



**AVI AGRI BUSINESS LIMITED**  
**Corporate Identity Number: - U15311MP2009PLC021753**

Our Company was Originally incorporated as "Avi Agri Business Private Limited" on March 23, 2009 under the provisions of Companies Act, 1956 with Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior, vide registration no. 021753 (CIN: U15311MP2009PTC021753). Our Company was converted into a public limited company pursuant to shareholders' resolution passed at the extra ordinary general meeting of the members of the Company held on January 23, 2016 and the name of our Company was changed from "Avi Agri Business Private Limited" to "Avi Agri Business Limited" vide a fresh Certificate of Incorporation dated February 10, 2016 issued by the Registrar of Companies, Gwalior, Madhya Pradesh. For details of the changes in our Name and Registered Office, please see section titled "History and Certain Corporate Matters" on page 143 of this Draft Prospectus.

**Registered Office:** Saket Tower, 4th Floor, 3A Ratlam Kothi, Indore – 452001, Madhya Pradesh, India.

**Tel No:** +91-731-6666300, 2526844/45; **Fax No:** +91-731-4053955 ; **E-mail:** [cs@avgroup.co](mailto:cs@avgroup.co) **Website:** [www.avgroup.co](http://www.avgroup.co)

**Contact Person:** Mr. Vipul Goyal (Company Secretary & Compliance Officer)

**PROMOTER OF OUR COMPANY:** Mr. Vinod Kumar Jain and Excel Agri Business Private Limited (Formerly Known as Excel Futures Private Limited)

**THE ISSUE**

**PUBLIC ISSUE OF 63,04,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF AVI AGRI BUSINESS LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 15.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 5.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 945.60 LAKHS ("THE ISSUE"), OF WHICH 3,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF ₹ 15.00 PER EQUITY SHARE, AGGREGATING TO ₹ 48.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 59,84,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 15.00 PER EQUITY SHARE AGGREGATING TO ₹ 897.60 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.63% and 25.27%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 297 OF THIS DRAFT PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 15.00 EACH. THE ISSUE PRICE IS 1.5 TIMES OF THE FACE VALUE.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 306 OF THIS DRAFT PROSPECTUS.**

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 306 of this Draft Prospectus.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 306 of this Draft Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹ 10.00 per equity share and the Issue Price is 1.5 times of the face value. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph 'Basis for Issue Price' on page 86 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 15 of this Draft Prospectus.**

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an in-principle approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**HEM SECURITIES LIMITED**

14/15 Khatau Building, 1st Floor, 40 Bank Street,

Fort, Mumbai – 400001, Maharashtra

**Tel No.:** +91-22-22671543

**Fax No.:** +91-22-22625991

**Email:** [ib@hemonline.com](mailto:ib@hemonline.com)

**Investor Grievance Email:** [redressal@hemonline.com](mailto:redressal@hemonline.com)

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

**Contact Person:** Mr. Anil Bhargava

**SEBI Regn. No.:** INM000010981

**KARVY COMPUTERSHARE PRIVATE LIMITED**

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, India.

**Tel No.:** +91-40- 6716 2222

**Fax No.:** +91-40-2343 1551

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

**E-mail:** [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**Investor Grievance Email:** [aviagri.smeipo@karvy.com](mailto:aviagri.smeipo@karvy.com)

**Contact Person:** Mr. M. Murali Krishna

**SEBI Registration :** INR000000221

**ISSUE PROGRAMME**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**



**TABLE OF CONTENTS**

<b>SECTION</b>	<b>CONTENTS</b>	<b>PAGE NO.</b>
<b>I</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION	12
	FORWARD LOOKING STATEMENTS	14
<b>II</b>	<b>RISK FACTORS</b>	15
<b>III</b>	<b>INTRODUCTION</b>	
	SUMMARY OF OUR INDUSTRY	36
	SUMMARY OF OUR BUSINESS	39
	SUMMARY OF OUR FINANCIALS	45
	THE ISSUE	52
	GENERAL INFORMATION	53
	CAPITAL STRUCTURE	60
	OBJECTS OF THE ISSUE	80
	BASIC TERMS OF ISSUE	85
	BASIS FOR ISSUE PRICE	86
	STATEMENT OF TAX BENEFITS	89
<b>IV</b>	<b>ABOUT THE ISSUER COMPANY</b>	
	INDUSTRY OVERVIEW	97
	OUR BUSINESS	109
	KEY INDUSTRY REGULATIONS AND POLICIES	131
	HISTORY AND CERTAIN CORPORATE MATTERS	143
	OUR MANAGEMENT	147
	OUR PROMOTER AND PROMOTER GROUP	161
	OUR GROUP COMPANIES	169
	DIVIDEND POLICY	178
<b>V</b>	<b>FINANCIAL INFORMATION OF THE COMPANY</b>	
	AUDITOR'S REPORT ON STANDALONE RESTATED FINANCIAL STATEMENT	179
	STATEMENT OF FINANCIAL INDEBTEDNESS	230
	MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS	235
<b>VI</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	253
	GOVERNMENT AND OTHER APPROVALS	268
	OTHER REGULATORY AND STATUTORY DISCLOSURES	282
<b>VII</b>	<b>ISSUE RELATED INFORMATION</b>	
	TERMS OF THE ISSUE	297
	ISSUE STRUCTURE	303
	ISSUE PROCEDURE	306
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	343
<b>VIII</b>	<b>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	345
<b>IX</b>	<b>OTHER INFORMATION</b>	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	378
	DECLARATION	379



## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the terms and abbreviations stated hereunder shall have the meaning as assigned herewith. References to any legislation, Act, statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

#### Conventional /General Terms

Term	Description
“Avi Agri Business Ltd.”, “Avi Agri Business”, “Avi Agri”, “AABL”, “We” or “us” or “The Company”, “Our Company”, “the Issuer” or “Issuer Company”	Unless the context otherwise requires, refers to Avi Agri Business Limited a Company incorporated under the Companies Act 1956, vide a Certificate of incorporation issued by the Registrar of Companies, Madhya Pradesh & Chattisgarh, Gwalior as Avi Agri Business Private Limited.
AOA / Articles / Articles of Association	The Articles of Association of Avi Agri Business Limited as amended from time to time.
Auditors/ Statutory Auditors	The Statutory Auditors of Avi Agri Business Limited being Ashok Khasgiwala & Co., Chartered Accountants.
Audit Committee	The Audit Committee of our Company is constituted in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “ <b>SEBI Listing Regulations 2015</b> ”).
Banker to our Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “ <b>General Information</b> ” beginning on page 53 of the Draft Prospectus.
Board/Board of Directors/the Board/our Board	The collective body of Directors of our Company or a duly constituted committee thereof.
Companies Act / Act	The Companies Act, 2013 and amendments thereto and the Companies Act, 1956, to the extent applicable.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mr. Vipul Goyal
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Director(s) / our Directors	The Director(s) of Avi Agri Business Limited, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of ₹10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
General Information Document (GID)	The General Information Document for investing in Public Issues prepared and issued in accordance with SEBI circular CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015
GIR Number	General Index Registry Number.
Group Companies	The word “group companies”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the issuer in its materiality policy and as disclosed in “Our <b>Group Companies</b> ” on page 169 of this Draft Prospectus
ISIN	International Securities Identification Number. In this case being [●]
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
Key Management	Key management personnel of our Company in terms of the SEBI Regulations and the



Personnel/KMP	Companies Act, 2013. For details, see section entitled <b><i>"Our Management"</i></b> on page 147. of this Draft Prospectus,
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on February 19, 2016, in accordance with the requirements of the SEBI (ICDR) Regulations
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Avi Agri Business Limited as amended from time to time
Non Residents	A person resident outside India, as defined under FEMA Regulations, 2000
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being Ashok Khasgiwala & Co., Chartered Accountants
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.
Promoter(s)	Promoters of our company i.e. Mr. Vinod Jain and Excel Agri Business Private Limited.  For further details, please refer to section titled <b><i>"Our Promoter and Promoter Group"</i></b> beginning on page 161 of this Draft Prospectus.
Promoter Group	Includes such persons and entities constituting our promoter group covered under regulation 2(1) (zb) of the SEBI ICDR Regulations and disclosed in Section titled <b><i>"Our Promoter and Promoter Group"</i></b> "beginning on page 161 of this Draft Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Restated Financial Information	The restated financial information of the Company, which comprises of the restated balance sheet, the restated profit and loss information and restated cash flow information, as at and for the years ended March 31, 2011, 2012, 2013, 2014, 2015 and as at and for the 6 months period ended September 30, 2015, together with the annexures and notes thereto.
Registered Office	The Registered Office of our Company situated at Saket Tower, 4 <sup>th</sup> Floor, 3A Ratlam Kothi, Indore, Madhya Pradesh – 452-001, India
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
ROC /Registrar of Companies	Registrar of Companies, Madhya Pradesh, Gwalior
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations, 2009/SEBI (ICDR) Regulations /ICDR Regulations/ Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	BSE Limited (SME Platform).
Sub- Account	Sub- accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign





	individuals.
“you”, “your” or “yours”	Prospective investors in this Issue.

## **ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allot/Allotted/Allotment of Equity Shares	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the 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 (s)	The successful applicant to whom the Equity Shares are being / have been issued/ allotted.
Applicant/Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus and the Application form.
Application	An Indication to make an offer during the Issue Period by an Applicant pursuant to submission of an Application form, to subscribe for or purchase our Equity Shares at Issue Price, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all Applicants to make an Application authorizing a SCSB to block the application amount in the ASBA Account maintained with such SCSB.  Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ASBA Account	Account maintained by an ASBA Applicant/Investor with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of the ASBA Applicant/Investor and as defined in the Application Form.
Bankers to the Company	Such bank(s) which are disclosed as Bankers to our Company in the chapter titled <b>“General Information”</b> on page 53 of this Draft Prospectus.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be allotted described in the chapter titled <b>“Issue Procedure- Basis of Allotment”</b> beginning on page 335 of this Draft Prospectus
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the 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 website of the BSE on the following link:- <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3">http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3</a>
BSE	BSE Limited (the Designated Stock Exchange).
CAN or 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.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.



Term	Description
Collecting Depository Participant or CDP	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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the ASBA Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <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.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant 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 i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant 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 i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on which the SCSBs shall transfer the funds from ASBA accounts into the Public Issue Account or Refund Account as appropriate after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Applicants in the Issue
Designated Intermediaries /Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Hem Securities Limited
Designated Stock Exchange	SME Platform of BSE Limited
DP ID	Depository Participant's Identity.
Draft Prospectus	This Draft Prospectus dated March 03, 2016 issued in accordance with Section 32 of the Companies Act, 2013
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors/FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that



Term	Description
	any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue/Public size/Initial Public Offer/Initial Public Offering/ IPO	The Public Issue of 63,04,000 (Sixty Three Lacs four thousand) Equity Shares of Rs. 10/- each at an issue price of Rs. 15/- per equity share (including a premium of Rs. 5/- per equity share aggregating to Rupees 945.60 Lacs only)
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The Price at which the Equity Shares are being issued and allotted by our Company being Rs 15/- per equity share of face value of Rs. 10.00 each fully paid.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter title <b>“Objects of the Issue”</b> page no. 80 of the Draft Prospectus
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited.
Listing Agreement	The Equity Listing Agreement to be signed between Our company and the BSE
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Hem Securities Limited (Registration No. SMEMM0024801022013) is the sole Market Maker who 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 any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Market Making Agreement dated February 20, 2016 between our company and Market Maker(HSL)
Market Maker Reservation Portion	The reserved portion of 3,20,000 Equity Shares of Rs. 10 each fully paid up for cash at an Issue price of Rs.15/- Each aggregating to Rs. 48.00 Lacs to be subscribed by Market Maker in this issue.
MOU/ Issue Agreement	The Memorandum of Understanding dated February 20, 2016 between our company and Lead Manager
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 59,84,000 equity Shares of Rs. 10 each at a price of Rs. 15 per Equity Share (the <b>“Issue Price”</b> ), including a share premium of Rs. 5 per equity share aggregating to Rs. 897.60 Lacs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled <b>“Objects of the Issue”</b> beginning on page 80 of this Draft Prospectus.
Non-Institutional Investors / Applicant	Investors other than Retail Individual Investors, NRIs, QFIs and QIBs who apply for the Equity Shares of a value of more than Rs. 2,00,000/-
Other Investor	Investor other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.



Term	Description
Prospectus	The Prospectus to be filed with the ROC, in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue [●]. under section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet and know your client's requirements prescribed by SEBI.
Qualified Institutional Buyers / QIBs	A Mutual Fund, Venture Capital Fund, Alternative Investment Fund and Foreign Venture Capital investor registered with the Board, a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; ascheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance Company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registrar and Share Transfer Agentsor 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/ RTI	Registrar to the Issue being Karvy Computershare Private Limited
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
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 Rs. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a> & <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Reserved Category/Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
SME Exchange	The SME Platform of BSE Limited
SME Platform	The SME Platform of BSE for listing equity shares offered under Chapter X-B of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange on September 27, 2011
Stock Exchange	BSE Limited (SME Platform)
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>



Term	Description
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriters	The Lead Manager who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI (Underwriters) Regulations, 1993, as amended from time to time, in this case being Hem Securities Limited.
Underwriting Agreement	The Agreement dated February 20, 2016 entered between the Underwriter (HSL) and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
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.
Working Day	Any day, other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue opening and Issue closing date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

## **COMPANY AND INDUSTRY RELATED TERMS**

### **Technical and Industry Related Terms**

Terms	Description
ASEAN	Association of South East Asian Nations
CNG	Compressed Natural Gas
CPI	Consumer Price Index
Crop Year/ Crop Season	The year beginning from November of a year and ending in October of the next year.
Degumming	Process of removal of phosphatides & other limy materials in Crude Oil.
Dehulling	Process of cracking Soyabeans and removing the hull
Deodorizing	Process of removing impurities which impart objectionable odours or flavor to the oil.
De-oiled Cake	A bye product, substance obtained after the extraction of oil from seeds whether by expelling or solvent extraction.
DEPB Scheme	Duty Entitlement Pass Book Scheme
DG	Diesel Generator
DG Set	Diesel Genset
Edible Oil	A liquid fat that is capable of being as a food or food accessory.
ETP	Effluent Treatment Plant
FIFO	First In First Out Method
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
Ktpa	1,000 Tonnes per Annum
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilowatt Hour
LPG	Liquefied Petroleum Gas
MT	Metric tones
MW	Megawatt
RO Plant	Reverse Osmosis Plant
SEA	Solvent Extractor's Association of India
Soyabean Extract/Soya Meal	A substance obtained after the extraction of oil from Soya seeds whether by expelling or solvent extraction





Soyabean Oil	Widely used Vegetable oil from Soybean seeds.
Sq. Mtrs.	Square Meters
Ton / Tons	Tonne(s)
tpa	Tonnes per Annum
tpm	Tonnes per Month

## **ABBREVIATIONS**

<b>Abbreviation</b>	<b>Full Form</b>
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY, A.Y.	Assessment Year
AOA	Articles of Association
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
BG/LC	Bank Guarantee / Letter of Credit
BSE	BSE Limited (formerly known as Bombay Stock Exchange Ltd.)
BIFR	Board for Industrial and Financial Reconstruction
Bn/bn	Billion
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
C.A.	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS. & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Draft Prospectus
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest Tax Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
ESIC	Employees State Insurance Corporation
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy



Abbreviation	Full Form
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FOMC	Federal Open Market Committee
FY / F.Y. / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
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
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost and Works Accountants of India
IMF	International Monetary Fund
INR	Indian National Rupee
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
INR / ₹/ Rs./Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
MCA	Ministry of Corporate Affairs
MD	Managing Director
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participant and Investor Database



Abbreviation	Full Form
NA or N/a	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Fund Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
ONS	Office for National Statistics
P.A./ p.a.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
₹/INR	Rupees, the official currency of the Republic of India
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
STT	Securities Transaction Tax
Sec.	Section
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United 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.



Abbreviation	Full Form
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act 1956, as superseded and substituted by notified provisions of the Companies Act 2013 (the “Companies Act”), the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the following:-

- (i) In the section titled “**Main Provision of the Articles of Association**” beginning on page 345 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.
- (ii) In the Section titled “**Financial Information of the Company**” beginning on page 179 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.
- (iii) In the Chapter titled- “**Statement of Tax Benefits**” beginning on page 89 of Draft Prospectus, defined terms shall have the same meaning given to such terms in that chapter.



**CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

**Certain Conventions**

All references in this Draft Prospectus to “India” are made towards the Republic of India. All references in this Draft Prospectus to the “U.S.,” “USA” or “United States” are to the United States of America.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Avi Agri Business Limited”, “Avi Agri Business”, “AABL”, and “Avi Agri”, unless the context otherwise indicates or implies, refers to Avi Agri Business Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

**Use of Financial Data**

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our financial statements prepared and restated for the financial year ended 2011, 2012, 2013, 2014, 2015 and six months period ended September 30, 2015. Our restated and financial statements are based on our audited financial statements respectively prepared in accordance with Indian GAAP, Accounting Standards and other applicable provisions of the Companies Act and are restated in accordance with SEBI (ICDR) Regulations, 2009, as amended, as stated in the reports of our Peer Auditors included under Section titled “**Financial Information of the Company**” beginning on page 179 of this Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year, so all references to a particular fiscal/financial year are to be twelve-month (12) period ended March 31 of that year. Our Company does not have subsidiary. Accordingly, financial information relating to us is presented on a standalone basis. In the Draft Prospectus, any discrepancies in any table between the total and sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). 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 practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences 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.

**Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout this Draft Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein 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.

Although, we believe industry and market data used in this Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. Further, the extent to which the industry and market data presented in the 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “**Basis for Issue Price**” on page 86 of this Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.





**Currency of Financial Presentation and Exchange Rates**

All references to "Rupees" or "INR" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India and all references to "US Dollars", "USD" or "US\$" or "\$" are to United States Dollars, the official currency of the United States of America. Throughout this Draft Prospectus, all figures have been expressed in thousands, Lakhs/Lacs, Million and Crores. The word "Lakhs/Lacs" or "Lakh/Lac" means "One hundred thousand", "Million" means "Ten Lakhs" and "Crores" means "Ten Million".

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" on page 15, 109 & 235 of this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

This Draft Prospectus contains 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 (ICDR) Regulations, 2009, as amended. 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.



