(6) MISCELLANEOUS REGISTRATIONS AND CERTIFICATION:**

The Company has obtained Certificate of Registration for **ISO 9001:2015** for “**Manufacturing and Marketing of Agricultural Bio Products, Organic Manures and Micro Nutrients**” from System verification Services bearing certificate No. **Q-1415-0621** which is effective from 13<sup>th</sup> June, 2017 and valid upto 12<sup>th</sup> June, 2020.

**Other Key important approvals of our Subsidiary Company are as follows**

**(7) BUSINESS RELATED APPROVALS:**

Sr. No.	Type of License/Approval	Authority	Authority Registration/License Number	Valid Upto
(7)	Factory license	Office of the Inspector of Factories, Siddipet (for the state of Telangan)	D. D. is. No. A/SRD-II/1927/2013	Valid until cancelled or surrendered
(8)	Enrolment Certificate under the Micro, Small and Medium Enterprises	Central Government Ministry of Micro, Small and Medium Enterprises	UAN: TS26B0000638	Valid until cancelled or surrendered
(9)	Enrolment under Telangana State Pollution Control Board	Telangana State Pollution Control Board	RCPM-419/PCB/ZO/RCP/CFE/2014-668	Valid until cancelled or surrendered
(10)	Licence to Import and Store Petroleum	Ministry of Commerce & Industry (PESO) Nagpur	P/HQ/TG/15/4059(P334885)	31/12/2024
(11)	No objection Certificate for Installation of Petroleum Storage Tanks	Government of Telangana	LR. No.C3/1527/2014	Valid until cancelled or surrendered
(12)	No objection Certificate from State Disaster Response & Fire Services Department	Government of Telangana	RC. No. 3196/A1/2013	Valid until cancelled or surrendered
(13)	Enrolment Certificate of Importer- Exporter Code	Ministry of Commerce and Industry Government of India	0914004204	Valid until cancelled or surrendered
<b>Licences for Manufacturing of Fertilizers, Insecticides and Bio Products</b>				
(14)	Insecticides Manufacturing License-Telangana	Director Of Agriculture	001/TS-IML/2016	17/03/2019
<b>Licences for Marketing of Insecticides Products</b>				
(15)	State of Telangana	Additional Director of Agriculture	PP(1) 237/2014	17/03/2019
	State of Andhra Pradesh	Additional Director of Agriculture	PP(3) 149/2018	17/03/2019
	State of Rajasthan	Commissioner of Agriculture	F4(3) GEN./SP/TECH.I/PP/2017-18/29563-30168	31/03/2019
	State of Chhattisgarh	Director of Agriculture	P.S./PR.S.A/2018/34	31/12/2018
	State of Madhya Pradesh	Director of Agriculture	PP-2/2018/17	31/12/2018
	State of Karnataka	Director of Agriculture	PP/T-1/NAS/PCV/2017-18	31/03/2019

(8) LABOUR RELATED APPROVALS:

Sr. No.	Type of License/Approval	Authority	Authority Registration/License Number	Valid Upto
(3)	Registration certificate under Telangana Shops and Establishments Act, 1988	Department of Labour Government Telangana	SEA/MED/ACL/PC/29336/2017 & SEA/SID/ALO/GJ/55101/2017	31/12/2018

(9) TAX RELATED APPROVALS:

Sr. No.	Type of License/Approval	Authority	Authority Registration/License Number	Valid Upto
(7)	Income Tax Permanent Account Number (PAN)	Income Tax Department, Government of India	AADCN9236F	Valid until cancelled or surrendered
(8)	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	HYDN06927E	Valid until cancelled or surrendered
(9)	Certificate for Registration issued under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Funds Department Central Government	APKKP1617257000	Valid until cancelled or surrendered
(10)	Certificate for Registration issued under Employees' State Insurance Act, 1948	Department of Labour Government Telangana	52000561150000399	Valid until cancelled or surrendered
(11)	Telangana Tax on Profession, Trades, Callings and Employment Act, 1987	Commercial Tax Department Government Telangana	36236517086	Valid until cancelled or surrendered

Registration under Centre Goods and Services Tax Act, 2017				
(12)	State of Telangana	Department of Goods and Services Tax - Telangana	36AADCN9236F2ZC	Valid until cancelled or surrendered
	State of Andhra Pradesh	Department of Goods and Services Tax - Andhra Pradesh	37AADCN9236F1ZB	Valid until cancelled or surrendered
	State of Karnataka	Department of Goods and Services Tax - Karnataka	39AADCN9236F1Z8	Valid until cancelled or surrendered
	State of Maharashtra	Department of Goods and Services Tax - Maharashtra	27AADCN9236F1ZC	Valid until cancelled or surrendered
	State of Chhattisgarh	Department of Goods and Services Tax - Chhattisgarh	22AADCN9236F1ZM	Valid until cancelled or surrendered



(10) TRADEMARK:

Particulars of Marks	Word / Label/ Device	Trade Mark/ Application Number	Class	Validity
NOVAFURAN	WORD	2907305	5	20/02/2025
NOVADAN SP	WORD	2907306	5	20/02/2025
NOVA SOLO	WORD	2907328	5	20/02/2025
AERA SC	WORD	2907331	5	20/02/2025
NOVA AZAD 5000	WORD	3404006	5	05/11/2026
NOVARICH	WORD	3404246	1	06/11/2026
SHERFEN	WORD	3404247	5	06/11/2026
KICKWEED	WORD	3404316	5	06/11/2026
DECIDER	WORD	3404319	5	06/11/2026
CYNOMET	WORD	3404320	5	05/11/2026
BROOM SUPER	WORD	3404323	5	05/11/2026
GRION	WORD	3404401	5	06/11/2026
NOVA VALOUR	WORD	3404405	5	06/11/2026
MITFOL	WORD	3404515	5	06/11/2026
SCODINE	WORD	3404517	5	06/11/2026
SHEATH KILL	WORD	3404518	5	06/11/2026
SOW SAFE	WORD	3404519	5	06/11/2026
SUGA-B	WORD	3404520	5	06/11/2026
AERA GR	WORD	3404522	5	06/11/2026
NOVA AZAD 300	WORD	3536951	5	28/04/2027
COUNT	WORD	3537281	5	29/04/2027
DIJUN	WORD	3537282	5	29/04/2027
DONOVAN	WORD	3537283	5	29/04/2027
NOVA SOVEREIGN SC	WORD	3537296	5	29/04/2027
NOVA SOVEREIGN	WORD	3537297	5	29/04/2027
NOVA SAFAL GR	WORD	3537305	1	29/04/2027
NOVA ORION	WORD	3538388	5	01/05/2027
NOVA SAFAL	WORD	3538396	1	01/05/2027
NOVA AREVA	WORD	3536897	1	28/04/2027
NOVA ELDORA	WORD	3536899	1	28/04/2027

(11) MISCELLANEOUS REGISTRATIONS AND CERTIFICATION:

The Company has obtained Certificate of Registration for **ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007** for **“Formulation and Supply of Pesticides, Insecticides, Fungicides, Herbicides, Plant Growth Regulators, Micronutrients, Fertilizers”** from System verification Services bearing certificate No. **IMS-1415-0360** which is effective from 12 March, 2018 and valid upto 11 March, 2021.

## SECTION VIII- OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated September 25, 2018 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on September 26, 2018, in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated September 24, 2018 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares Offered
1	Mr. Sambasivarao Yeluri	12,50,000
	<b>Total</b>	<b>12,50,000</b>

The Selling Shareholder have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the Emerge Platform of National Stock Exchange of India Limited. National Stock Exchange of India Limited is the designated stock exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, the Selling Shareholder, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, the Selling Shareholder, it's Promoters, relatives of Promoters (as defined under Companies Act, 2013) its Directors and its Group Companies have been identified as wilful defaulters by the RBI or other authorities.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled "*Risk factors*", "*Our Promoters, Promoter Group*", "*Group Companies*" and "*Outstanding Litigations and Material Developments*" beginning on page nos. 12, 147, 152 and 217 respectively, of this Draft Prospectus.

### Eligibility for the Issue

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulation; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (Emerge Platform of National Stock Exchange of India Limited).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see “*General Information- Underwriting*” on page no. 57 of this Draft Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, 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. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Draft Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see “*General Information- Details of the Market Making Arrangements for this Issue*” on page no. 58 of this Draft Prospectus.
- e) Our Company has been incorporated under the Companies Act 1956, in India.
- f) The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years.
- g) Our Company has track record of atleast 3 years.
- h) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR)
- i) There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoters/promoting companies of the Company
- j) There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
- k) There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction.
- l) There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- m) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹ 1,254.05 lakhs (₹ 12.54 crores) and the post issue capital will be ₹ 1,549.05 lakhs (₹ 15.49 crores).
- n) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- o) We have a website: [www.novaagritech.com](http://www.novaagritech.com)

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS 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 THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE 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, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT 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 FULFIL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE**

5. WE CERTIFY THAT WRITTEN CONSENT FROM 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 OF 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 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE “MAIN OBJECTS” LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED WITH.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE 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. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE 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.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER- NOTED FOR COMPLIANCE.
  14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE, ETC.
  15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
  16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS).
  17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY NSVR & ASSOCIATES LLP, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 008801S/S200060) PURSUANT TO THEIR REPORT DATED SEPTEMBER 25, 2018.)