## **FORWARD LOOKING STATEMENTS**

This Draft Prospectus contains certain forward-looking statements. All statements contained in the 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, objectives, goals and prospects are forward-looking statements. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “is likely to result”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “potential” “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “may”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward looking statements involve known and unknown risks 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.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to the following:

1. Disruption in our manufacturing facilities.
2. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
3. Changes in laws and regulations relating to the industries in which we operate;
4. Exchange rate fluctuations;
5. Loss of one or more significant customers
6. Disruption in supply or increase in prices of Raw Materials.
7. Occurrence of Environmental Problems & Uninsured Losses.
8. Increased competition in industries/sector in which we operate
9. Our ability to successfully implement our growth strategy and expansion plans;
10. Our ability to meet our capital expenditure requirements;
11. Fluctuations in operating costs;
12. Our ability to attract and retain qualified personnel;
13. Changes in technology;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties; and
17. The performance of the financial markets in India and globally; and
18. Any adverse outcome in the legal proceedings in which we are involved.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” & “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 15, 109 & 235 respectively of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of this Draft Prospectus. Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



## **SECTION II: RISK FACTORS**

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 179, 109, and 235 respectively of this Draft Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and 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, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

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

### **Note:**

*The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 15 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 235 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Indian Accounting Standards.*

### **INTERNAL RISK FACTORS**

- 1. Our Company, Promoter, Directors and Group Companies are involved in a number of legal proceedings which are pending at different stages before the Judicial / Statutory authorities. Any rulings by such authorities against our Company, Promoter and Director may have an adverse material impact on our operations and financial condition.*

*Our Company, Promoter, Directors and Group Companies are involved in a number of legal proceedings. These proceedings are*



pending at different levels of adjudication before various enquiry officers, courts, tribunals and appellate authorities etc. A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

**Litigation involving Our Company:-**

**A. Cases filed against our Company**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Criminal Case	1	Unascertainable
Notice Under Direct Tax	3	12.22
Notice Under Indirect Tax	-	-
Others	4	Unascertainable

**B. Cases filed by Our Company**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Indirect Tax	1	4.17(along with interest)
Others	1	Unascertainable

**Litigation involving our Director:-**

**A. Cases filed by our Director**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Indirect Tax Liability	1	Unascertainable

**Litigation involving our Promoters:-**

**A. Cases filed against our Promoter**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Notice under Direct Tax	2	Unascertainable

**Litigation involving our Group Companies:-**

**A. Cases filed against our Group Companies**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Notice Under Direct Tax	3	Unascertainable

**B. Cases filed by our Group Companies**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Direct Tax Liabilities	3	257.28
Indirect Tax Liabilities	10	50.99
Others	1	1.48

*Note: All amounts mentioned above are approximate.*

We cannot provide any assurance that these matters will be decided in favour of the above mentioned entities or persons. Further, there is no assurance that similar proceedings will not be initiated against the above mentioned entities or persons in the future.

For further details, please refer chapter titled “**Outstanding Litigation and Material Developments**” on page no. 253 of this Draft Prospectus

- We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there is no other



statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

Our Company has made applications to regulatory authorities for grant of the following Government / statutory approvals and licenses but the same has not been issued to us till date:-

Sr. No.	Nature of Registration / License	Date of Application	Issuing Authority	Purpose/ Plants/offices for which said licenses is applied for
1	Renewal of Onsite Emergency Plan	October 14, 2015	Industrial Health and Safety, Indore	Factory
2	Confirmation for inspection of Boiler	February 18, 2016	Director of Boilers	Boiler No. MP/4754, installed in Factory

*Note: The Company has made applications for various licenses and approvals to requisite authorities, as more specifically provided in the aforesaid table. In respect of the same, the Company has made several attempts to follow-up on the pending licenses with the concerned issuing authorities. Accordingly the grant of such approvals is in various stages of processing.*

If we fail to obtain any of the aforesaid licenses, approvals or permissions, our ability to carry on business may be affected and our Company and our officials may be subject to fines and penalties under the relevant laws. Consequently, our turnover and profitability may be adversely affected.

Also, our Company is in the process of making application for change in name on our permits, licenses and approvals upon conversion of our Company from private limited to public limited Company. Further, we are yet to apply for registration under Employee State Insurance Act, 1948 for employees working at our Registered Office. For details regarding pending approvals, please refer to section titled “**Government and Other Approvals**” beginning on page 268 of the Draft Prospectus.

**3. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.**

Our Company is primarily engaged in manufacturing business which attracts tax liability such as Excise, Sales tax and Value added Tax as per the applicable provision of Central Excise Act, Central Sales Tax Act and Madhya Pradesh Value Added Tax Act. However the Company has deposited the returns under above applicable Acts but any demand or penalty raised by concerned authority in future for any previous year or current year will affect the financial position of the Company.

**4. Our business may be adversely affected by severe weather conditions and during the seasons.**

Our business operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services and it may result in damage to a portion of our production of soya related products resulting in the suspension of operations which will generally reduce our productivity of wide range of soyabean products, offering refined Soyabean oil, Indian soyabean meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins (Soya Bari). Our operations are also adversely affected by difficult working conditions and extremely heavy rains during monsoon, which restrict our ability to carry on processing activities and fully utilize our resources. Some of our business segments are seasonal, therefore our revenues and profitability may vary significantly from quarter to quarter.

**5. Substantial portion of our revenues has been dependent upon few customers. The loss of any one or more of our major customer would have a material adverse effect on our business operations and profitability.**

For the half year ended on September 30, 2015, and year ended on March 31, 2015 more than 50% of our revenues was generated from our top 10 customers. The loss of our major customers/or reduction of orders from any of our key customers’ sales or a decrease in the volume of sales, any material delay, cancellation or reduction of orders from any of our key customers may adversely affect our revenues and profitability. Further, we have not entered into any long-term agreements with our





Customers, thus, we cannot assure you that we will be able to generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our operations and profitability.


- 6. *Our financial conditions could be affected if any of the customers of the Company does not honor the payment terms, makes any delay or default in the outstanding payments. Also, delays or defaults in client payments could adversely affect our operations***


Our Company derives a significant portion of income from a limited number of customers. The total sales derived from our Company's top 10 customers is Rs 99.16 crores and Rs 590.04 crores which are approximately 56.40% and 69.48% respectively of our total sales for the half year ended September 30, 2015 and year ended March 31, 2015. Thus, 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. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.


Further, we may be subject to working capital risks due to delays or defaults in payment by customer, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the stipulated time to our customers may affect our payment schedule and business image. Therefore any defaults/delays by our customer in meeting their payment obligations to us may have a material adverse effect on our business, financial condition and results of operations.

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

Presently we have only one manufacturing facility which is located at Ujjain(M.P.) Any local, social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of our operations. Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our manufacturing facilities for a significant period of time, it would have a material adverse effect on our business, results of operations and financial condition. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our manufacturing facilities may push our manpower costs higher, which may reduce our margin and cost competitiveness.

- 8. *We have applied for registration of our trademark  but the status of same is objected as on date. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

***Also, our logo  is not registered under the provisions of the Trademarks Act, 1999 and we are in the process of seeking registration of trademark of our logo. There is no assurance that this application shall result in us being granted registration in a timely manner. Failure to protect our intellectual property may adversely affect our reputation, goodwill and business operations***

We have applied for registration of our trademark  under the provisions of the Trademarks Act, 1999 and the status of the application is objected. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We



may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.



Also, our corporate logo is not registered under the provisions of the Trademarks Act, 1999. However, we are in the process of making an application for the registration of the trademark of our logo. Further, since it is not registered 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. Maintaining the reputation of our brands, corporate name, logo and the goodwill associated with these trademarks is critical to our success. Substantial erosion in the value of our brand names could have a material adverse effect on our business, financial condition, results of operations and prospects. For further details please refer to section titled **“Government and Other Approvals”** on page no. 268 of this Draft Prospectus.

**9. Our Contingent Liability and Commitments could affect our financial position.**

As on 30<sup>th</sup> September, 2015, we had Contingent Liability of Rs. 10.32 crores and commitments of Rs. 9.46 crores which have not been provided in our financial statements and which could affect our financial position. Details of Contingent Liabilities and commitments are as follows:-

Particulars	Amount (in Rs.)
<b>Contingent Liabilities:</b>	
EPCG Licence benefit in the event of default of Export Obligation	103,232,043/-
<b>Commitments:</b>	
Estimated amount of contract remaining to be executed on Capital account (Net of Advance of Rs. 5,55,14,835)	9,46,48,066/-

For further details on the same please refer section **“Financial Information of the Company”** beginning on page no. 179 of Draft Prospectus.

**10. Any discontinuance or non-availability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business, financial position, profitability and results of operations.**

The Government of India has provided for various fiscal incentives including concessions on duty imports under the Export Promotion Capital Goods Scheme (**“EPCG Scheme”**). Our Company also enjoys certain incentives under the EPCG Scheme for our manufacturing facilities. The EPCG Scheme allows imports at concession rates of customs duty and requires the importer to export a specified quantity of goods over a period of six/eight/twelve years and to maintain an average export performance per year. The outstanding export obligation of our Company under the EPCG Scheme as on date of Draft Prospectus is \$11,047,563.38/-. Though in the past we have not been penalised for non-fulfilment of the export obligations under the EPCG Scheme; there can be no assurance that we would be able to meet the export obligations at all times in the future and any such failure could expose us to penal liabilities. In the event we are in default of the EPCG Scheme and the incentives provided therein are withdrawn by the Government of India, it could have a material adverse effect on our business, financial position, profitability and results of operation.

Further, we may be penalized for our failure to comply with such export obligations in a timely manner or at all. For further information please refer to the section titled **“Government and Other Approvals”** on page 268 of this Draft Prospectus.

**11. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.**

Our Company has not complied with the provisions of Section 211 of Companies Act, 1956, Section 129 of the Companies Act, 2013 and Accounting Standard - 17(Segment Reporting) and AS-18 (Related Party Transactions) in the past. However, now the Company has made necessary compliance in accordance with the applicable Accounting Standards and laws in the re-stated financial statements of the Company.



Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned Registrar of Companies in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be adversely affected.

For further details on the same please refer section **“Financial Information of the Company”** beginning on page no. 179 of Draft Prospectus.

**12. Our Company has taken unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.**

As on January 31, 2016, our Company has outstanding unsecured loans aggregating to ₹ 752.26 lacs from our Group Company namely Mahaveer Trading Private Limited and other viz. Anant Commodities Private Limited which are repayable on demand. However, as on date we have not entered into any understanding or formal agreement with them in respect of their lending to the Company. If the loan is recalled on a short notice, our Company may have to, on an urgent basis arrange for equivalent funds to fulfil the necessary requirements. Inability of our Company to do so may require creating a security for such loan. The occurrence of these events may have an adverse effect on our cash flow and financial conditions. For more details regarding the loan, please refer the chapter titled **“Financial Information of the Company”** beginning on page 179 of this Draft Prospectus.

**13. Our Corporate Promoter and Group Companies namely Suraj Impex (India) Private Limited and Suraj Agri Business Pte. Ltd. are partly engaged in the line of business similar to Our Company. There are no non - compete agreements between our Company and Group Companies/ Promoter Group Entities. We cannot assure that our Promoter will not favour the interests of such Group Companies/ Promoter Group Entities over our interest or that the said entities will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.**

Our Corporate Promoter Excel Agri Business Private Limited and our Group Companies Suraj Impex (India) Private Limited and Suraj Agri Business Pte. Ltd are partly engaged in the similar line of business as of our Company. Further, we have not entered into any non-compete agreement with any of our said entities. We cannot assure that our Promoter who has common interest in said entities will not favour 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 diverge. In cases of conflict, our Promoter may favour other entities in which our Promoter has interests. There can be no assurance that our Promoter 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. Our Promoter, Mr. Vinod Kumar Jain is also on the Board of our Group Companies. For the details of his directorship in other Companies, please refer chapter titled **“Our Management”** beginning on the page 147 of this Draft Prospectus. 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 **“Common Pursuits/ Conflict of Interest”** on page 165 and 176 of this Draft Prospectus.

**14. Our Promoters, Group Companies and Directors have given personal guarantees in relation to borrowings made by the Company from Union Bank of India, Punjab National Bank, Central Bank of India and IDBI Bank. In the event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter’s, Director’s ability to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations.**

Our Company has availed Credit facilities from Union Bank of India Limited, Punjab National Bank Limited, Central Bank of India Limited and IDBI Bank Limited which is currently outstanding on January 31<sup>st</sup>, 2016 at ₹ 187.10 Crores. Basic terms and conditions of the said facility stipulate that the facility shall be secured by personal guarantee of our Promoters, Group Companies and Directors namely:-

S. No.	Name of Bank/Financial Institution	Personal/ Corporate Guarantors
1	Union Bank of India Limited	Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas, Mr. Mahendra Lakhichand Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Pvt. Ltd.



2	Punjab National Bank Limited	Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas, Mr. Mahendra Lakhichand Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Pvt. Ltd.
3.	Central Bank of India Limited	Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas, Mr. Mahendra Lakhichand Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Pvt. Ltd.
4.	IDBI Bank Limited	Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas, Mr. Mahendra Lakhichand Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd.

In event of default on the debt obligations, the security or personal guarantees may be invoked thereby adversely affecting the ability of our Promoters and Directors to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations of the Company.

For further details in this regard, please refer to section titled “*Statement of Financial Indebtedness*” on page 230 of the Draft Prospectus.

**15. We do not own the registered office from which we operate, which is owned by our Group Company. Any dispute in relation to lease of our premises would have a material adverse effect on our business and results of operations.**

We do not own the registered office from which we operate. The said office is taken on lease from our Corporate Promoter Excel Agri Business Private Limited vide Lease deed dated June 27, 2015 for a period of 59 months ending on March 28, 2020. In case of non renewal or termination of such lease deed or renewal on such terms and conditions that are unfavourable to our Company, we may suffer disruption in our Operations which may adversely affect our financial conditions. For further details regarding our registered office, please refer to the Section titled “*Our Business*” on page 109 of this Draft Prospectus.

The Registered Office of our Company, our Corporate Promoter, Excel Agri Business Private Limited and our Group Companies namely Suraj Impex (India) Private Limited and Max Realmart Private Limited is common. There is no formal agreement between our Company and our Group Companies for occupying the office space. Any dispute arising in future may affect our business relation and our results of operation.

Any failure to renew the said agreement could force us to procure new premises, including substantial time and cost of relocation or procure new premises. In addition, we may not be able to identify satisfactory new premises or may have to incur substantial additional costs towards those premises. Any of the aforesaid could have a material adverse effect on our business, results of operation and financial condition.

**16. Our industry is facing challenges primarily on account of stiff competition from World Markets, due to which our Company has witnessed downfall in total revenue from operations and profitability in the half year ended 30<sup>th</sup> September 2015.**

Our total revenue from operations for the half year ended on September 30, 2015 stood to Rs. 176.54 crores and net profit after tax of Rs. 1.35 crores. However, in the previous full financial year 2014-15, total revenue from operations and net profit after tax were Rs. 850.42 crores and Rs. 6.80 crores respectively (*figures as per Restated Financial Statements*).

Main reasons for decline in soyabean market as mentioned in the *Solvent Extractors’ Association of India report no. EC 180/2015-16 dated 4th December, 2015* are:-

- High price of soybean in domestic market v/s lower realization for meal and oil resulted in to drastic fall in crushing and export of soybean meal.
- The export to Japan, Iran, Thailand, Indonesia, Taiwan and Vietnam drastically reduced due to disparity in export in these regions against severe competition from other origins including China and Argentina.
- India lost Vietnam market for soybean meal due to stiff competition from other origins and increased availability from domestic crushing of imported soybean.
- On wake of lifting sanctions, Iran shifted soybean meal buying from India to another origins. Currently India is out priced by US\$ 100 against other origins in Iranian market.



- Japan was big importer of Indian soybean meal being non GMO, however now started using GM soybean meal and buying from other origins.

*(Source: The Solvent Extractors' Association of India report no. EC 180/2015-16 dated 4th December, 2015)*

If the industry situation does not improve or we are unable to compete effectively with our competitors, we may experience a further decline in revenues and profitability and our business, results of operations and financial condition could be adversely affected.

For details regarding the results of operations, please refer to the chapter titled **“Financial Information of the Company”** beginning on page 179 of this Draft Prospectus.

***17. We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on the results of our operations.***

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of raw materials in area of agribusiness i.e. soyabean, providing credit limit to debtors etc. We may need to borrow additional funds in the future to fulfil our working capital needs. Continued increases in working capital requirements may have an adverse effect on our financial condition and the results of our operations.

***18. We are dependent on our Promoters, directors and key managerial personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.***

Our Promoters, Directors and key managerial personnel collectively have vast experience in the industry and are difficult to replace. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters, Directors, senior management or other key managerial personnel could seriously impair the ability to continue to manage and expand the business efficiently and may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to expand our business.

Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations. For further details of our Directors and key managerial personnel, please refer to Section **“Our Management”** on page 147 of this Draft Prospectus.

***19. We have not identified any alternate source of raising the working capital mentioned as our ‘Objects of the Issue’. The deployment of funds is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”. Any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding for our working capital requirement and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company.

For further details of our working capital requirement, please refer chapter titled **“Object for the Issue”** beginning on page 80 of this Draft Prospectus.

***20. Our company has not carried out any independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate or the assumptions we have taken prove to be not correct, we may be required to raise additional debt on terms that may not be totally favorable to us.***





Our working capital requirements have been assessed based on the management's estimates and the same have not been independently appraised or evaluated by any bank or financial institution. Further, the estimates of our working capital requirement are totally based on the experience of our management and Promoter. We cannot assure that these estimates may be accurate. If these estimates prove to be wrong, we may be required to raise additional debt, on terms that may not be totally favorable to our Company, which may in turn adversely affect our profitability.

For further details please refer Chapter titled ***"Objects of the Issue"*** on page 80 of Draft Prospectus

***21. Our operations will have significant raw material requirements, and we may not be able to ensure the availability of the raw materials at competitive prices, which may adversely affect results of our operations. Also, increased cost of raw materials for inventory and, in particular, of Soyabean Seeds may affect our business and results of operations***

The success of our operations will depend on, inter-alia, our ability to source raw materials at competitive prices. Currently, we have not entered into any firm arrangement for purchase of our raw material. Our raw material consumption for the half year ended 30<sup>th</sup> September 2015 and year ended 31<sup>st</sup> March 2015 were Rs. 102.63 crores and 429.84 crores respectively which were 58.13% and 50.54% of our total revenue for both the respective years. Historically, we have not encountered any problems in sourcing our raw materials. However, we cannot assure you about the same in future and that we may be unable to procure raw material in time or in the required quantities or may have to procure it at a higher price, which may adversely affect our results of operations and financial performance.

The principal raw material used by us in manufacturing of soyabean products are soyabean seeds. The prices and supply of raw materials may depend on factors beyond our control, including economic conditions, crop season, competition, consumer demand, production levels and transportation costs. In the event that any of our suppliers of raw materials curtail, discontinue or delay their delivery of raw materials to us, we will be required to replace such suppliers. There can be no assurance that we will be able to replace such suppliers on commercially acceptable terms, or at all, which could adversely affect our production schedule, volumes and results of our operations. Further, if we are unable to pass such increased costs to our customers, this could have a material adverse effect on our financials, business and results of operations.

***22. We have not made any provision for decline in value of Investment made by us.***

Our Company has made investment in Mutual Funds amounting to Rs. 1,000,000/-. We have not made any provision for the increase or decrease in the value of Mutual Funds, if provision is made in future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may impact our results of operations and financial conditions.

***23. We have not entered into any long-term agreements with our suppliers for raw materials and accordingly may face disruptions in supply from our current suppliers.***

We generally do not enter into long-term agreements with our raw material suppliers. 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 materials or third party manufacturers of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier or a third party service provider is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices.

***24. We are highly dependent on smooth supply and transportation and timely delivery of our products from our manufacturing facility to our customers. Various uncertainties and delays or non delivery of our products will affect our sales.***

We depend on transportation services to deliver our products from our manufacturing facility to our customers. We rely on third parties to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers which in turn may adversely affect our business operations and our financial condition.