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the RoC in terms of section 26, 28 and 30 of the Companies Act, 2013.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER 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 ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN 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.**

- 3. WE CONFIRM THAT THE ABRIDGED DRAFT PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE**
- 4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**
- 5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS.**
- 6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Disclaimer from our Company, the Selling Shareholder, Directors and the Lead Manager**

Our Company, the Selling Shareholder the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this 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.

**CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager, the Selling Shareholder and our Company dated September 27, 2018, the Underwriting Agreement dated September 27, 2018 entered into among the Underwriter, the Selling Shareholder and our Company and the Market Making Agreement dated September 27, 2018, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriter and their respective Directors, Officers, Agents, Affiliates and representatives that they are eligible under all applicable Laws, Rules, Regulations, Guidelines and Approvals to acquire Equity Shares of our Company and 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 and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriter and their respective Directors, Officers, Agents, Affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to



make an offer 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 the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered 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 any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the NSE**

As required, a copy of this Draft Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). The disclaimer clause as intimated by NSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to RoC filing.

#### **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 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of 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 offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Filing**

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Overseas Towers, 7<sup>th</sup> Floor, 756-L, Anna Salai, Chennai 600 002.

A copy of the Prospectus, along with the documents required to be filed under Section 26 and 28 of the Companies Act, 2013 will be delivered to the RoC situated at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad - 500 068.

#### **Listing**

An application shall be made to Emerge Platform of National Stock Exchange of India Limited for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its Emerge Platform of National Stock Exchange of India Limited after the allotment in the Issue. NSE is 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 Emerge Platform of National Stock Exchange of India Limited is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within eight days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited.

### Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1	Saketh Exim Limited	9.44	69	13/08/2018	69.30	0.00%	0.12%	N.A.	N.A.	N.A.	N.A.
2	Supershakti Metaliks Limited	60.01	375	30/07/2018	377.10	12.00%	3.28%	N.A.	N.A.	N.A.	N.A.
3	Ambani Organics Limited	9.03	66	18/07/2018	66.65	0.30%	4.47%	N.A.	N.A.	N.A.	N.A.
4	Jakharia Fabric Limited	19.66	180	11/07/2018	181.35	5.56%	4.40%	N.A.	N.A.	N.A.	N.A.
5	Garv Industries Limited	3.20	10	25/04/2018	10.00	-10.00%	1.23%	-10.60%	6.74%	N.A.	N.A.
6	Giriraj Civil Developers Limited	9.00	100	02/04/2018	101.00	1.00%	4.96%	33.75%	4.92%	N.A.	N.A.
7	Yasho Industries Limited	28.99	100	02/04/2018	106.00	6.00%	5.78%	6.00%	6.52%	N.A.	N.A.
8	Karda Constructions Limited	77.40	180	02/04/2018	136.00	4.03%	5.78%	-3.36%	6.52%	N.A.	N.A.
9	Uravi T and Wedge Lamps Limited	15.00	100	28/3/2018	102.50	3.00%	5.72%	5.00%	6.48%	2.00%	8.44%
10	Advitya Trade India Limited	4.31	15	26/3/2018	15.01	75.33%	4.34%	11.00%	7.93%	0.00%	11.42%

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	8 <sup>(1)</sup>	216.72	-	-	1	-	-	6	-	-	-	-	-	-
2017-18	16	318.24	1	1	4	1	1	8	3	3	3	2	3	4
2016-17	10	147.26	-	1	-	1	-	8	-	1	-	2	3	4
2015-16	3	15.90	-	-	-	-	-	3	-	-	-	1	1	1

<sup>(1)</sup> Details indicated in 2017-18 are for the IPOs completed as on date.

**Notes:**

- a) *Since the listing date of Saketh Exim Limited, Supershakti Metaiks Limited, Ambani Organics Limited and Jakharia Fabric Limited was August 13, 2018, July 30, 2018, July 18, 2018 and July 11, 2018, respectively, information related to closing price and benchmark index as on the 90<sup>th</sup> calendar day and 180<sup>th</sup> calendar day from the listing date is not available.*
- b) *Since the listing date of Garv Industries Limited, Giriraj Civil Developers, Yasho Industries Limited, Karda Constructions Limited, was, April 25, 2018, April 02, 2018, April 02, 2018 and April 02, 2018, respectively, information related to closing price and benchmark index as on the 180<sup>th</sup> calendar day from the listing date is not available.*
- c) *The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.*
- d) *In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.*
- e) *Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices.*

**Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in)

**Consents**

Consents in writing of: (a) The Selling Shareholder, the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Company\*, Banker to the Issue\*, Share Escrow Agent\*, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, NSVR & Associates LLP, Chartered Accountants, have provided their written consent to the inclusion of their reports dated September 25, 2018 on Restated Financial Statements and to the inclusion of their reports dated September 25, 2018 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

**Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, NSVR & Associates LLP, 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 “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated September 25, 2018, and on the Restated Financial Statements dated September 25, 2018 and issued by them, 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 U.S. Securities Act.

## ISSUE RELATED EXPENSES

Issue related expenses include underwriting and Issue management fees, selling commission, distribution expenses, market making charges, legal fees, fees to advisors, printing and stationery costs, advertising expenses, listing fees payable to the Stock Exchange, and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange, including fees payable to Depositories is given below: Same as object of the Issue

The details of estimated Issue expenses are set forth below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and reimbursements of Market Making fees (1 <sup>st</sup> year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]	[●]
2	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs <sup>(1)(2)(3)(4)</sup>	[●]	[●]	[●]
3	Advertisement, Printing & Stationery, Marketing Expenses, etc.	[●]	[●]	[●]
4	Listing Fees, Market Regulatory & Other Expenses	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]

<sup>(1)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ 10 per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup> The SCSBs would be entitled to processing fees of ₹ 10 per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup> Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(4)</sup> The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

### Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated September 27, 2018, the Underwriting Agreement dated September 27, 2018 and the Market Making Agreement dated September 27, 2018 among our Company, the Selling Shareholder and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated September 26, 2018.

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 send refund orders or Allotment advice by registered post/speed post.

## CAPITAL ISSUE DURING THE LAST FIVE YEARS

### Previous Public and Rights Issues

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 60 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Companies / Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

## **PERFORMANCE VIS-À-VIS OBJECTS**

### **Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

### **Listed Group Companies / Subsidiaries / Associate Companies**

None of our Group Companies / Subsidiaries / Associates is listed on any Stock Exchange and not made any rights and public issues in the past ten (10) years.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

## **DISPOSAL OF INVESTOR GRIEVANCES**

### **Mechanism for Redressal of Investor Grievances**

The Company and the Selling Shareholder has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

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 Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on September 26, 2018 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Srinivasa Rao Vesangi	Independent Director	Chairman
Mr. Ramesh Babu Nemani	Independent Director	Member
Mr. Kiran Kumar Atukuri	Managing Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 134 of this Draft Prospectus.

The Company has also appointed Samaleti Padmasri as the Company Secretary and Compliance Officer for this Issue and she may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Mrs. Samaleti Padmasri

**Address:** Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally Secunderabad, Telangana – 500 011

**Tel No:** +91 – 40 – 2795 7081/ 82

**Email:** [cs@novaagritech.com](mailto:cs@novaagritech.com)

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre- Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT**

For details of Investor Grievances by Listed Companies under the same Management, see the chapter “*Our Group Companies*” beginning on page no. 152 of this Draft Prospectus.

#### **Change in Auditors**

The details of change in the auditors of our company are given below:

Sr. No.	Date	From	To
1.	April 12, 2018	M/s. Abhishek & Associates, Chartered Accountants.	NSVR & Associates LLP, Chartered Accountants.

#### **Capitalisation of Reserves or Profits**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 60 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

#### **Revaluation of Assets**

We have not revalued our assets since incorporation.



## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on September 25, 2018 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extra Ordinary General Meeting held with a shorter notice on September 26, 2018 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated September 24, 2018 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares Offered
1	Mr. Sambasivarao Yeluri	12,50,000
	<b>Total</b>	<b>12,50,000</b>

The Selling Shareholder have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale

#### Offer for Sale

The Issue comprises of a Fresh Issue and an Offer for Sale by the Selling Shareholder. The fees and expenses relating to the Issue shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholder in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholder may, at the outset, be borne by our Company on behalf of the Selling Shareholder, and the Selling Shareholder agrees that they will reimburse our Company all such expenses.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "Main Provisions of the Articles of Association" beginning on page no. 299 of this Draft Prospectus.



## Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer the chapter titled "Dividend Policy" and "Main Provisions of Article of Association" beginning on page nos. 156 and 299 of this Draft Prospectus.

## Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Issue Price is determined by our Company and the Selling Shareholder in consultation with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page no. 78 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## Compliance with the disclosure and accounting norms

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "Main Provisions of Articles of Association of our company" beginning on page no. 299 of this Draft Prospectus.

## Minimum Application Value; Market Lot and Trading Lot

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 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 this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of issue.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Withdrawal of the Issue**

Our Company and the Selling Shareholder, 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. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two 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 to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also 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 Stock Exchange, which our Company shall apply for after Allotment. If our Company and the Selling Shareholder withdraws the Issue 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.

## ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / 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, the Selling Shareholder 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, 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 any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between **10.00 a. m. and 3.00 p. m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants 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 3.00 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 Selling Shareholder 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 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 Applicants 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

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and

also that the minimum number of allottees as prescribed in regulation 106R of the SEBI (ICDR) Regulations, 2009, as amended.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. 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 Platform.

### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled “*Main Provisions of Articles of Association*” beginning on page no. 299 of this Draft Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI’s circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the NSE Emerge Platform.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the Emerge Platform of National Stock Exchange of India Limited for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- 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 shareholder 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 fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- 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 favour of the proposal amount to at least two times the number of votes cast by shareholder other than promoter shareholders against the proposal.

### **Market Making**

The shares issued through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange 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 our Company, The Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Issue*" beginning on page no. 58 of this Draft Prospectus.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai. 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.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ["SME Exchange", in this case being the Emerge Platform of National Stock Exchange of India Limited].. For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page nos. 243 and 252 respectively, of this Draft Prospectus.

Following is the issue structure:

*Public issue of up to 42,00,000 Equity Shares of ₹ 10 each (the “Equity Shares”) for cash at a price of ₹ [●] per Equity Share (including a Share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs (“the Issue”) by Nova Agritech Limited. (“AGL” or the “Company” or the “Issuer”).*

*The Issue comprises a reservation of up to 2,28,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 39,72,000 Equity Shares of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute 27.11% and 25.64%, respectively of the post issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:*

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Up to 39,72,000 Equity Shares	Up to 2,28,000 Equity Shares
Percentage of Issue Size available for allocation	94.57% of the Issue Size	5.43% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>[●] Equity Shares</p>	Up to 2,28,000 Equity Shares
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed up to 39,72,000 Equity Shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹ 2,00,000.</p>	Up to 2,28,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	



This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The allocation' is the net issue to the public category shall be made as follows:

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

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

### ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / 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, the Selling Shareholder 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, 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 any revision to the same shall be accepted **only between 10.00 a. m. and 5.00 p. m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between **10.00 a. m. and 3.00 p. m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants 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 3.00 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 Selling Shareholder 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 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 Applicants 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.

## 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. In such an event our Company would Issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two 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 to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also 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 Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue 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

## Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price(in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company, the Selling Shareholder and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications 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.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by NSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned NSE website

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

### PART A

#### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, 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 according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the**

details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. 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 dematerialised segment of the Stock Exchanges.

## APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, 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.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

## Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: — Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;

10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

*As per the existing policy of the Government of India, OCBs cannot participate in this Issue. 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.*

**Applications not to be made by**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

**Maximum and Minimum Application Size**

**a) For Retail Individual Applicants:**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹ 2,00,000.

**b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Information for the Applicants**

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

**Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

**Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**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.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

### **Applications by Eligible NRIs**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Applications by FPI and FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

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) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the



Shareholder of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized 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.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color).

#### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd 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 Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All 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 commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **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.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to



reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) 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
- 3) 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 (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 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.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

#### **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 such applications.

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FII's, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the 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 reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to 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.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**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 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 Draft Prospectus.**

#### **General Instructions**

##### **Do's:**

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint 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 held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;

- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 9) 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 the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **Payment instructions**

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, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails 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 instruction to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

#### Electronic Registration of Applications

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN Number
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Issue or Designated Branch, as applicable;
  - Bank Account Number and
  - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 8) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.

- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean 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 or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, 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; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
- 13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

#### Allocation of Equity Shares

- 1) The Issue is being made through the Fixed Price Process wherein up to 2,28,000 Equity Shares shall be reserved for the Market Maker. up to 19,86,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a 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, 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 Regulations, Non Retails Applicants shall not be allowed to either withdraw or lower the size of their application 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, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Selling Shareholder, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on September 27, 2018.
- b) For terms of the Underwriting Agreement please see chapter titled "*General Information*" beginning on page no. 53 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26, 28 and all other provision applicable as per Companies Act.



## Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants 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 Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

## Impersonation

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**“Any person who:**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term 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.

## Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw 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 Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;



- 7) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 8) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 9) Adequate arrangements shall be made to collect all Application Forms and
- 10) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time.

### **Undertakings by the Selling Shareholder**

Each Selling Shareholder severally undertakes that:

- 1) It shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Issue at least one Working Day prior to the Bid/ Issue Opening Date;
- 2) It shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- 3) It shall take all steps and provide all assistance to our Company and the Lead Manager, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Issue Closing Date of the Issue, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;
- 4) It shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
- 5) It shall ensure that the Equity Shares being offered by it in the Issue, shall be transferred to the successful Bidders within the time specified under applicable law; and

It shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

### **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 shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## 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, the SCRA, the SCRR and the SEBI ICDR Regulations. 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 through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

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 Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the 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 BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may see “*Glossary and Abbreviations*”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

##### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Applicants may refer to the Prospectus.