**25. Our cash flow from our Operating, investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last five financial years and half year ended September 30, 2015 based on standalone restated financial statements are as follow:-**

Particulars	For the year ended (Amt. in Rs)					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>Net Cash from Operating Activities</b>	441,947,050	619,829,566	521,240,003	(385,570,340)	198,744,878	(436,668,486)
<b>Net Cash from Investing Activities</b>	(66,668,356)	(265,950,386)	(113,364,784)	(262,528,265)	(328,455,696)	(56,181,673)
<b>Net Cash from Financing Activities</b>	(260,796,435)	(518,694,528)	(277,438,768)	502,232,807	373,682,673	413,959,325

For details, please see the Chapters titled **“Financial Information of the Company”** on page 179 of this Draft Prospectus.

Any net negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

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

Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and Group Companies. These transactions, inter-alia includes sale/purchase of goods, payment for services received/rendered, remuneration, loans and advances etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse affect on results of our operations. For details please refer to **“Annexure R”** on **“Related Party Transactions”** of the Auditor’s Report under Section titled **“Financial Information of the Company”** beginning on page 179 of this Draft Prospectus.

**27. We are subject to certain restrictive covenants of banks in respect of the Cash Credit Limit and Loan and other banking facilities availed from them.**

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things such as major changes in share capital, changes in fixed assets and creation of any other charge, formulate any scheme of amalgamation, substantial change in management of the company, extending finance to associate concerns etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Cash Credit Limit and other banking facilities, please see **“Statement of Financial Indebtedness”** on page 230 of the Draft Prospectus.

**28. In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.**

As on January 31, 2016 our Company’s total indebtedness is ₹ 194.62 crores. In addition to the indebtedness for our existing operations, we may require further indebtedness during the course of business. There can be no guarantee that we will be able to



obtain the new facilities at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Also we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may cause delays leading to loss of reputation, levy of liquidated damages and an adverse effect on the cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements which may be entered into with our lenders could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled **“Statement of Financial Indebtedness”** on page 230 of this Draft Prospectus.

***29. The deployment of funds raised vide the offer will be entirely at our discretion and as per the details mentioned in the Chapter titled “Objects of the Issue”. The delay, if any, in the implementation or utilization of funds raised in the public issue may affect our operation and results.***

Our funding requirements and the deployment of the Net Issue proceeds are based on estimates of our Management and Promoters, these estimates have not been appraised by any bank or financial institution. We cannot assure that these estimates are accurate. Further, the deployment of the funds towards the **“Objects of the Issue”** will be entirely at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. However, the deployment of funds will be subject to monitoring by our audit committee.

Further, the proposed schedule may be delayed by any reason whatsoever, including any delay in completion of the Issue. As we have not identified any alternate source of finance for the **“Object of the Issue”**, if the schedule of implementation is delayed, we may have to revise our working capital limits resulting in unprecedented financial mismatch and this may affect our revenues and results of operations.

For further information, please refer the chapter titled **“Object of the Issue”** beginning on page 80 of the Draft Prospectus

***30. Our business operations may be materially & adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Although we have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment.

Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations.

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

Modernization and technology upgradation 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 technology sufficient to our business operations 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 Soyabean industry, 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.

**32. *Our Company exports its products in Asian & other countries and also covered under the Import and Export policy.***

The Company is exporting its Products to Asian & other countries which are covered under Foreign Trade (Development and Regulation) Act, 1992 and the authority has enforced various types of legal frameworks in terms of different Acts and policies. Any failure to fulfill to comply with these exports policy will result in obligation on our Company and will adversely impact our prospective Exports Sales and financial position of the Company.

**33. *We derive a significant portion of our revenues from exports and are exposed to foreign currency fluctuations. In case we are unable to effectively mitigate any adverse impact of foreign currency fluctuations, it may adversely affect our business, financial condition and results of operations.***

A significant portion of our revenues are derived by exporting our products to Asian and other foreign countries. For the six months period ended September 30, 2015, 18.86% of our revenue from operations was from exports, while 81.84% was contributed by the Indian market. While depreciation of the Rupee against the U.S. Dollar and other foreign currencies increases the Rupee value of such revenues, an appreciation of the Rupee, particularly with respect to the U.S. Dollar, decreases the Rupee value of our revenues. Further, as on date, we have not entered into any hedging transactions for managing the risk of foreign currency movements. Therefore, in the event there is sustained appreciation in the Rupee, our revenues in Rupee terms will be adversely affected although there may not be a fall in sales in actual terms. Further, as on date, we have not entered into any hedging transactions for managing the risk of foreign currency movements, and if we are unable to effectively mitigate any adverse impact of foreign currency fluctuations, it may adversely affect our business, financial condition and results of operations.”

**34. *Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.***

We are insured for a risks associated with our manufacturing business, through policies such as Marine Cargo Open Policy, Machine Breakdown Insurance Policy, Standard Fire and Special Perils Insurance Policy etc. We believe that we have got our assets adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

Our policy of covering these risks through insurance may not always be effective or adequate. Failure to effectively cover ourselves against the associated risks for any of these reasons including other unforeseen circumstances could expose us to substantial costs and potentially lead to material losses. Faults in designing and installation might also require repair work, which may not be foreseen or covered by our insurance. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us which may materially affect our Company. For details on insurance policies taken by our Company please refer page 109 in chapter titled “***Our Business***” of Draft Prospectus.

**35. *Our Promoter, together with our Promoter Group will continue to retain majority shareholding in our Company after the Offer, which will allow them to exercise significant control over us. We cannot assure you that our Promoter and Promoter Group will always act in the best interests of the Company or you.***

The majority of our issued and outstanding Equity Shares are currently beneficially owned by the Promoter and the Promoter Group. Upon completion of the Offer, the Promoter and Promoter Group will own 1,52,32,125 Equity Shares, or 64.34% of our post-issue Equity Share capital, assuming full subscription of the Offer. Accordingly, the Promoter and the Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders approval, including the composition of the Board of Directors, the adoption of amendments to our constitutional documents, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoter and Promoter Group as the Company’s controlling shareholders could conflict with the Company’s



interests or the interests of its other shareholders. We cannot assure you that the Promoter and Promoter Group will act to resolve any conflicts of interest in the Company's or your favour.

***36. We do not have a track record for payment of dividend on Equity Shares.***

We have not declared and hence not paid any dividend on our Equity Shares since inception as we had been deliberately pursuing the policy of ploughing back our profits to fund our expansion plans. The future payment of dividends, if any, would be based on the then available distributable profits and the recommendations of our Board of Directors.

***37. We may not be able to sustain effective implementation of our business and growth strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook.

***38. We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realisation of the price for our product, which may adversely affect our business operation and financial condition.***

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, distribution network, pricing and timely delivery. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offer their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

***39. Quality concerns could adversely impact our business.***

The business of our Company is dependent on the trust of our customers they are having in the quality of our product. Any goods sold by us to our customers, which do not comply with the quality specifications or standards prevalent in the business or market segment, may result in customer dissatisfaction, which may have an adverse effect on our sales and profitability. For details relating to litigation cases on quality of products of our Company, please refer to Chapter titled "***Outstanding Litigations & Material Developments***" beginning on page 253 of this Draft Prospectus.

***40. Our inability to maintain an optimal inventory level required for our business may impact our operations adversely.***

Our daily operations largely dependent on consistent inventory control which is generally dependent on our projected sales in different months of the year. It also largely depends on the demand forecast of the soyabean products industry. An optimal level of inventory is very important for our business as it allows us to respond to customer demand effectively. Any over-stock of inventory, will require additional working capital will increase the cost of carrying the inventory and any under-stock inventory, will hamper our ability to meet consumer demand and this will adversely affect our operating results. Any mismatch between our planning and the actual off take by customers can impact us adversely.

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

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

***42. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***





We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

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

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

***44. The requirements of being a listed company may strain our resources.***

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulations, 2015 which will require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of the Company.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

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

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoter or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the sub-section titled "**Notes to the Capital Structure**" under the section titled "**Capital Structure**" beginning on page 60 of the Draft Prospectus. The future issuance or sale of the equity shares of our company by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

***46. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.***





Our Equity Shares will be listed on the SME Platform of BSE Ltd. As per the SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, we are required to list our Equity Shares within 6 working days of the Issue Closing Date. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat," accounts with depository participants in India are expected to be credited within one working days of the date on which the basis of allotment is approved by the Indian Stock Exchanges. Thereafter, upon receipt of final approval from the Indian Stock Exchange, trading in the Equity Shares is expected to commence within two working days of the date on which the basis of allotment is approved by the designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

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

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges which will not allow transactions beyond certain volatility in the price of the Equity Shares. Circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the Securities and Exchange Board of India, or SEBI, on Indian Stock Exchanges. The percentage limit for the circuit breaker is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares and is set by the Stock Exchanges based on the market-wide index variation of 10%, 15% and 20% based on the previous day's closing level of the relevant index. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

***48. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue price or at all. Also, there is no existing market for our Equity Shares and we cannot assure you that such a market will develop.***

Prior to the Issue, there has not been a public market for our Equity Shares. 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. Even though a Market Maker has been appointed for our stock, since there has been no public market for our Company's Equity Shares, an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. If an active market does not develop, you may experience difficulty selling our 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 Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to:

- Volatility in the Indian and Global economy
- Company's result and performance
- Performance of competitors.
- Significant development with respect to the fiscal, political and financial condition in the economy.

The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue

**EXTERNAL RISK FACTORS**

***49. Our business is dependent on the health of Indian as well as overall World Economy.***

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



economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy or Global recession could harm our business, financial condition and results of operations.

***50. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

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

Terrorist attacks, civil unrest 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. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, such as the attacks in Mumbai in November 2008 and in July 2011, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

***52. If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.***

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, the prices of raw materials required for manufacturing of our products are subject to increase due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be materially and adversely affected.

***53. There can be no assurance that Our Company's securities will continue to be listed on the Stock Exchanges.***

Pursuant to the listing of our Equity Shares on the Stock Exchanges, we will be required to comply with certain regulations and/or guidelines as prescribed by SEBI and the Stock Exchanges. However, in the event that we fail to comply with any of the aforesaid regulations and/or guidelines, there can be no assurance that our Equity Shares will continue to be listed on the Stock Exchanges.

***54. Any changes in regulations or applicable government incentives would materially affect our operations and growth prospects.***

We are subject to various regulations and policies. For details see section titled "**Key Industry Regulations and Policies**" beginning on page 131 of the Draft Prospectus. Our business could be materially 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 we 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 would have a material adverse effect on our business, financial condition and results of operations.

***55. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.***

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support



continued economic liberalization. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments affecting India.

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

India's physical infrastructure is less developed than that of many developed countries. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations and financial condition.

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

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

***58. If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

***59. 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 come into effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offering documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in futures trading. Further, the Companies Act, 2013 imposes greater monetary and other liability on us and our directors for any non-compliance.

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



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

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

- The GoI has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.
- Further, the General Anti Avoidance Rules (“GAAR”) are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

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

**61. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors’ assessment of our financial condition.**

The financial data included in this Draft Prospectus has been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP and IFRS. We have not attempted to explain those differences 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. 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 on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

**62. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.**

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by circulars dated April 22, 2009 and May 4, 2010. Additionally, any person who seeks to convert Indian Rupee proceeds from such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or tax clearance certificate from the Indian income tax authorities. The RBI is required to approve the price at which the Equity Shares are transferred based on a specified formula and a higher price per share may not be permitted. The approval from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

**63. Political, economic and social developments in India could adversely affect our business.**



The Central and State Governments serve multiple roles in the Indian economy, including as producers, consumers and regulators, which have significant influence on the manufacturing industry and us. Economic liberalization policies have encouraged private investment in various sectors, and changes in these governmental policies could have a significant impact on the business and economic conditions in India in general and the manufacturing sector in particular, which in turn could adversely affect our business, future financial condition and results of operations. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

**64. Investor's may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.**

Capital gains arising from the sale of shares are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which shares are sold. Any gain realized on the sale of shares and/or held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a 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 jurisdictions on gains arising from a sale of the shares, as the case may be.

**Prominent Notes:**

1. Public Issue Of 63,04,000 Equity Shares of Face Value of ₹ 10/- each of Avi Agri Business Limited ("AABL" or "Our Company" or "The Issuer") for Cash at a Price of ₹ 15/- Per Equity Share (Including a Share Premium of ₹ 5/- per Equity Share) ("Issue Price") aggregating to ₹ 945.60 Lacs, of which 3,20,000 Equity Shares of Face Value of ₹10/- each at a price of ₹15/- aggregating to ₹48.00 Lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 59, 84,000 Equity Shares of Face Value of ₹ 10/- each at a price of ₹15/- aggregating to ₹897.60 Lacs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 26.63% and 25.28% respectively of the Post Issue paid up Equity Share Capital of Our Company.
2. This Issue is being made for at least 25 % of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue '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 other than retail individual investors;
  - 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.*
3. The Net worth of our Company as on September. 30<sup>th</sup>, 2015 and March 31<sup>st</sup>, 2015 was ₹ 64.99 crores and ₹ 63.64 crores respectively. For more information, see the section titled "**Auditor's Report on Restated Financial Statements**" beginning on page 179 of this Draft Prospectus.
4. The NAV / Book Value per Equity Share, based on Standalone Restated Financials of our Company as on September. 30<sup>th</sup>, 2015 and March 31<sup>st</sup>, 2015 was ₹ 37.42 and ₹ 36.64 per equity share respectively. For more information, see the section titled "**Auditor's Report on Restated Financial Statements**" beginning on page 179 of this Draft Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoters are set out below:

Name of our Promoter	Number of Equity Shares	Average Cost of Acquisition
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	Held	(Rs)
Mr. Vinod Kumar Jain	3,75,000	13.33/-
Excel Agri Business Private Limited	79,84,380	15.44/-

*As certified by our Statutory Auditor vide their certificate dated February 25, 2016. For Further details, please refer to “Capital Structure” on page 60 of this Draft Prospectus.*

6. We have entered into various related party transactions with related parties including our Promoter Group Entities and Group Companies for the period ended September 30<sup>th</sup>, 2015 and March 31<sup>st</sup>, 2015. For nature of transactions and other details as regard to related party transactions section titled “**Financial Statements - Annexure R - Statement of Related Parties Transactions, as Restated**” on page 224 of this Draft Prospectus.
7. No Group Company have any business or other interest in our Company, except as stated in section titled “**Financial Statements - Annexure R - Statement of Related Parties Transactions, as Restated**” on page 224 and “**Our Promoter and Promoter Group**” and “**Our Group Companies**” on page 161 and 169 respectively and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was originally incorporated as “**Avi Agri Business Private Limited**” on March 23, 2009 under the provisions of Companies Act, 1956 with Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior, vide registration no. 021753 (CIN: U15311MP2009PTC021753). Our Company was converted into a Public Limited Company pursuant to Shareholders’ Resolution passed at the Extra Ordinary General Meeting of the members of the Company held on January 23, 2016 and the name of our Company was changed from “**Avi Agri Business Private Limited**” to “**Avi Agri Business Limited**” vide a fresh Certificate of Incorporation dated February 10, 2016 issued by the Registrar of Companies, Madhya Pradesh, Gwalior.

The Corporate Identification Number of our Company is U15311MP2009PLC021753.

For details of change in our name and registered office, please refer to Section titled “**History and Certain Corporate Matters**” on page 143 of this Draft Prospectus.

9. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.
10. Our Company, Promoters, Directors, Promoter Group, Group Companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 86 of this Draft Prospectus.
12. The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited 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.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 335 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our company 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 and to the interest as disclosed in this Draft Prospectus. For further details please see the chapter titled ***“Our Management”*** beginning at page 147, chapter titled ***“Our Promoter and Promoter Group”*** and ***“Our Group Companies”*** beginning at page 161 and 169 respectively , and chapter titled ***“Financial Information of the Company”*** beginning at page 179 of this Draft Prospectus.

16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see ***“Financial Information of the Company”*** beginning on page 179 of this Draft Prospectus.
17. Trading in the Equity Shares for all investors shall be in dematerialised form only.
18. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, Key Managerial Personnel or Group Companies.
19. For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled ***“History and Other Corporate Matters”*** beginning on page 143 of this Draft Prospectus.



## **SECTION – III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

*This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Prospectus, including the information contained in the chapter titled “**Risk Factors**” and “**Auditor’s Report on Standalone Restated Financial Statements**” and related notes beginning on page 15 and 179 of the Draft Prospectus before deciding to invest in our Equity Shares.*

#### **Global Economy Outlook**

Global growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging market and developing economies.

In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. The projected pickup in growth in the next two years despite the ongoing slowdown in China primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks.

Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China’s rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed.

(Source: <http://www.imf.org/external/pubs/ft/weo/2016/update/01/pdf/0116.pdf>)

#### **Indian Economy Outlook**

##### ***Introduction***

India is set to emerge as the world’s fastest-growing major economy by 2015 ahead of China, as per the recent report by The World Bank. India’s Gross Domestic Product (GDP) is expected to grow at 7.5 per cent in FY 2015-16, as per the report.

The improvement in India’s economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI’s inflation focus supported by benign global commodity prices.

##### ***Market size***

According to IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5 per cent in 2016.

India’s economy has witnessed a significant economic growth in the recent past, growing by 7.3 per cent in FY2015 as against 6.9 per cent in FY2014. The size of the Indian economy is estimated to be at Rs 129.57 trillion (US\$ 2.01 trillion) for the year 2014 compared to Rs 118.23 trillion (US\$ 1.84 trillion) in 2013.

The steps taken by the government in recent times have shown positive results as India’s gross domestic product (GDP) at factor cost at constant (2011-12) prices 2014-15 is Rs 106.4 trillion (US\$ 1.596 trillion), as against Rs 99.21 trillion (US\$ 1.488 trillion) in 2013-14, registering a growth rate of 7.3 per cent. The economic activities which witnessed significant growth were ‘financing, insurance, real estate and business services’ at 11.5 per cent and ‘trade, hotels, transport, communication services’ at 10.7 per cent.

According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms.



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

## **Indian Food Processing Industry**

### ***Introduction***

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

Accounting for about 32 per cent of the country's total food market, the food processing industry is one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. The total food production in India is likely to double in the next 10 years with the country's domestic food market estimated to reach US\$ 258 billion by 2015.

The Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licences and 100 per cent export oriented units.

(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)

### ***Market Size***

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. It is projected to grow at the rate of 104 per cent, touching US\$ 482 billion by 2020.

The Indian food processing industry accounts for 32 per cent of the country's total food market, 14 per cent of manufacturing Gross Domestic Product (GDP), 13 per cent of India's exports and six per cent of total industrial investment. Indian food service industry is expected to reach US\$ 78 billion by 2018. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. It is expected to cross US\$ 2.8 billion by 2015.

The online food ordering business in India is in its nascent stage, but witnessing exponential growth. The organised food business in India is worth US\$ 48 billion, of which food delivery is valued at US\$ 15 billion. With online food delivery players like FoodPanda, Zomato, Tiny Owl and Swiggy building scale through partnerships, the organised food business has a huge potential and a promising future.