#### **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

#### **2.5 ISSUE 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 Bid cum Application Form and Abridged Prospectus or Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

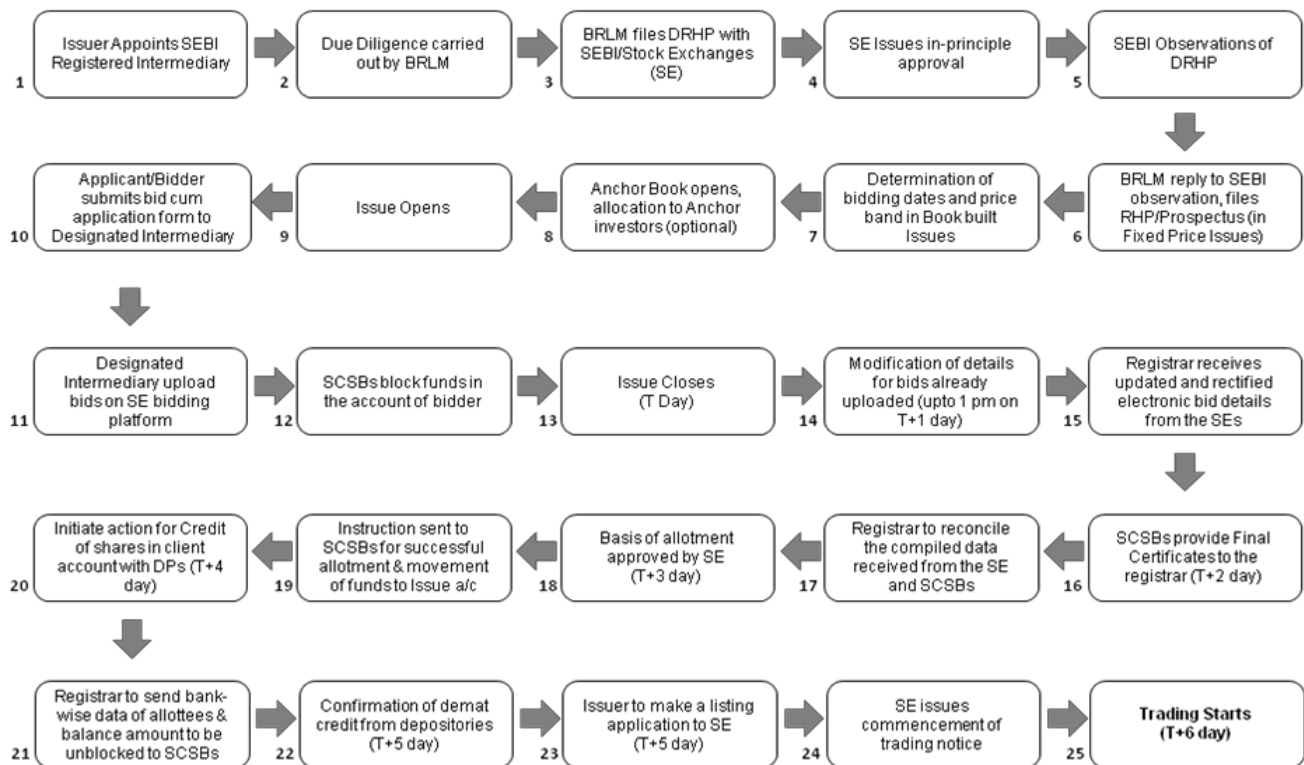
In case of a Book Built Issue, the Issuer may close the Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the Prospectus. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

#### **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### 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, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus 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);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“NIIs”) category;

- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. 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 Bid cum Application Form for various categories of Applicants is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> excluding electronic Application Form

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b>				
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><b>BOOK BUILT ISSUE</b></td> <td style="width: 50%;"><b>Bid cum Application Form No.</b> _____</td> </tr> <tr> <td style="text-align: center;">ISIN : .....</td> <td></td> </tr> </table>	<b>BOOK BUILT ISSUE</b>	<b>Bid cum Application Form No.</b> _____	ISIN : .....	
<b>BOOK BUILT ISSUE</b>	<b>Bid cum Application Form No.</b> _____					
ISIN : .....						

PLEASE FILL IN BLOCK LETTERS

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	ESCROW 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 _____

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS																											
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 <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH																											
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")	5. CATEGORY																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="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>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
Bid Options			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																					
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Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   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. _____	
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 ABBRIDGED PROSPECTUS 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 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) <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</small>	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	1) _____ 2) _____ 3) _____	

TEAR HERE

LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	<b>Bid cum Application Form No.</b> _____
------	---	--	---

DPID / CLID _____	PAN of Sole / First Bidder _____
-------------------	----------------------------------

Amount paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

TEAR HERE

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td> </td> <td> </td> </tr> <tr> <td>Bid Price</td> <td> </td> <td> </td> </tr> <tr> <td>Amount Paid (₹)</td> <td> </td> <td> </td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares			Bid Price			Amount Paid (₹)			Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
Option 1	Option 2	Option 3													
No. of Equity Shares															
Bid Price															
Amount Paid (₹)															
ASBA Bank A/c No. _____															
Bank & Branch _____															
			<b>Acknowledgement Slip for Bidder</b>												
			<b>Bid cum Application Form No.</b> _____												



#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / APPLICANT

- a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint 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 Bid cum Application Form/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.
- d) **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:*

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *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*
- *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term 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.

- e) **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.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT

- a) PAN (of the sole/first Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/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) Bid cum 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 Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/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 unblocking of ASBA Account or 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: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholder can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer, the Selling Shareholder in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholder must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 2,00,000.
- b) In case the Bid Amount exceeds ₹ 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 MULTIPLE BIDS

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
- 1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - 2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
- 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
  - 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the Prospectus.
- c) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation 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 Bid/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 Bid cum Application Form and Non-Resident Bid cum 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) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid 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 Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

##### **4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)**

- a) Bidders may submit the Bid cum Application Form either
  - 1) in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - 2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - 3) in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum

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 Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Bid cum Application Form/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 Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Applicants must note that Bid cum Application Form/Application Form without signature of Applicant and/or ASBA Account holder is liable to be rejected..

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - 1) 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.
  - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - 5) In case of Bids submitted to the RTA, the Applicants should contact the relevant RTA.
  - 6) In case of Bids submitted to the DP, the Applicants should contact the relevant DP.
  - 7) Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
  - 1) full name of the sole or First Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;

- 2) name and address of the Designated Intermediary, where the Bid was submitted; or
- 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Applicant may refer to the Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Bid/ Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- 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 Bid/ Issue Period. However, for any revision(s) in the Bid, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Bid. Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details : ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b>
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LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr./Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ Email _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS _____ NSDL _____ CDSL _____ <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>

**PLEASE CHANGE MY BID**

4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (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 (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓/tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____											
ASBA Bank A/c No. _____											
Bank Name & Branch _____											

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS 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 THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue</small>	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	1) _____ 2) _____ 3) _____	

TEAR HERE

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
------	--	---	--

DPID / CLID		PAN of Sole / First Bidder
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<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> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Additional Amount Paid (₹)																			
ASBA Bank A/c No.				<b>Acknowledgement Slip for Bidder</b>															
Bank & Branch				Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>															

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Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

#### **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholder, such Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholder indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholder, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

##### 4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the Draft Prospectus. However a Prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer, the Selling Shareholder in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholder, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Applicant and may be rejected.
  - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
  - 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

- 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for Applicants**

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholder are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location</li> <li>To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

- a) Applicants should submit the Revision Form to the same Designated Intermediary through which such Applicant had placed the original Bid.



- b) Upon submission of the Bid cum Application Form, the Applicant will be deemed to have authorized the Issuer to make the necessary changes in the Prospectus and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Applicant.
- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- a) During the Bid/ Issue Period, Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Applicants are requested to refer to the Prospectus.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- a) Bids received from various Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in the Draft Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;



- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- q) Multiple Bids/Applications as defined in this GID and the Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form..

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Prospectus. For details in relation to allocation, the Applicant may refer to the Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Applicants may refer to the Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

### **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations, 2009 or Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Investor Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
  - 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;

- 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
  - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any

other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- 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) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **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 six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 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 ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the Prospectus.



### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, 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

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

#### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an Issue during the Bid/ Issue Period by a



Term	Description
	prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable),the period between the Bid/ Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted

Term	Description
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum 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 Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the

Term	Description
	promoters and immediate relatives of the promoters. For further details, Applicant may refer to the Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Selling Shareholder, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than L 200,000 (but not including NRIs other than Eligible NRIs)

Term	Description
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having

Term	Description
	nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than L 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholder	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be "qualified institutional investors" (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the LM 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.**



## SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

*These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on May 15, 2017.*

### **Public Company**

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### **Share capital and variation of rights**

4. (i) The Authorised Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.
- (ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made there under, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.
5. (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.
6. (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 company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognized 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 recognize (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.



8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### *Lien*

12. (i) The company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
13. 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.
14. (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.
15. (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***

16. (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.
  - (iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholder in a general meeting of the company.
17. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. (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.
20. (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.
21. 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 but shall not confer a right to dividend or to participate in profits.