(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)

## **Global Oil crops and Solvent Extraction Scenario**

The current outlook for the 2015/16 marketing season points to further improvement in the global supply and demand balance for oilseeds and oilmeals, while that of oils/fats could tighten. Oilseed production in 2015/16 is forecast to trail behind last season's record level on account of lower rapeseed, soybean and cottonseed outputs. Soy production could decrease slightly in both the United States and South America as yields drop from last season's unprecedented high level. Regarding rapeseed, adverse weather conditions compromised production prospects in the world's two leading producers, the EU and Canada, while global cottonseed output is expected to decrease on reduced plantings. Output from oil palms could grow at a belowaverage rate, due to unfavourable weather. While 2015/16 crop projections foreshadow stagnation of oils/fats production, global oils/fats consumption is forecast to expand further, possibly requiring some downsizing of inventories. For meals/cakes, a small surplus in global production relative to demand could push global inventories beyond last season's record level. Based on current forecasts, a year-on-year drop in the stock-to-use ratio for oils/fats seems likely, while the stock-to-use ratio for meals/cakes would match last season's exceptionally high level. International trade in oilseeds and derived products is forecast to expand further in 2015/16, albeit less than in recent years. In the case of oils/fats, the anticipated slowdown mainly reflects possible drops in imports by China and India, underpinned by, respectively, large inventories and production gains. Regarding meals/cakes, China, the world's largest buyer of soybeans, may see import growth slow for several reasons, including low soybean processing margins, the availability of large stocks, and the recent depreciation of China's currency.



(Source: [http://www.fao.org/fileadmin/templates/est/COMM\\_MARKETS\\_MONITORING/Oilcrops/Documents/Food\\_outlook\\_oilseeds/Oilcrops\\_October\\_2015.pdf](http://www.fao.org/fileadmin/templates/est/COMM_MARKETS_MONITORING/Oilcrops/Documents/Food_outlook_oilseeds/Oilcrops_October_2015.pdf))



(Source: [http://www.fao.org/fileadmin/templates/est/COMM\\_MARKETS\\_MONITORING/Oilcrops/Documents/Food\\_outlook\\_oilseeds/Oilcrops\\_October\\_2015.pdf](http://www.fao.org/fileadmin/templates/est/COMM_MARKETS_MONITORING/Oilcrops/Documents/Food_outlook_oilseeds/Oilcrops_October_2015.pdf))

### **Overview of Oil Seeds Production**

India is one of the major oilseeds grower and importer of edible oils. India's vegetable oil economy is world's fourth largest after USA, China & Brazil. The oilseed accounts for 13% of the Gross Cropped Area, 3% of the Gross National Product and 10% value of all agricultural commodities. This sector has recorded annual growth rate of area, production and yield @ 2.44%, 5.47% and 2.96% respectively during last decade (1999-2009).

The diverse agro-ecological conditions in the country are favourable for growing 9 annual oilseed crops, which include 7 edible oilseeds (groundnut, rapeseed & mustard, soybean, sunflower, sesame, safflower and niger) and two non-edible oilseeds (castor and linseed). Oilseeds cultivation is undertaken across the country in about 27 million hectares mainly on marginal lands, of which 72% is confined to rainfed farming.

During the last few years, the domestic consumption of edible oils has increased substantially and has touched the level of 18.90 million tonnes in 2011-12 and is likely to increase further. With per capita consumption of vegetable oils at the rate of 16 kg/year/person for a projected population of 1276 million, the total vegetable oils demand is likely to touch 20.4 million tonnes by 2017.

A substantial portion of our requirement of edible oil is met through import of palm oil from Indonesia and Malaysia.

It is, therefore, necessary to exploit domestic resources to maximize production to ensure edible oil security for the country. Oil Palm is comparatively a new crop in India and is the highest vegetable oil yielding perennial crop. With quality planting materials, irrigation and proper management, there is potential of achieving 20-30 MT Fresh Fruit Bunches (FFBs) per ha after attaining the age of 5 years. Therefore, there is an urgent need to intensify efforts for area expansion under oil palm to enhance palm oil production in the country.

Tree Borne Oilseeds (TBOs), like sal, mahua, simarouba, kokum, olive, karanja, jatropha, neem, jojoba, cheura, wild apricot, walnut, tung etc. are cultivated/grown in the country under different agro-climatic conditions in a scattered form in forest and non-forest areas as well as in waste land /deserts/hilly areas. These TBOs are also good source of vegetable oil and therefore need to be supported for cultivation.

(Source: <http://nmoop.gov.in/Introduction.aspx>)



## **SUMMARY OF OUR BUSINESS**

*The following information should be read together with, the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” on page 15, 235 and 179, respectively of this Draft Prospectus.*

### **Overview**

Our Company was started with the potential of soyabean processing by carrying out solvent extraction activities in year 2010 at Chandukhedi, Ujjain, Madhya Pradesh catering to the requirement of Solvent Extraction & Edible oil industry. Since then we added many more range of soyabean products such as refined Soyabean oil, Indian soyabean meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins in our portfolio.

In 2010, our Company succeeded in setting - up of manufacturing plant for carrying out solvent extraction and oil refining activities, with solvent extraction capacity of 600 MT per day and oil refining capacity of 100 MT per day and within a short span of time of around 2 years we enhanced our solvent extract plant to 1400 MT per day and oil refining capacity to 300 MT per day by installing additional solvent extraction plant and oil refining plant.

Our Company has received ISO Certifications from United Kingdom Accreditation Service Management System (UKAS) certifying that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 and ISO 22000:2005 in regards to manufacture and supply of our soyabean products. We have established a well-equipped round the clock laboratory having modern/latest technology and testing equipment with supporting environment and facilities has been established in the plant, to ensure product quality and to meet pre-determined food standards. Our wide range of Soyabean products includes Refined Soyabean Oil, Indian Soyabean Meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins. Soyabean Meal (Hipro & FAQ) produced is meant for cattle feed as well as food grade for human consumption and soya crude oil also sold to industrial food handlers. Our Company is in process of installing Lecithin plant which will produce Soya Lecithin Powder in dry form.

The location of our factory gives us the competitive edge over other players in terms of procurement and availability of raw material. At present, our Company has an Authorized collection centre located at our factory to source soyabean seeds from local farmers, which serves as the major raw material in production of soyabean products.

As of January 31, 2016, our work force consisted of approximately 178 full time employees. We adhere to international best practices standards and are committed in developing products and services where quality assurance is systematic process of checking to see whether a product or service being developed is meeting specified requirements. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology.

Our total revenue (as restated) increased from Rs. 337.69 crores in F.Y 2010-11 to Rs. 850.42 crores in F.Y. 2014-15, representing a CAGR of 20.29%. Our Profit before tax (as restated) increased from Rs. 2.50 crores in F.Y. 2010-11 to Rs. 9.65 crores in F.Y. 2014-15, representing a CAGR of 31.01%.

For details relating to our industry, industry production figures, past trends, future prospects etc., please refer to Chapter titled “**Industry Overview**” beginning on page 97 of this Draft Prospectus.

### **Our Location:**

<b>Registered Office</b>	Saket Tower, 4 <sup>th</sup> Floor, 3A Ratlam Kothi, Indore, Madhya Pradesh – 452-001.
<b>Factory &amp; Warehouse</b>	Village Chandukhedi, 11 <sup>th</sup> Km, Ujjain-Badnagar Road, Tehsil & Dist. Ujjain, Madhya Pradesh- 456222

### **Our Competitive Strengths**

We believe that the following are our primary competitive strength:



**1. Well qualified and experienced Management team:**

Our Promoter, Mr. Vinod Kumar Jain has been actively involved in the business since 1986 and has around 29 years of experience in the agri-commodities industry. He founded Suraj Impex (India) Pvt. Ltd. in 1997 for exporting agriculture products mainly soyabean meal, Grains and Sugar to Asian Countries, which has now built its name in international market, and also holds status of three star export house accredited by Government of India. Our Managing Director Mr. Mahendra Lakhichand Jalori has more than 30 years of experience in solvent extraction and edible oil refinery industry at various levels. Also, our Chairman and Non-Executive Director, Mr. Praveen Kumar Vyas is a Fellow Company Secretary and has overall 30 years of experience in accounts, finance and legal matters. We are also supported with adequate technical and commercial team having relevant experience of the industry and who along with the experience of our promoter help us to achieve the organizational goals. We believe that our management team's experience and their understanding of this industry will enable us to continue to take advantage of both current and future market opportunities.

**2. In-house Manufacturing capabilities:**

At present, our Company has an in house installed capacity of 1400 TPD for carrying out solvent extraction activities and 300 TPD for refining activities, which enables us to stream line inventory management and production process resulting into maintenance of high quality production standards, minimizing production time and bringing cost effectiveness. We believe that our well established in-house integrated manufacturing unit would help us in achieving a high sales growth and an improvement in operating margins.

**3. Consistent and Standardised product quality:**

Our Company has received ISO Certifications from United Kingdom Accreditation Service Management System (UKAS) certifying that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 and ISO 22000:2005 in regards to manufacture and supply of our soyabean products. This certification provides assurance to our domestic as well as overseas customers for the quality and durability of our products. We believe that investment in technology will allow us to provide a higher quality to our customers demanding bulk quantities, allowing us to attract new customers and differentiate ourselves from other competitors.

**4. Wide Range of Products:**

Our Company has wide range of soyabean products, offering refined Soyabean oil, Indian soyabean meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins (Soya Bari/Granules). We believe that our product portfolio allow our customers to source all soyabean related products under one roof, which helps us to expand our business to existing customers as well as to potential new customers.

**5. Existing customer relationship:**

We believe that we constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business. Our Sales from Top 5 Customers for the year ended on March 31, 2015 and half year ended September 30, 2015 were Rs. 470.29 crores and Rs. 74.43 crores respectively.

**Our Business Strategy**

**1. Improving operational efficiency and product quality**

Apart from expanding business and revenues, we look forward for areas to improve operational efficiencies so as to achieve cost reduction and gain competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. Also, we believe that quality products and service of global standards are of utmost importance for customer retention and repeat – order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them, which also aid us in enhancing our brand value.





## **2. Optimal utilization of resources**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and take corrective measure wherever possible. This helps us in improving efficiency and putting resources to optimal use.

## **3. To build-up a professional organization**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

## **4. Focus on cordial relationship with our Suppliers, Customer and employees**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

### **Our Products and its Features**

<b>S. No.</b>	<b>Products</b>	<b>Features</b>
<b>1</b>	<b>Refined Soyabean Oil</b>	<ul style="list-style-type: none"> <li>• Refined Soyabean Oil is sold by us in Bulk as well as in consumer packs with our own brand name of AVI.</li> <li>• It is used as cooking oil, since it is free from Cholesterol, low in Saturated Fat and rich in natural Tocopherol (Vitamin-E).</li> <li>• Colour &amp; Appearance: Light Yellowish Liquid</li> <li>• Odor/Taste: Odorless and Tasteless</li> <li>• Packaging:- Available in following packing sizes:- 500 ml &amp; 1 ltr. Pouch, 500 ml &amp; 1 ltr. Bottle, 2 ltr. Jar, 5 ltr. Jar, 15 kg tin/jar, 15 ltr. Tin/jar and tanks.</li> </ul>
<b>2</b>	<b>Indian Soyabean Meal (Hipro &amp; FAQ)</b>	<ul style="list-style-type: none"> <li>• Indian Soyabean Meal (also known as Soya deoiled cake) is produced only from cleaned Non GMO (Non Genetically Modified) Soyabean seeds.</li> <li>• Our Soyabean Meal/ White Flake is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• It contains healthful balanced nutrients hence mainly used in making nutritious food like 'Soya- Bari' 'Soya- Chunks' 'Soya-Granules' 'Soya – Flour'</li> </ul>



		<ul style="list-style-type: none"> <li>• Due to higher protein, energy and lower fiber content, soybean meal is also used as feed ingredient to livestock (e.g. poultry feed, pet foods etc), and white flakes as soya protein ingredients for the food industry. Also, soya bean white flake meal finds its application in pharmaceutical industry.</li> <li>• Soyabean Meal (FAQ - Fair Average Quality) is lower in protein compared to Hi – pro Soyabean meal.</li> <li>• Colour : Pale Yellow to light tan</li> <li>• Packaging: - Available in 50 kg HDPE Bags.</li> </ul>
3	<b>Soya Lecithin</b>	<ul style="list-style-type: none"> <li>• Soya Lecithin is made by drying fresh gums, produced during degumming of Soya bean Oil obtained from Non-GMO soya bean seeds.</li> <li>• Our Soya Lecithin is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Soya Lecithin is used as emulsifier, it disperses readily in oil &amp; forms hydrates/emulsions in water. It is used in milk powders, ice creams, noodles, candy based products, medical, instant food etc.</li> <li>• Colour &amp; Appearance: Pale brown viscous homogenous liquid ,clear , and pourable</li> <li>• Taste: Characteristic taste of soya bean</li> <li>• Packaging: Available in ISO tanks.</li> </ul>
4	<b>Soya Grits</b>	<ul style="list-style-type: none"> <li>• Soya Grits are made from Soyabeans de-oiled cake (Food Grade Soya Flakes). They are available in two varieties: Soya Grits (Full Fatted) and Soya Grits (Defatted)</li> <li>• Our Soya Grit is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Soyabean grits are used for making untoasted Soya Flour, soya milk, tofu, soya bean powder, soya bean sauce, soya bean bari, Isolated Soya bean Protein. It is used in Dietetic Foods, Baby Foods / Drink mixes. Soya bean grits can also be used in conjunction</li> </ul>



		<p>with other foods to add protein and texture to food items such as breads, cookies, and cereals.</p> <ul style="list-style-type: none"> <li>• Colour: Pale yellow</li> <li>• Texture: Uniform, free from extraneous matter</li> <li>• Packaging: Soya Grits is available in 50 kg HDPE bags or bulk in jumbo bag.</li> </ul>
<b>5</b>	<b>Soya Flour</b>	<ul style="list-style-type: none"> <li>• Soya Flour are available in two varieties:- Soya Flour (Full Fatted) and Soya Flour (Defatted).</li> <li>• Soya Flour (Full Fatted) is manufactured using enzyme active Non GMO soya-bean seed. However, Soya Flour (Defatted) is manufactured using enzyme inactive Non GMO soya- bean seed.</li> <li>• Our Soya Flour is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Colour:- Light Yellow</li> <li>• Texture:- Fine Powder , free from extraneous matter</li> <li>• Packaging: Soya Flour is available in 50 Kg plastic/paper bags or in Bulk in jumbo Bags as per Customer's requirement.</li> </ul>
<b>6</b>	<b>Soya Deodorizer Distillate(SODD)</b>	<ul style="list-style-type: none"> <li>• SODD is a by-product produced in the refining process of soybean oil.</li> <li>• SODD consists of mixture of tocopherols (Vitamin-E), sterols, fatty acids, glycerides and hydrocarbons.</li> <li>• Our SODD is Non GMO certified by CERT-ID and is also Kosher certified.</li> <li>• It is used in manufacturing progesterone, corticoids, estrogens, contraceptives, diuretics, male hormones and vitamin D. They are, also, used in cosmetics, food like margarine, salad oils and dressings.</li> <li>• Color &amp; Appearance: Pale brown viscous homogenous liquid ,clear , and pourable</li> </ul>
<b>7</b>	<b>White Soya Flour/Flakes</b>	<ul style="list-style-type: none"> <li>• White Soya Flour/Flakes is obtained from Soya beans seeds, by processing it</li> </ul>



		<p>through various stages of cracking, de hulling, flaking, extracting, and de solventizing, to get flakes of white to creamy color.</p> <ul style="list-style-type: none"> <li>• White Flake Food-Grade Soy Meal is a fat-free protein product, which is the source material for production of food-grade fat-free soy flour, soy grits and textured, concentrated and isolated soya proteins.</li> <li>• It is used in making bakery products, concentrated foods, meat and fish products</li> <li>• Colour:- Light yellow to cream colour</li> <li>• Texture:- Uniform free from extraneous matter</li> </ul>
<b>8</b>	<b>Texturised Vegetable Proteins (Soya Bari)</b>	<ul style="list-style-type: none"> <li>• Texturised Vegetable Proteins "Soya Bari" is prepared from defatted (DOC) soya flour by the process of extrusion cooking. During the process, the protein in the flour undergoes structural changes and forms a fiber like network.</li> <li>• Soya Nuggets (Bari) are a rich source of proteins that contribute a maximum level of protein of approx 50%</li> <li>• Soya Bari with their hydration properties can be used in a wide range of food applications.</li> <li>• Colour: Light Yellow</li> <li>• Texture: Hard and porous, becomes soft and spongy when water is added</li> </ul>



**SUMMARY OF OUR FINANCIALS**

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

(Amt in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
<b>I. EQUITY AND LIABILITIES</b>						
<b>Shareholder's Funds</b>						
Share Capital	173,696,250	173,696,250	173,696,250	173,696,250	173,696,250	92,597,500
Reserves and Surplus (excluding Revaluation Reserves, if any)	476,244,927	462,753,030	394,816,776	298,592,795	153,183,045	117,076,913
Money received against share warrants	-	-	-	-	-	-
<b>Share Application Money Pending Allotment</b>	-	-	-	-	-	-
<b>Non Current Liabilities</b>						
Long term Borrowings	360,239,310	349,881,287	410,547,605	498,762,005	489,130,268	226,036,898
Deferred Tax Liabilities (Net)	33,741,526	37,589,369	40,594,149	42,605,634	14,721,251	12,407,183
Other Long Term Liabilities	-	-	300,000	-	-	-
Long term Provisions	1,862,522	1,599,867	1,051,671	730,686	-	-
<b>Current Liabilities</b>						
Short term Borrowings	1,165,716,442	1,353,809,043	1,590,187,324	1,563,511,447	913,911,575	766,867,299
Trade Payables	10,194,193	72,847,464	14,335,391	25,535,411	5,134,296	12,840,102
Other Current Liabilities	103,106,773	133,656,338	151,860,603	163,893,195	154,393,187	38,256,953
Short term Provisions	7,219,630	3,995,117	24,253,542	14,616,867	12,550,784	2,581,589
<b>Total</b>	<b>2,332,021,578</b>	<b>2,589,827,767</b>	<b>2,801,643,310</b>	<b>2,781,944,289</b>	<b>1,916,720,655</b>	<b>1,268,664,437</b>
<b>II. ASSETS</b>						
<b>Non Current Assets</b>						
Fixed assets						
(i) Tangible Assets	696,384,564	746,824,558	714,045,168	777,937,615	382,015,352	376,137,036
(ii) Intangible Assets	4,566,773	5,708,466	549,377	-	-	-
(iii) Capital Work In Progress	371,212,031	304,456,283	169,181,233	92,173,902	304,704,235	30,830,489
(iv) Intangible Assets Under Development	727,000	-	3,234,170	-	-	-
Non Current Investments	1,005,500	1,005,500	1,005,500	5,500	5,500	5,500
Long term Loans and Advances	66,669,705	24,773,272	46,072,948	24,206,156	25,033,929	15,081,040
Other Non Current Assets	3,511,873	3,374,138	3,394,516	755,812	7,771,355	-
<b>Current assets</b>						
Current Investment	-	-	-	-	-	-
Inventories	872,268,981	1,199,385,453	1,037,721,432	1,088,808,209	706,416,298	635,703,621



***Avi Agri Business Limited***

Trade Receivables	58,645,277	157,717,579	481,708,238	562,666,559	189,190,138	112,868,484
Cash and Bank Balances	191,017,069	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649
Short term Loans and Advances	25,377,962	11,568,343	34,100,880	56,526,008	4,877,773	49,258,038
Other Current Assets	40,634,843	58,479,366	69,279,691	67,950,823	39,926,571	35,972,579
<b>Total</b>	<b>2,332,021,578</b>	<b>2,589,827,767</b>	<b>2,801,643,310</b>	<b>2,781,944,289</b>	<b>1,916,720,655</b>	<b>1,268,664,437</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, II and III.





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

(Amt in Rs.)

Particulars	For the Period/Year ended					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Revenue From Operations (Gross)	1,758,462,473	8,495,225,325	9,257,971,055	8,393,881,786	4,038,631,165	3,373,766,116
Less: Excise Duty	308,348	1,946,800	2,782,740	2,277,172	1,007,413	373,968
Net Revenue From Operation	1,758,154,125	8,493,278,525	9,255,188,315	8,391,604,614	4,037,623,752	3,373,392,148
Other income	7,289,561	10,899,217	17,671,462	6,573,331	8,593,572	3,534,457
<b>Total Revenue ( A)</b>	<b>1,765,443,686</b>	<b>8,504,177,742</b>	<b>9,272,859,778</b>	<b>8,398,177,944</b>	<b>4,046,217,324</b>	<b>3,376,926,605</b>
Expenses:						
Cost of Material Consumed	1,072,694,758	4,410,325,330	8,393,120,700	6,886,621,649	2,973,415,711	3,366,169,247
Purchases of Stock in Trade	31,020,245	3,054,022,728	207,638,358	637,494,829	182,126,197	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	346,112,288	(166,923,722)	(564,421,453)	(286,763,919)	301,083,509	(389,048,751)
Employee benefits expense	19,322,962	42,546,305	41,088,647	32,300,100	22,445,816	14,209,976
Finance costs	92,478,643	221,649,930	215,900,245	156,998,802	123,454,972	73,068,826
Depreciation and amortization expense	51,726,550	100,803,011	100,193,062	79,887,878	49,617,209	47,764,586
Other expenses	132,444,185	745,242,302	723,944,217	678,965,520	340,881,483	239,675,061
<b>Total Expenses (B)</b>	<b>1,745,799,631</b>	<b>8,407,665,884</b>	<b>9,117,463,776</b>	<b>8,185,504,859</b>	<b>3,993,024,897</b>	<b>3,351,838,945</b>
<b>Profit before exceptional and extraordinary items and tax (A-B) C</b>	<b>19,644,055</b>	<b>96,511,858</b>	<b>155,396,002</b>	<b>212,673,085</b>	<b>53,192,427</b>	<b>25,087,660</b>
Exceptional/Prior Period item	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>19,644,055</b>	<b>96,511,858</b>	<b>155,396,002</b>	<b>212,673,085</b>	<b>53,192,427</b>	<b>25,087,660</b>
Extraordinary item	-	-	-	-	22,225	
Profit Before Tax	19,644,055	96,511,858	155,396,002	212,673,085	53,170,202	25,087,660
Provision for Tax						
- Current Tax	10,000,000	36,000,000	58,500,000	42,500,000	16,000,000	5,100,000
- Deferred Tax Liability / (Asset)	(3,847,843)	(2,988,897)	(2,011,484)	27,884,383	2,314,068	8,092,648
Tax Adjustments (earlier year)		4,465,511	437,542			
MAT Credit Entitlement			3,121,048	(3,121,048)	4,651,252	(4,651,252)
<b>Restated profit after tax for the period from continuing operations</b>	<b>13,491,898</b>	<b>67,966,266</b>	<b>96,223,981</b>	<b>145,409,750</b>	<b>30,204,882</b>	<b>16,546,264</b>
Profit/ (Loss) from Discontinuing operation	-	-	-	-	-	-
Tax expenses of discontinuing operations	-	-	-	-	-	-
<b>Restated profit for the period</b>	<b>13,491,898</b>	<b>67,966,266</b>	<b>96,223,981</b>	<b>145,409,750</b>	<b>30,204,882</b>	<b>16,546,264</b>



Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.



**ANNEXURE – III  
RESTATED CASH FLOW STATEMENT**

(Amt in Rs.)

PARTICULARS	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
	Amount	Amount	Amount	Amount	Amount	Amount
<b>(A) NET CASH FLOW FROM OPERATING ACTIVITES</b>						
<b>Net Profit before tax</b>	<b>19,644,055</b>	<b>96,511,858</b>	<b>155,396,002</b>	<b>212,673,085</b>	<b>53,170,202</b>	<b>25,087,660</b>
Adjustment for :						
Interest on Fixed Deposit	959,256	4,571,222	4,726,709	913,952	935,800	481,517
Dividend Income	-	-		-	-	-
Profit on sale of Investments	-	292,858				
Profit on sale of Fixed assets	-	13,798				
Depreciation	51,726,550	100,803,011	100,193,062	79,887,878	49,617,209	47,764,586
Provision of Gratuity	-	-	-	-	-	-
Interest on Borrowed Fund	83,061,857	221,649,929	215,900,245	156,998,802	123,454,972	73,068,826
Extra ordinary items					22,225	
write off of fixed assets				162,410	-	
preliminary expense written off					374,400	124,800
<b>Operating profit before working capital changes</b>	<b>153,473,206</b>	<b>414,086,920</b>	<b>466,762,600</b>	<b>448,808,223</b>	<b>225,703,208</b>	<b>145,564,355</b>
Adjustment for :						
(Increase)/Decrease in Inventories	327,116,472	(161,664,021)	51,086,777	(382,391,911)	(70,712,677)	(418,154,184)
(Increase)/Decrease in Trade Receivables	99,072,302	323,990,659	80,958,321	(373,476,421)	(76,321,654)	(110,157,124)
(Increase)/Decrease in Short Term loans and advances	(13,809,618)	22,532,539	19,304,079	(48,527,186)	39,729,012	-
(Increase)/Decrease in Other Current Assets	17,844,523	10,800,324	(1,328,868)	(28,024,252)	(4,328,391)	-
(Increase)/Decrease in Other non Current Assets	(137,735)	20,378	(2,638,704)	7,015,543	(7,771,355)	-
	(41,896,433)	21,299,676	(21,866,792)	827,773	(9,952,889)	(58,438,268)
(Increase)/Decrease in Long Term loans and advances						
Increase/(Decrease) in trade payables	(62,653,271)	58,512,073	(11,200,020)	20,401,115	(7,705,806)	-
Increase/(Decrease) in long term provisions	262,655	548,196	320,985	730,686	-	
Increase/(Decrease) in provisions	118,357	305,099	9,417	(363,701)	195,789	7,206,766
increase/(Decrease) in long term liabilities	-	(300,000)	300,000	-	-	
Increase/(Decrease) in other current liabilities	(30,549,565)	(18,204,265)	(12,032,592)	9,500,008	116,136,234	-
<b>Total</b>	<b>295,367,687</b>	<b>257,840,658</b>	<b>102,912,603</b>	<b>(794,308,346)</b>	<b>(20,731,736)</b>	<b>(579,542,810)</b>



# Avi Agri Business Limited

<b>Cash generated from/ (used in) operations</b>	448,840,893	671,927,578	569,675,203	(345,500,124)	204,971,472	(433,978,455)
Income Tax paid	6,893,843	52,098,012	48,435,200	40,070,216	6,226,594	2,690,031
Net cash generated from/(used in) operating activities-(A)	441,947,050	619,829,566	521,240,003	(385,570,340)	198,744,878	(436,668,486)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase of tangible fixed assets	(144,864)	(133,485,446)	(36,216,096)	(475,972,550)	(55,517,750)	(199,853,587)
Purchase of intangible fixed assets	-	(5,384,740)	(633,896)	-	-	-
Addition/ Reduction in Capital work-in-progress	(67,482,748)	(132,040,880)	(80,241,501)	212,530,333	(273,873,746)	143,195,897
Purchase of long-term investments	-	(1,000,000)	(1,000,000)	-	-	(5,500)
Sale of tangible fixed assets	-	96,600	-	-	-	-
Interest Income on Fixed Deposit	959,256	4,571,222	4,726,709	913,952	935,800	481,517
sale of investment	-	1,292,858	-	-	-	-
Dividend Income	-	-	-	-	-	-
<b>Net cash (used in) Investing Activities - (B)</b>	<b>(66,668,356)</b>	<b>(265,950,386)</b>	<b>(113,364,784)</b>	<b>(262,528,265)</b>	<b>(328,455,696)</b>	<b>(56,181,673)</b>
<b>(C) NET CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issue of Share Capital	-	-	-	-	87,000,000	-
Repayment/Proceeds of Long Term borrowings	(177,734,578)	(297,044,599)	(61,538,523)	659,231,609	410,137,645	487,028,151
Interest on Borrowed Fund	(83,061,857)	(221,649,929)	(215,900,245)	(156,998,802)	(123,454,972)	(73,068,826)
Proposed Dividend Paid (Including Dividend Distribution Tax)	-	-	-	-	-	-
<b>Net cash(used in) / from financing activities - (C)</b>	<b>(260,796,435)</b>	<b>(518,694,528)</b>	<b>(277,438,768)</b>	<b>502,232,807</b>	<b>373,682,673</b>	<b>413,959,325</b>
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	114,482,260	(164,815,347)	130,436,451	(145,865,799)	243,971,855	(78,890,834)
Cash and cash equivalents at the beginning of the year	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649	91,698,483
Cash and cash equivalents at the end of the year	191,017,069	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649
Cash and cash equivalents at the end of year comprises :						
1. Components of cash and cash equivalents:						
<b>Particulars</b>	<b>30-09-2015</b>	<b>31-03-2015</b>	<b>31-03-2014</b>	<b>31-03-2013</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
Cash on hand	29,048,620	22,417,772	9,482,046	8,384,662	4,175,774	5,119,828
Balances with scheduled banks:						



## *Avi Agri Business Limited*

In current accounts	159,940,449	52,089,037	111,968,110	100,529,043	208,675,730	1,170,621
in Deposits with Scheduled Bank	2,028,000	2,028,000	119,900,000	2,000,000	43,928,000	6,517,200
Total Cash and cash equivalents	191,017,069	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649

2. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures I, II and IV.



## THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS	
<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company	63,04,000 Equity Shares of ₹ 10/- each for cash at a price of ₹15/- per share aggregating to ₹ 945.60 Lacs
<i>Of Which</i>	
<b>Issue Reserved for the Market Makers</b>	3,20,000 Equity Shares of ₹ 10/- each for cash at a price of ₹15/- per share aggregating ₹48.00 Lacs
<b>Net Issue to the Public*</b>	59,84,000 Equity Shares of ₹ 10/- each for cash at a price of ₹15/- per share aggregating ₹ 897.60 Lacs
	<b>of which</b>
	29,92,000 Equity Shares of ₹ 10/- each at Issue Price of Rs.15/- per equity share ( including a premium of ₹5/- per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	29,92,000 Equity Shares of ₹ 10/- each at Issue Price of Rs.15/- per equity share ( including a premium of ₹5/- per Equity Share ) will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	1,73,69,625 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	2,36,73,625 Equity Shares of face value of ₹10 each
<b>Objects of the Issue/ Use of Issue Proceeds</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 80 of this Draft Prospectus

*The present Issue of 63,04,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated February 11, 2016 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on February 16, 2016*

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 297 of this Draft Prospectus

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

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to other than Retail Individual Investors.

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 303 of this draft prospectus.





## GENERAL INFORMATION

Our Company was Originally incorporated as “**Avi Agri Business Private Limited**” on March 23, 2009 under the provisions of Companies Act, 1956 with Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior, vide registration no. 021753 (CIN: U15311MP2009PTC021753). Our Company was converted into a Public Limited Company pursuant to Shareholders’ Resolution passed at the Extra Ordinary General Meeting of the members of the Company held on January 23, 2016 and the name of our Company was changed from “**Avi Agri Business Private Limited**” to “**Avi Agri Business Limited**” vide a fresh Certificate of Incorporation dated February 10, 2016 issued by the Registrar of Companies, Madhya Pradesh, Gwalior.

The Corporate Identification Number of our Company is U15311MP2009PLC021753.

For further details, please refer to the section titled “**History and Certain Corporate Matters**” on page no. 143 of this Draft Prospectus.

### Brief Company and Issue Information

<b>Registered Office</b>	Saket Tower, 4 <sup>th</sup> Floor, 3A Ratlam Kothi, Indore – 452001, Madhya Pradesh, India. <b>Tel No:-</b> +91-731-6666300, 2526844/45 <b>Fax No.:</b> +91-731-4053955 <b>Website:</b> <a href="http://www.avgroup.co">www.avgroup.co</a> <b>Email:</b> <a href="mailto:info@avgroup.co">info@avgroup.co</a>
<b>Factory &amp; Warehouse</b>	Village Chandukhedi, 11 <sup>th</sup> Km, Ujjain-Badnagar Road, Tehsil & Dist. Ujjain, Madhya Pradesh- 456222, India.
<b>Date of Incorporation</b>	March 23, 2009
<b>Corporate Registration No.</b>	021753
<b>Corporate Identification No.</b>	U15311MP2009PLC021753
<b>Address of Registrar of Companies</b>	Registrar of Companies, Madhya Pradesh, Gwalior, India 3 <sup>rd</sup> Floor, 'A' Block, Sanjay Complex Jayendrav Ganj, Gwalior-474009, Madhya Pradesh, India <b>Tel No:</b> +91-0751-2321907, <b>Fax No:</b> +91-0751-2331853 <b>Email:</b> <a href="mailto:roc.gawalior@mca.gov.in">roc.gawalior@mca.gov.in</a> <b>Website :</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>
<b>Designated Stock Exchange</b>	SME Platform of BSE Limited P.J. Tower, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India
<b>Issue Programme</b>	Issue Opens on : [●] Issue Closes on : [●]
<b>Company Secretary &amp; Compliance Officer</b>	<b>Mr. Vipul Goyal</b> <b>Avi Agri Business Limited</b> Saket Tower, 4th Floor, 3A Ratlam Kothi, Indore – 452001, Madhya Pradesh, India. <b>Tel No:</b> +91-731-6666300, 2526844/45, <b>Fax No.</b> +91-731-4053955 <b>E-mail:</b> <a href="mailto:cs@avgroup.co">cs@avgroup.co</a> <b>Website:</b> <a href="http://www.avgroup.co">www.avgroup.co</a>
<b>Chief Financial Officer</b>	<b>Mr. Dinesh Jain</b> <b>Avi Agri Business Limited</b> Saket Tower, 4th Floor, 3A Ratlam Kothi, Indore – 452001, Madhya Pradesh, India. <b>Tel No:-</b> +91-731-6666300, 2526844/45 <b>Fax No.-</b> +91-731-4053955 <b>E-mail:</b> <a href="mailto:info@avgroup.co">info@avgroup.co</a> <b>Website:</b> <a href="http://www.avgroup.co">www.avgroup.co</a>

**Note: Investors can contact the Compliance Officer or the Registrar to the Issue or Lead Manager 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 in ASBA Account.**

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form



## Avi Agri Business Limited

number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant.

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

**For all issue related queries, and for Redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

### Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Mahendra Lakhichand Jalori	Managing Director	91/89 Vishal Deep Shrushti, Flat No. 4, 2 <sup>nd</sup> Floor, TMV Colony, Gultekdi, Pune – 411037, Maharashtra, India.	02592482
Mr. Praveen Kumar Vyas	Chairman & Non Executive Director	37, Tilak Nagar Ext., Indore - 452001, Madhya Pradesh, India	00103686
Mr. Hari Prasad Sarda	Non Executive & Independent Director	203, Sakar Terraces, 2/3 New Palasia, Indore, Indore G.P.O. - 452001, Madhya Pradesh, India.	07410841
Mrs. Dipika Kataria	Non Executive & Independent Director	23, Brhamapuri Pipalyarav, Indore-452012, Madhya Pradesh, India.	06694868

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 147 of this Draft Prospectus.

### Details of Key intermediaries (Registered with SEBI) pertaining to this Issue and for our Company:

Lead Manager of the Issue	Legal Advisor to the Issue
<b>HEM SECURITIES LIMITED</b> 14/15 Khatau Building, 1st Floor, 40 Bank Street, Fort, Mumbai – 400001, Maharashtra <b>Tel No.:</b> +91-22-22671543 <b>Fax No.:</b> +91-22-22625991 <b>Email:</b> <a href="mailto:ib@hemonline.com">ib@hemonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemonline.com">redressal@hemonline.com</a> <b>Website:</b> <a href="http://www.hemonline.com">www.hemonline.com</a> <b>Contact Person:</b> Mr. Anil Bhargava <b>SEBI Regn. No.:</b> INM000010981	<b>KANGA &amp; COMPANY</b> Readymoney Mansion, 43, Veer Nariman Road, Fort, Mumbai - 400 001, India. <b>Tel No. :</b> +91-22-6623 0000 / 2204 2288 <b>Fax No.:</b> +91-22-6633 9656 / 6633 9657 <b>Email:</b> <a href="mailto:chetan.thakkar@kangacompany.com">chetan.thakkar@kangacompany.com</a> <b>Contact Person:</b> : Mr. ChetanThakkar <b>Website:</b> <a href="http://www.kangacompany.com">www.kangacompany.com</a>
Registrar to the Issue	Bankers to the Company
<b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, India. <b>Tel :</b> +91-40- 6716 2222; <b>Fax :</b> + 91-40-2343 1551 <b>Website:</b> <a href="http://www.karishma.karvy.com">www.karishma.karvy.com</a> <b>E-mail:</b> <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> <b>Investor Grievance Email:</b> <a href="mailto:aviagri.smeipo@karvy.com">aviagri.smeipo@karvy.com</a> <b>Contact Person:</b> Mr. M. Murali Krishna <b>SEBI Registration :</b> INR000000221	<b>PUNJAB NATIONAL BANK</b> Mid Corporate Branch, GG Tower, Siyaganj, Indore- Madhya Pradesh <b>Tel :</b> +91-0731-2547850 <b>Fax :</b> +91-0731-2431077 <b>Email:</b> <a href="mailto:bo0213@pnb.co.in">bo0213@pnb.co.in</a> <b>Contact Person:</b> : Mr. M.M. Chhabra
Statutory Auditors & Peer Review Auditors of the Company	
<b>ASHOK KHASGIWALA &amp; CO.,</b>	



<p><b>Chartered Accountants</b>  317, Chetak Centre 'Anex', R.N.T. Marg  Indore-452001, India.  <b>Tel. No:</b> +91-731-2517341, 4069301  <b>Email:</b> <a href="mailto:ashokkhasgiwala@yahoo.com">ashokkhasgiwala@yahoo.com</a>  <b>Firm Registration No.:</b> 0743C  <b>Contact Person:</b> CA. Avinash Baxi</p>
<b>Bankers to the Issue</b>
[•]

\***ASHOK KHASGIWALA & CO., Chartered Accountants** are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and holds a peer reviewed certificate dated November 13, 2013 issued by the "Peer Review Board" of the Institute of Chartered Accountants of India.

## **STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Managers is not required.

## **SELF CERTIFIED SYNDICATE BANKS ("SCSBs")**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf). For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

## **REGISTERED BROKERS**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE at [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

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

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.bseindia.com](http://www.bseindia.com), 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 websites of Stock Exchange at [www.bseindia.com](http://www.bseindia.com), 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.