### *Transfer of shares*

- 22.(i) The Company shall use a Common form of transfer. 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.
23. 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.
24. 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.
25. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

### *Transmission of Shares*

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
28. (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.

29. (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.

30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### *Forfeiture of Shares*

31. 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.
32. 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.
33. 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.
34. (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.
35. (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.
36. (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

(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.

37. 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*

38. 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. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.

39. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) increase its authorised share capital by such amount as it thinks expedient.

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

40. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

41. 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

42. (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, Securities Premium Accounts 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);
- (iii) 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;
- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
43. (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 infractions; 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.

#### *Dematerialisation of Securities*

43. (i) **For the purpose of this Article:-**
- "Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.
- "Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.
- "Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

**"Member"**: Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

**"Security"**: Security shall mean such security as may be specified by SEBI.

(ii) **"Dematerialisation of Securities"**: Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) **"Option to hold securities in physical form or with depository"**: Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) **"Beneficial Owner may opt out of a Depository"**: Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) **"Securities in Depositories to be in fungible form"**: All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) **"Rights of depository and beneficial owners"**: A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

(viii) **"Transfer of securities"**: Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(ix) **"Register and Index of beneficial owners"**: The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(x) **"Other matters"**: Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

(xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

#### *Nomination*

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.



The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

#### ***Buy-Back of Shares***

46. 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***

47. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
48. (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***

49. (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.
- (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- (iv) 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.
- (v) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### ***Adjournment of Meeting***

50. (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***

51. 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.

52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
53. (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.
54. 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.
55. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
56. 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.
57. (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***

58. 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.
59. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
60. 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***

61. The minimum number of Directors shall be 2 and maximum number of directors shall be 15.  
The First Directors of the Company are:
1. Sambasivarao Yeluri
  2. Kalyana Bodduluri
62. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

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.
63. The Board may pay all expenses incurred in getting up and registering the company.
64. 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.
65. 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.
66. 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.
67. (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***

68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- (iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (iv) 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.

72. (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.
73. A committee may elect a Chairperson of its meetings.
74. 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.
75. (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.
76. 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.
77. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

78. 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.
79. 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.

***Managing Director***

80. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
81. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

*The Seal*

82. (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*

83. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
84. 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.
85. (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.
86. (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.
87. 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.
88. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
89. 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.
90. 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.
91. No dividend shall bear interest against the company.

92. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

***Accounts***

93. (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***

94. 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.
95. 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.
96. 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***

97. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated September 27, 2018 between our Company, the Selling Shareholder and the Lead Manager.
2. Memorandum of Understanding dated September 26, 2018 between our Company, the Selling Shareholder and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Selling Shareholder, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated September 27, 2018 between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated September 27, 2018 between our Company, the Selling Shareholder, the Lead Manager and Market Maker.
6. Share Escrow Agreement dated [●] between the Selling Shareholder, our Company, the Lead Manager and the Escrow Agent.
7. Tripartite agreement between the NSDL, our Company and the Registrar dated [●].
8. Tripartite agreement between the CDSL, our Company and the Registrar dated [●].

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Nova Agritech Limited
3. Resolution of the Board of Directors meeting dated September 25, 2018 authorizing the Issue.
4. Shareholders' resolution passed at the EGM dated September 26, 2018 authorizing the Issue.
5. Auditor's report for Restated Financials dated September 25, 2018 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated September 25, 2018 from our Statutory Auditors.
7. Consent of our Directors, the Selling Shareholder, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from NSE vide letter dated [●] to use the name of NSE in this Issue Document for listing of Equity Shares on the Emerge Platform of National Stock Exchange of India Limited.



Any of the contracts or documents mentioned in this 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 shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

\_\_\_\_\_

**Mr. Kiran Kumar Atukuri**  
Managing Director

Sd/-

\_\_\_\_\_

**Mr. Sreekanth Yenigalla**  
Executive Director

Sd/-

\_\_\_\_\_

**Mr. Nadella Basanth Kumar**  
Executive Director

Sd/-

\_\_\_\_\_

**Mrs. Sonali Chowdhary**  
Independent Director

Sd/-

\_\_\_\_\_

**Mr. Srinivasa Rao Vesangi**  
Independent Director

Sd/-

\_\_\_\_\_

**Mr. Ramesh Babu Nemani**  
Independent Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-

\_\_\_\_\_

**Mr. Ashok Kumar Janjanam**  
Chief Financial Officer

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Sd/-

\_\_\_\_\_

**Mrs. Samaleti Padmasri**  
Company Secretary & Compliance Officer

Date: September 27, 2018  
Place: Secunderabad

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**DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Prospectus.

**SIGNED BY THE SELLING SHAREHOLDER**

Sd/-

\_\_\_\_\_  
**Mr. Sambasivarao Yeluri**