## **BROKERS TO THE ISSUE**

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

## **CREDIT RATING**

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

## **IPO GRADING**

Since the issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009 there is no requirement of appointing an IPO Grading agency.



## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

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

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50000.00 Lacs. Since the Issue size is only of Rs. 945.60 lacs, our Company has not appointed any monitoring agency for this Issue.

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

## **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue.

## **EXPERT OPINION**

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 179 and page 89 of the Draft Prospectus from the Peer Review Auditors and Statutory Auditors respectively, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) Working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## **UNDERWRITING**

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% underwritten by the Lead Manager – Hem Securities Limited in the capacity of Underwriter to the issue.



Pursuant to the terms of the Underwriting Agreement dated February 20, 2016 entered into by us with Underwriter – Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the BSE.

The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten ( in Lacs)	% of the Total Issue Size Underwritten
<b>Hem Securities Limited</b> 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan, India. Tel: 91-0141-4051000 Fax – 91-141-5101757 Web: <a href="http://www.hemonline.com">www.hemonline.com</a> Email: <a href="mailto:underwriter@hemonline.com">underwriter@hemonline.com</a> Contact Person: Mr. Anil Bhargava SEBI Regn. No. INM000010981	63,04,000*Equity Shares of ₹ 10/- being issued at ₹ 15/- each	945.60	100%

*\*Includes 3,20,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker (Hem Securities Limited) in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

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

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

Our Company has entered into Market Making Agreement dated February 20, 2016 with the following Market Maker to fulfill the obligations of Market Making for this issue:

<b>Name</b>	Hem Securities Ltd.
<b>Correspondence Address:</b>	203, Jaipur Tower, M.I. Road, Jaipur – 302 001, Rajasthan, India
<b>Tel No.:</b>	+ 91 - 141 – 4051000
<b>Fax No.:</b>	+ 91 - 141 – 5101757
<b>E-mail:</b>	<a href="mailto:mm@hemonline.com">mm@hemonline.com</a>
<b>Website:</b>	<a href="http://www.hemonline.com">www.hemonline.com</a>
<b>Contact Person:</b>	Mr. Anil Bhargava
<b>SEBI Registration No.:</b>	INB011069953
<b>BSE Market Maker Registration No.:</b>	SMEMM0024801022013

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

#### **Following is a summary of the key details pertaining to the Market making arrangement:**

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ₹ 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(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing



the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.

4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. 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.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.”
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

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

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

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5





12. **Punitive Action in case of default by Market Makers:** BSE SME Exchange 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.

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

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

14. *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 Equity Share capital of our Company, as on the date of this Draft Prospectus and after giving effect to this Issue, is set forth below:

Amount (Rs. in Lacs, except share data)

Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 2,50,00,000 Equity Shares having Face Value of Rs 10/- each	2,500.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,73,69,625 Equity Shares having Face Value of Rs.10/- each fully paid up before the issue.	1,736.96	-
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus</b> 63,04,000 Equity Shares having Face Value of Rs.10/- each with a premium of Rs 5/- per Equity Share.	630.04	945.60
	<b>Which Comprises</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b> 3,20,000 Equity Shares of Rs. 10/- each at a premium of Rs 5/- per Equity Share	32.00	48.00
<b>II.</b>	<b>Net Issue to the Public</b> 59,84,000 Equity Shares of Rs.10/- each at a premium of Rs 5/-per Equity Share	598.40	897.60
	<b>of which</b>		
	29,92,000 Equity Shares of Rs.10/- each at a premium of Rs. 5/- per Equity Share will be available for allocation for allotment to Retail Individual Investors applying for a value of up to Rs. 2.00 Lacs	299.20	448.80
	29,92,000 Equity Shares of Rs.10/- each at a premium of Rs 5/- per Equity Share will be available for allocation for allotment to Other Investors applying for a value of above Rs. 2.00 Lacs	299.20	448.80
<b>D</b>	<b>Issued, Subscribed and Paid up Equity Share capital after the Issue</b> 2,36,73,625 Equity Shares having Face Value of Rs. 10/- each	2,367.36	3551.04
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue	983.98 1299.18	

*\*The present Issue of 63,04,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated February 11, 2016 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on February 16, 2016.*

#### **Class of Shares**

Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

#### **Details of changes in Authorized Share Capital of our Company:**

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

Date of Meeting	Increase / Changes in Authorized Share Capital
On Incorporation	The Initial authorized share capital of our Company on incorporation comprised of Rs. 5,000,000 /- divided into 500,000 Equity Shares of Rs. 10/- each.



Date of Meeting	Increase / Changes in Authorized Share Capital
12-June-2009	Increase in the authorized share capital of the Company from Rs. 5,000,000 /- divided into 500,000 Equity Shares of Rs. 10/- each to Rs. 100,000,000/- divided into 10,000,000 Equity Shares of Rs. 10/- each.
12-March-2012	Increase in the authorized share capital of the Company from Rs. 100,000,000/- divided into 10,000,000 Equity Shares of Rs. 10/- each to Rs. 200,000,000/- divided into 20,000,000 Equity Shares of Rs. 10/- each.
4-December-2015	Increase in the authorized share capital of the Company from Rs. 200,000,000/- divided into 20,000,000 Equity Shares of Rs. 10/- each to Rs. 250,000,000/- divided into 25,000,000 Equity Shares of Rs. 10/- each.

## Notes to Capital Structure

### 1. Equity Share Capital History of our Company:

(a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Capital (Rs.)	Cumulative Securities Premium (Rs.)
Upon Incorporation	10,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	10,000	1,00,000	Nil
30.03.2010	92,49,750	10	20	Cash	Further Allotment <sup>(ii)</sup>	92,59,750	9,25,97,500	9,24,97,500
26.03.2012	46,29,875	10	-	Bonus issue in the ratio of 1:2*	*Bonus Issue <sup>(iii)</sup>	1,38,89,625	13,88,96,250	4,61,98,750
31.03.2012	34,80,000	10	25	Cash	Further Allotment <sup>(iv)</sup>	1,73,69,625	17,36,96,250	9,83,98,750

\*Bonus issue of 46,29,875 equity shares in the ratio of (1:2) has been issued by Capitalization of Reserve & Surplus of the Company. These shares were issued vide Board Resolution passed in Meeting of Board of Directors of the Company held on March 26, 2012.

#### Notes:

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Mahendra Lakhichand Jalori	5,000
2.	Mr. Praveen Kumar Vyas	5,000
	<b>Total</b>	<b>10,000</b>

(ii) Further allotment of 92,49,750 Equity Shares of Face Value of Rs. 10/- each fully paid at a premium of Rs.10 as per the details given below

S. No.	Names of Person	Number of Shares Allotted
1.	Suraj Impex (India) Private Limited	20,00,000
2.	Suraj Agri-Business Pte. Ltd.	24,94,330
3.	Anant Commodities Private Limited	1,25,000
4.	Mr. Vinod Kumar Jain	2,50,000
5.	Mr. Avi Jain	17,500



6.	Excel Agri Business Private Limited, (formerly known as Excel Futures Private Limited)	43,62,920
	<b>Total</b>	<b>92,49,750</b>

(iii) **Bonus issue of 46,29,875 of Face Value of Rs. 10/- each in the ratio of 1:2 (1 Bonus Equity Shares for every 2 Equity Shares held) as per the details given below**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Mahendra Lakhichand Jalori	2,500
2.	Mr. Praveen Kumar Vyas	2,500
3.	Suraj Agri-Business Pte. Ltd.	12,47,165
4.	Mr. Vinod Kumar Jain	1,25,000
5.	Mr. Avi Jain	8,750
6.	Excel Agri Business Private Limited (formerly known as Excel Futures Private Limited)	21,81,460
7.	Navlakha Agrex Private Limited (formerly known as Olympus Vision Private Limited)	10,00,000
8.	Koyna Enterprises Private Limited (formerly known as Koyna Constructions Private Limited)	62,500
	<b>Total</b>	<b>46,29,875</b>

(iv) **Further allotment of 34,80,000 Equity Shares of Face Value of Rs. 10/- each fully paid at a premium of Rs.15 as per the details given below**

S. No.	Names of Person	Number of Shares Allotted
1.	Excel Agri Business Private Limited (formerly known as Excel Futures Private Limited)	14,40,000
2.	Navlakha Agrex Private Limited (formerly known as Olympus Vision Private Limited)	20,40,000
	<b>Total</b>	<b>34,80,000</b>

(b) As on the date of this Draft Prospectus, our Company does not have any preference share capital.

## 2. Issue of Equity Shares for consideration other than cash

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of the allotment	Number of Equity shares allotted	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefit Accrued to our Company
26-March-2012	46,29,875 <sup>1</sup>	10	NIL	Bonus Issue <sup>2</sup> of equity shares in the ratio of 1:2 by way of capitalization of reserves and surplus of Rs. 462.99 Lakhs	Expansion of Capital

<sup>1</sup>For details of persons to whom the aforementioned bonus shares have been allotted, please refer point no. 2(a) (iii) of Capital Structure at page no. 60 of this Draft Prospectus.

<sup>2</sup>Above allotment of shares have been made out of free reserves available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

3. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.



## Avi Agri Business Limited

4. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
5. No Equity Share has been issued at price below Issue Price within last one year from the date of this Draft Prospectus.

### 6. Capital Build up in respect of shareholding of our Promoters:

As on date of this draft Prospectus, our promoters Mr. Vinod Kumar Jain and Excel Agri Business Private Limited (Formerly Known as Excel Futures Private Limited) hold 3,75,000 and 79,84,380 Equity Shares respectively of Our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Name of Promoter	Date of Allotment and made fully paid up /transfer of fully paid up shares	Consideration	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition/ Sale Price per Equity Share (₹)*	Pre-Issue Share holding %**	Post-Issue Share holding %**	Lock in Period	Source of Funds
Mr. Vinod Kumar Jain	30-March-2010	Cash	Allotment	2,50,000	10	20	1.44	1.06	3 years	Own funds
	26-March-2012	-	Bonus Issue	1,25,000	10	-	0.72	0.53	3 years	-
Excel Agri Business Private Limited (Formerly Known as Excel Futures Private Limited)	30-March-2010	Cash	Allotment	43,62,920	10	20	25.12	18.43	3 years	Borrowed funds
	26-March-2012	-	Bonus Issue	2,62,080	10	-	1.51	1.11	3 years	-
				19,19,380			11.05	8.11	1 year	
	31-March-2012	Cash	Allotment	14,40,000	10	25	8.29	6.08	1 year	Borrowed funds

#Cost of Acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment.

- The Percentage of Pre Issue paid up capital and Post Issue capital is calculated on the basis of paid up capital of the Company.
  - All the Equity Shares of the Company has issued and allotted as fully paid up Shares at a time of Allotment of Shares.
- \* Above Bonus issue of 1,25,000 and 21,81,460 equity shares in the ratio of (1:2) has been issued by Capitalization of Free Reserve & Surplus of the Company.

### 7. Acquisition and sale/transfer of Equity Shares by the Promoters in last one (1) year.

There has been no acquisition, sale or transfer of Equity Shares by the Promoters in the last one (1) year preceding the date of filing of this Draft Prospectus.

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Vinod Kumar Jain	3,75,000	13.33
Excel Agri Business Private Limited. (formerly known as Excel)	79,84,380	15.44



## Avi Agri Business Limited

Futures Private Limited)		
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\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

9. There are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus.

### 10. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of this Draft Prospectus is as below:-

S.No	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter</b>				
1.	Mr. Vinod Kumar Jain	3,75,000	2.16	3,75,000	1.58
2.	Excel Agri Business Private Limited (formerly known as Excel Futures Private Limited)	79,84,380	45.97	79,84,380	33.73
	<b>TOTAL (A)</b>	<b>83,59,380</b>	<b>48.13</b>	<b>83,59,380</b>	<b>35.31</b>
	<b>Promoter Group</b>				
3.	Mr. Avi Jain	26,250	0.15	26,250	0.11
4.	V. K. Jain HUF	26,50,000	15.26	26,50,000	11.19
5.	Mrs. Anita Jain	4,40,000	2.53	4,40,000	1.86
6.	Mr. Mahendra Lakhichand Jalori	7,500	0.04	7,500	0.03
7.	Mr. Praveen Kumar Vyas	7,500	0.04	7,500	0.03
8.	Suraj Agri-Business Pte. Ltd.	37,41,495	21.54	37,41,495	15.80
	<b>TOTAL (B)</b>	<b>68,72,745</b>	<b>39.57</b>	<b>68,72,745</b>	<b>29.03</b>
	<b>GRAND TOTAL (A+B)</b>	<b>1,52,32,125</b>	<b>87.69</b>	<b>1,52,32,125</b>	<b>64.34</b>

### 11. Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Consideration	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre issue Shareholding	% of Post issue Shareholding	Lock in Period
<b>Vinod Kumar Jain</b>									
30-March-2010	30-March-2010	Cash	Allotment	2,50,000	10	20	1.44	1.06	3 years
26-March-2012	-	-	Bonus Issue	1,25,000	10	Nil	0.72	0.53	3 years
			<b>TOTAL(A)</b>	<b>3,75,000</b>			<b>2.16</b>	<b>1.58</b>	
<b>Excel Agri Business Private Limited (Formerly Known as Excel Futures Private Limited)</b>									
30-March-2010	30-March-2010	Cash	Allotment	43,62,920	10	20	25.12	18.43	3 years
26-March-2012	-	-	Bonus Issue	2,62,080	10	Nil	1.51	1.11	3 years
			<b>TOTAL (B)</b>	<b>46,25,000</b>			<b>26.63</b>	<b>33.73</b>	
			<b>GRAND TOTAL (A+B)</b>	<b>50,00,000</b>			<b>28.79</b>	<b>35.31</b>	

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-issue capital held by our Promoters' shall be considered as Promoters' Contribution ("Promoters Contribution") and locked-in for a period of three years





from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters Mr.Vinod Kumar Jain and Excel Agri Business Private Limited have, by a written undertaking, consented to have 3,75,000 and 46,25,000 Equity Shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing this Draft Prospectus with SME Platform of BSE till the date of commencement of lock-in period as stated in this Draft Prospectus. The Equity Shares under the Promoters contribution will constitute 21.12% of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

**Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009**

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b>
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoters' contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoters has not Pledged any shares with any creditors. Accordingly, the minimum Promoters contribution does not Consist of such Equity Shares.



Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
		<b>Hence Eligible</b>

### **Details of Share Capital Locked In For One Year**

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 1,23,69,625 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

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

- In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.



## Avi Agri Business Limited

### 12. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

#### I – Summary of Shareholding Pattern :-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class Equity Shares of Rs.10/- each^	Classes eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Group	8	1,52,32,125	-	-	1,52,32,125	87.69	1,52,32,125	-	1,52,32,125	87.69	-	87.69	-	-	[●]		
(B)	Public	1	21,37,500	-	-	21,37,500	12.31	21,37,500	-	21,37,500	12.31	-	12.31	-	-	[●]		
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	9	1,73,69,625	-	-	1,73,69,625	100.00	1,73,69,625	-	1,73,69,625	100.0	-	100.00	-	-	[●]		

\*As on date of this draft prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.



## Avi Agri Business Limited

### II - Shareholding pattern of the Promoter and Promoter Group

	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) as a % of	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in Shares dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI = VII+ X	XII	XIII	XIV		
(1)	Indian																		
(a)	Individuals/ Hindu undivided Family																		
	Mr. Vinod Kumar Jain	AAAPJ0545R	1	3,75,000	-	-	3,75,000	2.16	3,75,000	-	3,75,000	2.16	-	2.16	-	-	●		
	Mr. Mahendra Lakhichand Jalori	ABDPJ7745H	1	7,500	-	-	7,500	0.04	7,500	-	7,500	0.04	-	0.04	-	-	●		
	Mr. Praveen Kumar Vyas	AASPV7050R	1	7,500	-	-	7,500	0.04	7,500	-	7,500	0.04	0	0.04	-	-	●		



***Avi Agri Business Limited***

	Mr. Avi Jain	AMSPJ3478M	1	26,250	-	-	26,250	0.15	26,250	-	26,250	0.15	0	0.15	-	-	[●]
	V. K. Jain HUF	AADHJ2354K	1	26,50,000	-	-	26,50,000	15.26	26,50,000	-	26,50,000	15.26	0	15.26	-	-	[●]
	Mrs. Anita Jain	AAFPJ2893M	1	4,40,000	-	-	4,40,000	2.53	4,40,000	-	4,40,000	2.53	0	2.53	-	-	[●]
(b)	Central Government/ State Government(s)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Body Corporate																
	Excel Agri Business Private Limited	AABCE9411B	1	79,84,380	-	-	79,84,380	45.97	79,84,380		79,84,380	45.97	0	45.97	-	-	[●]
	<b>Sub-Total (A)(1)</b>	<b>-</b>	<b>7</b>	<b>1,14,90,630</b>	<b>-</b>	<b>-</b>	<b>1,14,90,630</b>	<b>66.15</b>	<b>1,14,90,630</b>	<b>-</b>	<b>1,14,90,630</b>	<b>66.15</b>	<b>0</b>	<b>66.15</b>	<b>-</b>	<b>-</b>	<b>[●]</b>
(2)	Foreign																
(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



***Avi Agri Business Limited***

	Suraj Agri-Business Pte Limited	-	1	37,41,495	-	-	37,41,495	21.54	37,41,495	-	37,41,495	21.54	-	21.54	-	-	[●]
	<b>Sub-Total (A)(2)</b>	-	1	37,41,495	-	-	37,41,495	21.54	37,41,495	-	37,41,495	21.54	-	21.54	-	-	[●]
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		<b>8</b>	<b>1,52,32,125</b>	-	-	<b>1,52,32,125</b>	<b>87.69</b>	<b>1,52,32,125</b>	<b>0</b>	<b>1,52,32,125</b>	<b>87.69</b>	-	<b>87.69</b>	-	-	[●]

\*As on date of this Draft Prospectus 1 Equity share holds 1 vote.





## Avi Agri Business Limited

### III - Shareholding pattern of the Public shareholder

	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity share s held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable)(b)	
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XII	XIII		XIV	
(1)	Institutions																		
(a)	Mutual Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(b)	Venture Capital Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(c)	Alternate Investment Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(d)	Foreign Venture Capital Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(e)	Foreign Portfolio Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(f)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(g)	Insurance Companies	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(h)	Provident Funds/ Pension Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		



**Avi Agri Business Limited**

(i)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central Government/ State Government(s)/ President of India</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																
(a)	Individuals	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Koyna Enterprises Pvt. Ltd.	AABCK 6533G	1	21,37,500	0	0	21,37,500	12.31	21,37,500	-	21,37,500	12.31	-	12.31	-	-	[-]



***Avi Agri Business Limited***

	<b>Sub-Total (B)(3)</b>	-	<b>1</b>	<b>21,37,500</b>	<b>0</b>	<b>0</b>	<b>21,37,500</b>	<b>12.31</b>	<b>21,37,500</b>	-	<b>21,37,500</b>	<b>12.31</b>	-	<b>12.31</b>	-	-	[●]
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	-	<b>1</b>	<b>21,37,500</b>	<b>0</b>	<b>0</b>	<b>21,37,500</b>	<b>12.31</b>	<b>21,37,500</b>	-	<b>21,37,500</b>	<b>12.31</b>	-	<b>12.31</b>	-	-	[●]

*\*As on date of this draft prospectus 1 Equity share holds 1 vote.*

**IV - Shareholding pattern of the Non Promoter- Non Public shareholder**



**Avi Agri Business Limited**

	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity share s held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Sharehol ding (calculat ed as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underly ing Outsta nding convert ible securiti es (includi ng Warra	Total Shareholdin g , as a % assuming full conversion of convertible securities ( as a percentage of diluted share	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in Share demateri alized form (Not applicable )
									No of Voting Rights			Total as a % of Total Votin g rights			No.	As a % of total Sha re s held	No. (not applic able)	As a % of total share s held (not applic able)	
									Class Equity Shares of Rs.10/-	Clas s Y	To tal								
	I	II	III	IV	V	VI	VII=IV+V +VI	VIII	IX				X	XI= VII+ X	XII	XIII		XIV	
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (c ) (1)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (C ) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Non- Promoter Non- Public shareholding (C )= (C )(1)+ (C ) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.



### ***Avi Agri Business Limited***

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In terms of SEBI Circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI Circular bearing no. SEBI/Cir/ISD/05/2011, dated September 30, 2011, our Company shall ensure that the Equity Shares held by Promoter/members of the Promoter group shall be dematerialized prior to filing the Prospectus with the RoC.

Our Company is in process to enter into tripartite agreement with both the depositories i.e. CDSL and NSDL. As on date of this Draft Prospectus the entire equity shares of our Company are held in Physical Form.



## Avi Agri Business Limited

### 13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

As on the date of the Draft Prospectus, our Company has 9 (Nine) shareholders.

a) Our top ten shareholders as on the date of filing of this Draft Prospectus are as follow:

S. No.	Names	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Excel Agri Business Private Limited.(Formerly Known as Excel Futures Private Limited)	79,84,380	45.97
2.	Suraj Agri-Business Pte. Ltd.	37,41,495	21.54
3.	V.K.Jain H.U.F	26,50,000	15.26
4.	Koyna Enterprises Pvt. Ltd.	21,37,500	12.31
5.	Anita Jain	4,40,000	2.53
6.	Vinod Kumar Jain	3,75,000	2.16
7.	Avi Jain	26,250	0.15
8.	Mahendra Lakhichand Jalori	7,500	0.04
9.	Praveen Kumar Vyas	7,500	0.04

b) Our top ten shareholders 10 days prior filing of this Draft Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of Rs.10 each)	% shares held (% Pre Issue paid up Capital)
1.	Excel Agri Business Private Limited.(Formerly Known as Excel Futures Private Limited)	79,84,380	45.97
2.	Suraj Agri-Business Pte Ltd.	37,41,495	21.54
3.	V.K.Jain H.U.F	26,50,000	15.26
4.	Koyna Enterprises Pvt. Ltd.	21,37,500	12.31
5.	Anita Jain	4,40,000	2.53
6.	Vinod Kumar Jain	3,75,000	2.16
7.	Avi Jain	26,250	0.15
8.	Mahendra Lakhichand Jalori	7,500	0.04
9.	Praveen Kumar Vyas	7,500	0.04

c) Details of top ten shareholders of our Company two years prior to the date of filing of this Draft Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of Rs. 10 each)	% of Paid Up Equity Shares as on date 2 years prior to the date of filing of the Draft Prospectus
1.	Excel Agri Business Pvt. Ltd. (Formerly Known as Excel Futures Private Limited)	79,84,380	45.97
2.	Suraj Agri-Business Pte. Ltd.	37,41,495	21.54
3.	V.K.Jain H.U.F	26,50,000	15.26
4.	Koyna Enterprises Pvt. Ltd.	21,37,500	12.31
5.	Anita Jain	4,40,000	2.53
6.	Vinod Kumar Jain	3,75,000	2.16
7.	Avi Jain	26,250	0.15
8.	Mahendra Lakhichand Jalori	7,500	0.04
9.	Praveen Kumar Vyas	7,500	0.04

14. Except as provided below, none of our public shareholders are holding more than 1% of the pre –issue share capital of our company.

S. No.	Names	Shares Held ( Face Value of ₹	% shares held
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## Avi Agri Business Limited

		10/ each)	
1	Koyna Enterprises Pvt. Ltd.(Formerly known as Koyna Constructions Pvt. Ltd.)	21,37,500	12.31

15. There has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of this Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.
16. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:
 

Name	Designation	No. of Equity Shares held
Praveen Kumar Vyas	Chairman & Non-Executive Director	7,500
Mahendra Lakhichand Jalori	Managing Director	7,500
17. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.
18. Neither, we nor our Promoters, Directors and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
19. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
20. As on the date of this Draft Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
21. Our Company has not raised any bridge loan against the proceeds of the Issue.
22. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
23. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
24. The Lead Manager i.e. Hem Securities Ltd. and their associates do not hold any Equity Shares in our Company as on the date of filing of Draft Prospectus.
25. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.
26. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
27. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
28. An over-subscription to the extent of 10% of the 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 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

29. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
30. 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, 2009 and its amendments from time to time.
31. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
32. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
33. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
35. As on the date of this Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
36. There are no Equity Shares against which depository receipts have been issued.
37. Other than the Equity Shares, there is no other class of securities issued by our Company
38. We have 9 (Nine) Shareholders as on the date of filing of this Draft Prospectus.
39. There are no safety net arrangements for this public issue.
40. Till date our Company has not made any allotment of Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956 or under the corresponding provisions of the Companies Act, 2013.
41. Our Promoters and Promoter Group will not participate in this Issue.
42. This Issue is being made through Fixed Price method.
43. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of this draft prospectus.
44. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
45. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Draft Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.
46. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per



## ***Avi Agri Business Limited***

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Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price Issue 'the allocation' is the Net Offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to other than retail individual investors

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.*



### **OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of 6,304,000 Equity Shares of our Company at an Issue Price of ₹15/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. To Meet Working Capital Requirement
2. To Meet the Issue Expenses

*(Collectively referred as the “objects”)*

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

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

### **Requirement of Funds:-**

The following table summarizes the requirement of funds:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	910.85
2.	Public Issue Expenses	34.75
	<b>Gross Issue Proceeds</b>	<b>945.60</b>
	<b>Less: Issue Expenses</b>	<b>34.75</b>
	<b>Net Issue Proceeds</b>	<b>910.85</b>

**Utilisation of Net Issue Proceeds:** The Net Issue Proceeds will be utilised for following purpose:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	910.85
	<b>Total</b>	<b>910.85</b>

**Means of Finance: -** We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (₹ in Lacs)
Net Issue Proceeds	910.85
<b>Total</b>	<b>910.85</b>

*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities



## Avi Agri Business Limited

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

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

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

### **Details of Use of Issue Proceeds:**

#### **1. To Meet Working Capital Requirement**

Our business is working capital intensive. We are required to provide sufficient credit period to our customers. Considering the future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ 23,754.70 Lacs for FY 2016-17 The Company has sanctioned the working capital Limit from Punjab National Bank, Union Bank of India and Central Bank of India aggregating to ₹ 20,000.00 Lacs and will meet the requirement to the extent of ₹ 910.85 Lacs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ in Lacs)

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Estimated	Estimated
		31-March-14	31-March-15	31-March-16	31-March-17
<b>I</b>	<b>Current Assets</b>				
	Inventories	10,377.21	11,993.85	12,123.09	18,719.61
	Trade receivables	4,817.08	1,577.17	4,569.74	5,498.28
	Cash and cash equivalents	2,413.50	765.36	249.68	1,338.67
	Short Term Loans and Advances	341.00	115.68	250.00	55.00
	Other Current Assets	692.80	584.79	250.00	55.00
	<b>Total(A)</b>	<b>18,641.59</b>	<b>15,036.85</b>	<b>17,442.50</b>	<b>25,666.55</b>
<b>II</b>	<b>Current Liabilities</b>				
	Short term Borrowing (Other than Banks)	-	-	-	-
	Trade payables	143.35	728.47	524.42	669.85
	Short Term Provisions	242.53	39.95	175.00	185.00
	Other Current Liabilities	1518.60	1336.56	1057.00	1057.00
	<b>Total (B)</b>	<b>1,904.48</b>	<b>2,104.98</b>	<b>1,756.42</b>	<b>1,911.85</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>16,737.11</b>	<b>12,931.87</b>	<b>15,686.08</b>	<b>23,754.70</b>
<b>IV</b>	<b>Funding Pattern</b>				
	Short term borrowing from Bank	15,901.87	13,538.10	15,000.00	20,000.00



## Avi Agri Business Limited

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Estimated	Estimated
		31-March-14	31-March-15	31-March-16	31-March-17
	Internal Accruals			686.08	2843.85
	<b>IPO Proceeds</b>				<b>910.85</b>

### Justification:

S. No.	Particulars
<b>Debtors</b>	We expect Debtors Holding days to be at 18 days for FY 2016-17 based on increased sales and better credit Management policies ensuring timely recovery of dues.
<b>Creditors</b>	We expect Creditors payments days to be 2.5 days due to increase in purchase of raw matreila and reduction of credit period.
<b>Inventories</b>	We expect Inventory level of Finished Goods to maintain at 68 Days for FY 2016-17 due to our Production cycle and maintaining required level of inventory

### 2. Public Issue Expenses:-

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ 34.75 Lacs (inclusive of all applicable taxes) which is 3.67% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	(Rs .in Lacs)
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc, advertisement expenses and other out of pocket expenses	29.00
Printing and Stationery and expenses relating to Registrar	2.75
Regulatory fees and other Statutory expenses	3.00
<b>Total Estimated Issue Expenses</b>	<b>34.75</b>

\* Included commission/Processing fees for SCSB's, Brokerage and Selling Commision for Registrar Broker, RTA's and CDP's

### Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:  
(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 16-17
1.	To Meet Working Capital Requirement	910.85
	<b>Total</b>	<b>910.85</b>

### Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors Ashok Khasgiwala & Co., Chartered Accountants vide their certificate dated February 25, 2016 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:



## Avi Agri Business Limited

Particulars	Amt (₹ in Lacs)
Issue Expenses	5.00
<b>Total</b>	<b>5.00</b>

### Sources of Financing for the Funds Deployed:

Our Statutory Auditors Ashok Khasgiwala & Co., Chartered Accountants vide their certificate dated February 25, 2016 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Internal Accruals	5.00
<b>Total</b>	<b>5.00</b>

### Appraisal

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

### Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### Bridge Financing Facilities

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### Monitoring Utilization of Funds

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### 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 and shall be published in accordance with the Companies Act and the rules there under. As per the current



## ***Avi Agri Business Limited***

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provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.





## **BASIC TERMS OF ISSUE**

### **Authority for the Present Issue**

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated February 11, 2016 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on February 16, 2016 under section 62 (1) (c) of the Companies Act, 2013.

### **Terms of the Issue**

The Equity Shares, now being offered, are subject to the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), 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, Stock Exchange, 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.

<b>Face Value</b>	Each Equity Share shall have the face value of ₹ 10.00 each.
<b>Issue Price</b>	Each Equity Share is being offered at a price of ₹ 15.00 each and is 1.5 times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 8,000 (Eight Thousand) and the multiple of 8,000; subject to a minimum allotment of 8,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of ₹ 15.00 each shall be payable on Application. For more details please refer “ <b>Issue Procedure</b> ” beginning to page 306 of this Draft Prospectus.
<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 pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <b>Main Provisions of Articles of Association</b> ” on page 345 of this Draft Prospectus.

### **MINIMUM SUBSCRIPTION**

In accordance with Regulation [106P](1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P](1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

In accordance with Regulation 106 (R) of the SEBI (ICDR) Regulations, 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 refunded forthwith. If such money is not repaid within fifteen (15) 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 fifteen (15) days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

For further details, please refer to section titled “**Terms of the Issue**” beginning on page 297 of this Draft Prospectus.



### **BASIS FOR ISSUE PRICE**

*Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of the Company” beginning on page 15, page 109 and page 179 respectively of the Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.*

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ 15.00 which is 1.5 times of the face value.

### **QUALITATIVE FACTORS**

- Well qualified and experienced Management Team
- In-house Manufacturing Capabilities
- Consistent and Standardised Product Quality
- Wide Range of Products
- Existing customer relationship

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 109 of the Draft Prospectus.

### **QUANTITATIVE FACTORS**

Information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### **1. Basic & Diluted Earnings per share (EPS), as adjusted:**

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2012-13	8.37	1
2.	FY 2013-14	5.54	2
3.	FY 2014-15	3.91	3
	<b>Weighted Average</b>	<b>5.20</b>	<b>6</b>
	<b>For 6 Months period ended September 30, 2015*</b>	<b>0.78</b>	

\* Not annualized

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

#### **2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 15.00 :**

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2014-15	3.83
2	P/E ratio based on the Weighted Average EPS, as restated for FY 2014-15	2.89

#### **Peer Group P/ E\***

1	Highest (Agro Tech Foods Limited)	38.6
2	Lowest (Vijay Solvex Limited)	6.4
	<b>Industry Composite (Solvent Extraction)</b>	<b>15.1</b>

\*Source: Capital Market dated Feb 01, 2016 – Feb 14, 2016; Vol: XXX/25; Solvent Extraction



**3. Return on Net worth (RoNW)\***

S. No	Period	RONW (%)	Weights
	FY 2012-13	30.79%	1
	FY 2013-14	16.93%	2
	FY 2014-15	10.68%	3
	<b>Weighted Average</b>	<b>16.11 %</b>	<b>6</b>
	<b>For 6 months ended September 30, 2015<sup>#</sup></b>	<b>2.08%</b>	

\*Restated Profit after tax/Net Worth

<sup>#</sup> Not annualized

**4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS**

- (a) Based on Basic and Diluted EPS, as restated of FY 2014-15 of ₹ 3.91 at the Issue Price of ₹ 15.00 :
- 12.44% on the restated financial statements.
- (b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 5.20 at the Issue Price of ₹ 15.00 :
- 16.53% on the restated financial statements.

**5. Net Asset Value (NAV) per Equity Share :**

Sr. No.	As at	NAV Standalone (₹)
1.	March 31, 2013	27.19
2.	March 31, 2014	32.73
3.	March 31, 2015	36.64
4.	September 30, 2015*	37.42
5.	NAV after Issue	31.45
	<b>Issue Price</b>	<b>15.00</b>

\* Net Asset Value per Share for 6 months period ended September 30, 2015 has been computed considering the outstanding number of shares as on September 30, 2015.

**6. Comparison of Accounting Ratios with Industry Peers<sup>1</sup>**

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹)	PE	RoNW (%)	NAV per Share (₹)
1.	Ruchi Soya Industries Limited	Standalone	02.00	0.20	-	0.40	65.80
2.	Gujarat Ambuja Exports Limited	Standalone	02.00	5.70	7.4	10.70	59.70
3.	Sanwaria Agro Oils Limited	Standalone	01.00	0.70	-	10.0	7.60
4.	Gokul Refoils & Solvent Limited	Standalone	02.00	0.70	-	2.80	27.20
5.	Avi Agri Business Limited	Standalone	10.00	3.91	3.83	10.68	36.64

The figures of Avi Agri Business Limited are based on restated financial statements for the year ended March 31, 2015. The figures of peer Companies are based on standalone audited results for the respective year ended March 31, 2015.

<sup>1</sup> Source: Capital Market dated Feb 01, 2016 – Feb 14, 2016; Vol: XXX/25; Solvent Extraction

<sup>2</sup> Basic & Diluted Earnings per share (EPS), as adjusted based on restated financial statements for the year ended March 31, 2015.

<sup>3</sup> Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 15.00



*The peer group identified is broadly based on the products range that our Company is engaged into, but our scale of operations is not comparable to them. Also, we believe that considering the products range of Our Company, the peers are not strictly comparable.*

7. The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 15.00 per share is 1.5 times of the face value.
8. Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 15.00 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 Auditors' Report in the offer Document to have more informed view about the investment.

Investors should read the above mentioned information along with section titled ***"Our Business"***, ***"Risk Factors"*** and ***"Financial Information of the Company"*** beginning on page 109, 15 and 179 respectively including important profitability and return ratios, as set out in ***"Annexure Q"*** to the Financial Information of the Company on page 223 of the Draft Prospectus to have a more informed view.



**STATEMENT OF TAX BENEFITS**

To,  
The Board of Directors,  
Avi Agri Business Limited,  
Saket Tower, 4th Floor, 3A Ratlam Kothi,  
Indore - 452001 Madhya Pradesh

Dear Sirs,

**Sub: Statement of Possible Tax Benefits Available to the Company and its shareholders with regards to Initial Public Offer of Avi Agri Business Limited**

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961, 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 statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. 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 issue.

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

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

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

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

**For Ashok Khasgiwala & Co.**  
**Chartered Accountants**  
**Firm Reg. No. - 0743C**

**AVINASH BAXI**  
**Partner**  
**Membership No. 79722**  
**Place: Indore**  
**Date: 25- Feb- 2016**



**THE FOLLOWING KEY TAX BENEFITS ARE AVAILABLE TO THE COMPANY AND THE PROSPECTIVE SHAREHOLDERS UNDER THE CURRENT DIRECT TAX LAWS IN INDIA.**

**A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS**

**I. Special Benefits available to Company:** There are no special tax benefits available to the Company.

**II. Special Benefits available to the Shareholders of Company:** There are no special tax benefits available to the Equity Shareholders.

**B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS**

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

**Under the Income-Tax Act, 1961 (“the Act”):**

**I. Benefits available to the Company**

1. **Depreciation:** As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets (held if any) as explained in the said section and the relevant Income Tax rules there under.
2. **Dividend Income :** Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.
3. **Income from Mutual Funds / Units:** As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:
  - ✓ Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
  - ✓ Income received in respect of units from the Administrator of the specified undertaking; or
  - ✓ Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.
4. **Income from Long Term Capital Gain:** As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company. For this purpose, “Equity Oriented Fund” means a fund –
  - a. Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
  - b. Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.
5. As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

Book Profit	A.Y. - 2016-17		
	Tax	Surcharge	Cess
If book profit is less than or equal to Rs. 1 Crore	18.5%	-	3%
If book profit is more than 1 crore but does not exceed Rs. 10 crore	18.5%	7%	3%
If book profit is more than Rs. 10 Crore	18.5%	12%	3%

6. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part



of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

7. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
8. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.  
A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
  - a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
9. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)
10. **Preliminary Expenses :** Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.
11. **Credit for Minimum Alternate Taxes (“MAT”) :** Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 assessment years immediately succeeding the assessment year in which the MAT credit initially arose.

## **II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:**

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.





Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.  
A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:
  - a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an Individual or a Hindu Undivided Family („HUF”) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
7. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
8. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

### **III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be



exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family („HUF”) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
  6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
  7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:
    - i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
    - ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a



Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

- iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
  - iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
  - v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

#### **IV. Foreign Institutional Investors (FIIs)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of Income	Rate of Tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of



such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

#### **V. Venture Capital Companies/Funds**

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

#### **VI. Mutual Funds**

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

#### **Under the Wealth Tax Act, 1957**

##### **Benefits to shareholders of the Company**

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Note: Wealth Tax is to be abolished in India with Effect from 01 April, 2016 by Finance Act, 2015

##### **Tax Treaty Benefits**

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that



India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

**Benefits available under the Gift Tax Act:** Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares of the Company will not attract gift tax in the hands of the donor.

**Notes:**

1. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
2. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
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;
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
5. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.



## **SECTION IV – ABOUT THE ISSUER COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but 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.*

#### **Global Economy Outlook**

Global growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging market and developing economies.

In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. The projected pickup in growth in the next two years—despite the ongoing slowdown in China primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks.

Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed.

(Source: <http://www.imf.org/external/pubs/ft/weo/2016/update/01/pdf/0116.pdf> )

#### **Emerging Market and Developing Economies**

Growth in emerging market and developing economies is projected to increase from 4 percent in 2015 the lowest since the 2008–09 financial crisis to 4.3 and 4.7 percent in 2016 and 2017, respectively.

- Growth in China is expected to slow to 6.3 percent in 2016 and 6.0 percent in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, although with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness.
- Aggregate GDP in Latin America and the Caribbean is now projected to contract in 2016 as well, albeit at a smaller rate than in 2015, despite positive growth in most countries in the region. This reflects the recession in Brazil and other countries in economic distress.
- Higher growth is projected for the Middle East, but lower oil prices, and in some cases geopolitical tensions and domestic strife, continue to weigh on the outlook.
- Emerging Europe is projected to continue growing at a broadly steady pace, albeit with some slowing in 2016. Russia, which continues to adjust to low oil prices and Western sanctions, is expected to remain in recession in 2016. Other economies of the Commonwealth of Independent States are caught in the slipstream of Russia's recession and geopolitical tensions, and in some cases affected by domestic structural weaknesses and low oil prices; they are projected to expand only modestly in 2016 but gather speed in 2017.





- Most countries in sub-Saharan Africa will see a gradual pickup in growth, but with lower commodity prices, to rates that are lower than those seen over the past decade. This mainly reflects the continued adjustment to lower commodity prices and higher borrowing costs, which are weighing heavily on some of the region's largest economies (Angola, Nigeria, and South Africa) as well as a number of smaller commodity exporters.

(Source: <http://www.imf.org/external/pubs/ft/weo/2016/update/01/pdf/0116.pdf> )

Table 1. Overview of the World Economic Outlook Projections

(Percent change unless noted otherwise)

	Year over Year						Q4 over Q4		
	Estimates		Projections		Difference from October 2015 WEO Projections 1/		Estimates	Projections	
	2014	2015	2016	2017	2016	2017	2015	2016	2017
<b>World Output 2/</b>	3.4	3.1	3.4	3.6	-0.2	-0.2	3.0	3.4	3.6
<b>Advanced Economies</b>	1.8	1.9	2.1	2.1	-0.1	-0.1	1.8	2.2	2.0
United States	2.4	2.5	2.6	2.6	-0.2	-0.2	2.1	2.7	2.5
Euro Area	0.9	1.5	1.7	1.7	0.1	0.0	1.5	1.8	1.6
Germany	1.6	1.5	1.7	1.7	0.1	0.2	1.5	1.7	1.7
France	0.2	1.1	1.3	1.5	-0.2	-0.1	1.3	1.6	1.5
Italy	-0.4	0.8	1.3	1.2	0.0	0.0	1.3	1.3	1.1
Spain	1.4	3.2	2.7	2.3	0.2	0.1	3.4	2.3	2.3
Japan	0.0	0.6	1.0	0.3	0.0	-0.1	1.5	1.2	-0.3
United Kingdom	2.9	2.2	2.2	2.2	0.0	0.0	2.0	2.2	2.2
Canada	2.5	1.2	1.7	2.1	0.0	-0.3	0.6	2.0	2.2
Other Advanced Economies 3/	2.8	2.1	2.4	2.8	-0.3	-0.1	2.0	2.5	3.3
<b>Emerging Market and Developing Economies 4/</b>	4.6	4.0	4.3	4.7	-0.2	-0.2	4.0	4.5	4.9
Commonwealth of Independent States	1.0	-2.8	0.0	1.7	-0.5	-0.3	-3.3	0.1	1.6
Russia	0.6	-3.7	-1.0	1.0	-0.4	0.0	-4.1	0.2	1.4
Excluding Russia	1.9	-0.7	2.3	3.2	-0.5	-0.8	...	...	...
Emerging and Developing Asia	6.8	6.6	6.3	6.2	-0.1	-0.1	6.5	6.2	6.3
China	7.3	6.9	6.3	6.0	0.0	0.0	6.8	6.1	6.0
India 5/	7.3	7.3	7.5	7.5	0.0	0.0	7.3	7.5	7.6
ASEAN-5 6/	4.6	4.7	4.8	5.1	-0.1	-0.2	4.6	4.8	5.5
Emerging and Developing Europe	2.8	3.4	3.1	3.4	0.1	0.0	3.7	5.0	2.6
Latin America and the Caribbean	1.3	-0.3	-0.3	1.6	-1.1	-0.7	-1.5	0.3	2.0
Brazil	0.1	-3.8	-3.5	0.0	-2.5	-2.3	-5.6	-1.6	0.5
Mexico	2.3	2.5	2.6	2.9	-0.2	-0.2	2.5	2.7	3.0
Middle East, North Africa, Afghanistan, and Pakistan	2.8	2.5	3.6	3.6	-0.3	-0.5	...	...	...
Saudi Arabia	3.6	3.4	1.2	1.9	-1.0	-1.0	3.6	0.5	2.3
Sub-Saharan Africa	5.0	3.5	4.0	4.7	-0.3	-0.2	...	...	...
Nigeria	6.3	3.0	4.1	4.2	-0.2	-0.3	...	...	...
South Africa	1.5	1.3	0.7	1.8	-0.6	-0.3	0.4	0.9	2.4
<b>Memorandum</b>									
Low-income Developing Countries	6.0	4.6	5.6	5.9	-0.2	-0.2	...	...	...
World Growth Based on Market Exchange Rates	2.7	2.5	2.7	3.0	-0.3	-0.2	2.3	2.8	3.0
World Trade Volume (goods and services)	3.4	2.6	3.4	4.1	-0.7	-0.5	...	...	...
Imports									
Advanced Economies	3.4	4.0	3.7	4.1	-0.5	-0.4	...	...	...
Emerging Market and Developing Economies	3.7	0.4	3.4	4.3	-1.0	-1.1	...	...	...
Commodity Prices (U.S. dollars)									
Oil 7/	-7.5	-47.1	-17.6	14.9	-15.2	4.8	-42.7	5.3	11.1
Nonfuel (average based on world commodity export weights)	-4.0	-17.4	-9.5	0.4	-4.4	0.1	-19.0	-2.2	0.3
Consumer Prices									
Advanced Economies	1.4	0.3	1.1	1.7	-0.1	0.0	0.4	1.3	1.9
Emerging Market and Developing Economies 4/	5.1	5.5	5.6	5.9	0.5	1.0	7.0	9.9	20.4
London Interbank Offered Rate (percent)									
On U.S. Dollar Deposits (six month)	0.3	0.5	1.2	2.2	0.0	0.0	...	...	...
On Euro Deposits (three month)	0.2	0.0	-0.3	-0.2	-0.3	-0.3	...	...	...
On Japanese Yen Deposits (six month)	0.2	0.1	0.1	0.1	0.0	-0.1	...	...	...

(Source: <http://www.imf.org/external/pubs/ft/weo/2016/update/01/pdf/0116.pdf> )





## **Indian Economy Outlook**

### ***Introduction***

India is set to emerge as the world's fastest-growing major economy by 2015 ahead of China, as per the recent report by The World Bank. India's Gross Domestic Product (GDP) is expected to grow at 7.5 per cent in FY 2015-16, as per the report.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

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

### ***Market size***

According to IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5 per cent in 2016.

India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 per cent in FY2015 as against 6.9 per cent in FY2014. The size of the Indian economy is estimated to be at Rs 129.57 trillion (US\$ 2.01 trillion) for the year 2014 compared to Rs 118.23 trillion (US\$ 1.84 trillion) in 2013.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2014-15 is Rs 106.4 trillion (US\$ 1.596 trillion), as against Rs 99.21 trillion (US\$ 1.488 trillion) in 2013-14, registering a growth rate of 7.3 per cent. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.

According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms.

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

### ***Investments/developments***

With the improvement in the economic scenario, there have been various investments leading to increased M&A activity. Some of them are as follows:

India has emerged as one of the strongest performers with respect to deals across the world in terms of mergers and acquisitions (M&A). M&A activity increased in 2014 with deals worth US\$ 38.1 billion being concluded, compared to US\$ 28.2 billion in 2013 and US\$ 35.4 billion in 2012. The total transaction value for the month of November 2015 was US\$ 2.97 billion involving a total of 47 transactions. In the M&A space, Telecom was the dominant sector, amounting to 40 per cent of the total transaction value. Also, Private equity (PE) investments increased 86 per cent y-o-y to US\$ 1.43 billion.

- India's Index of Industrial Production (IIP) grew by 9.8 per cent in October, 2015 compared to 3.8 per cent in September 2015.
- India's Consumer Price Index (CPI) inflation rate increased to 5.41 per cent in November 2015 as compared to 5 per cent in October 2015. On the other hand, the India's Wholesale Price Index (WPI) inflation rate remained negative at 1.99 per cent for the thirteenth consecutive month in November 2015 as against negative 3.81 per cent in the previous month.
- India's consumer confidence continues to remain highest globally for the sixth quarter in a row, riding on positive economic environment and lower inflation. The country's confidence score was 131 in the three months ended September 2015, same as that of previous quarter.



- India's current account deficit in the July-September 2015 quarter at US\$ 8.2 billion was wider than the US\$ 6.2 billion in the previous quarter. However, it was lower than the US\$ 10.9 billion deficit recorded in same period last year.
- India's foreign exchange reserves were US\$ 352.5 billion in the week up to December 11, 2015, an increase of US\$ 408 million over the past week.
- Owing to increased investor confidence, net Foreign Direct Investment (FDI) inflows touched a record high of US\$ 34.9 billion in 2015 compared to US\$ 21.6 billion in the previous fiscal year, according to a Nomura report. The report indicated that the net FDI inflows reached to 1.7 per cent of the GDP in 2015 from 1.1 per cent in the previous fiscal year.

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

### ***Government Initiatives***

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy. This initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. Finance Minister Mr Arun Jaitley stated that the government is looking at a number of reforms and resolution of pending tax disputes to attract investments.

Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP. Following the government's initiatives several plans for investment have been undertaken which are as follows:

- British telecom giant Vodafone, India's second largest telecom operator, plans to invest over Rs 13,000 crore (US\$ 1.96 billion) in India, to upgrade and expand its network and also for its payments bank operations.
- Chinese smartphone handset maker, Vivo, has set up an assembly unit in India at Greater Noida which will initially manufacture 150,000 smartphone units a month, to produce three smartphone models, namely Y11, Y21 and Y15S.
- Foxconn Technology group, Taiwan's electronics manufacturer, is planning to manufacture Apple iPhones in India. Besides, Foxconn aims to establish 10-12 facilities in India including data centers and factories by 2020.
- US-based First Solar Inc and China's Trina Solar have plans to set up manufacturing facilities in India. Clean energy investments in India increased to US\$ 7.9 billion in 2014, helping the country maintain its position as the seventh largest clean energy investor in the world.
- Hyderabad is set to become the mobile phone manufacturing hub in India and is expected to create 150,000 – 200,000 jobs. Besides, the Telangana Government aims to double IT exports to Rs 1.2 trillion (US\$ 18.7 billion) by 2019.
- General Motors plans to invest US\$1 billion in India by 2020, mainly to increase the capacity at the Talegaon plant in Maharashtra from 130,000 units a year to 220,000 by 2025.
- Hyundai Heavy Industries (HHI) and Hindustan Shipyard Ltd have joined hands to build warships in India. Besides, Samsung Heavy Industries and Kochi Shipyard will be making Liquefied Natural Gas (LNG) tankers.
- JSW Group plans to expand its cement production capacity to 30 MTPA from 5 MTPA by setting up grinding units closer to its steel plants.

Under the Digital India initiative numerous steps have been taken by the Government of India. Some of them are as follows:

- The Government of India has launched a digital employment exchange which will allow the industrial enterprises to find suitable workers and the job-seekers to find employment. The core purpose of the initiative is to strengthen the communication between the stakeholders and to improve the efficiencies in service delivery in the MSME ministry. According to officials at the MSME ministry over 200,000 people have so far registered on the website.
- The Ministry of Human Resource Development recently launched Kendriya Vidyalaya Sangathan's (KVS) e-initiative 'KV ShaalaDarpan' aimed at providing information about students electronically on a single platform. The program is a step towards realising Digital India and will depict good governance.



- The Government of India announced that all the major tourist spots like Sarnath, Bodhgaya and Taj Mahal will have a Wi-Fi facility as part of digital India initiative. Besides, the Government has started providing free Wi-Fi service at Varanasi ghats.

Based on the recommendations of the Foreign Investment Promotion Board (FIPB), the Government of India has recently approved 18 proposals of FDI amounting to Rs 5,000 crore (US\$ 770 million) approximately on September 30, 2015.

The Government of India has launched an initiative to create 100 smart cities as well as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities with an outlay of Rs 48,000 crore (US\$ 7.47 billion) and Rs 50,000 crore (US\$ 7.78 billion) crore respectively. Smart cities are satellite towns of larger cities which will consist of modern infrastructure and will be digitally connected. The program was formally launched on June 25, 2015. The Phase I for Smart City Kochi (SCK) will be built on a total area of 650,000 sq. ft., having a floor space greater than 100,000 sq. ft. Besides, it will also generate a total of 6,000 direct jobs in the IT sector.

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

### ***Road Ahead***

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms. Besides, according to mid-year update of United Nations World Economic Situation and Prospects, India is expected to grow at 7.6 per cent in 2015 and at 7.7 per cent in 2016.

As per the latest Global Economic Prospects (GEP) report by World Bank, India is leading The World Bank's growth chart for major economies. The Bank believes India to become the fastest growing major economy by 2015, growing at 7.5 per cent.

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

## **Indian Food Processing Industry**

### ***Introduction***

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

Accounting for about 32 per cent of the country's total food market, the food processing industry is one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. The total food production in India is likely to double in the next 10 years with the country's domestic food market estimated to reach US\$ 258 billion by 2015.

The Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licences and 100 per cent export oriented units.

(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)

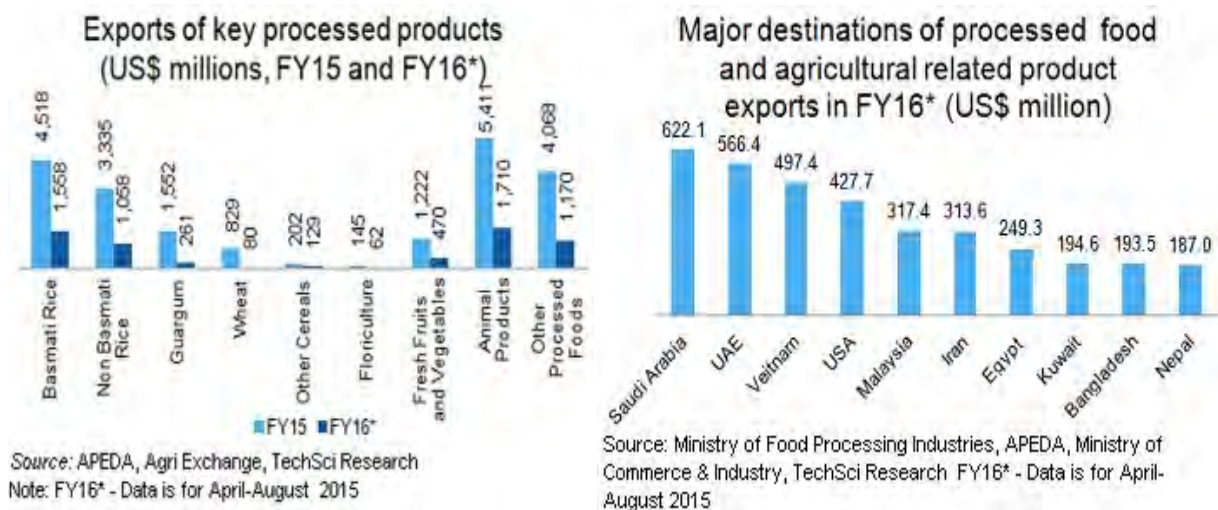
### ***Market Size***

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. It is projected to grow at the rate of 104 per cent, touching US\$ 482 billion by 2020.

The Indian food processing industry accounts for 32 per cent of the country's total food market, 14 per cent of manufacturing Gross Domestic Product (GDP), 13 per cent of India's exports and six per cent of total industrial investment. Indian food service industry is expected to reach US\$ 78 billion by 2018. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. It is expected to cross US\$ 2.8 billion by 2015.



The online food ordering business in India is in its nascent stage, but witnessing exponential growth. The organised food business in India is worth US\$ 48 billion, of which food delivery is valued at US\$ 15 billion. With online food delivery players like Food Panda, Zomato, Tiny Owl and Swiggy building scale through partnerships, the organised food business has a huge potential and a promising future.



(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)

## Investments

According to the data provided by the Department of Industrial Policies and Promotion (DIPP), the food processing sector in India has received around US\$ 6.55 billion worth of Foreign Investments during the period April 2000—September 2015. The Confederation of Indian Industry (CII) estimates that the food processing sectors have the potential to attract as much as US\$ 33 billion of investment over the next 10 years and also generate employment of nine million person-days

Investment in food start-ups, which mainly include food ordering apps, has increased by 93 per cent to US\$ 130.3 million comprising 17 deals in 2015 till September 2015 as against only five deals in 2014

Some of the major investments in this sector in the recent past are:

- Gujarat Cooperative Milk Marketing Federation (GCMMF), popularly known as 'Amul', plans to invest Rs 5,000 crore (US\$ 750 million) to establish ten new processing plants as well as expand the current capacity to touch 32 million litres per day (MLPD) capacity by 2020.
- American doughnut chain Dunkin' Donuts has tied up with local online grocery delivery platform Grofers for home-delivery of its packaged and freshly made products.
- Private Equity (PE) firm India Value Fund Advisors (IVFA) plans to invest around US\$ 100-150 million in the food business in India over the next two years.
- Mahindra & Mahindra's (M&M) agri-commodities division has announced its entry into pulses retailing under the brand 'NuPro' with Tur dal being the first offering under the brand.
- Zomato, a restaurant search and discovery platform, has raised US\$ 60 million from Singapore government-owned investment company Temasek, along with existing investor Vy Capital, in order to explore new business verticals.
- ITC Limited plans to invest Rs 800 crore (US\$ 120 million) to set up a world-class food processing facility in Medak, a district located in Telangana. The company has also formulated plans to enter the dairy market.

(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)



### **Government Initiatives**

In order to promote food processing industries, increase level of processing and exploit the potential of domestic and international market for processed food products, Vision Document-2015 was prepared by the Ministry of Food Processing Industries. The document envisages trebling the size of investment in the processed food sector by increasing the level of processing of perishables from 6 per cent to 20 per cent, value addition from 20 per cent to 35 per cent and share in global food trade from 1.5 per cent to 3 per cent by 2015. According to the Ministry, an investment of Rs 100,000 crore (US\$ 15 billion) would be required in 2015 to achieve these targets.

Some of the major initiatives taken by the Government of India to improve the food processing sector in India are as follows:

- Government of India plans to allow two Indian dairy companies, Parag Milk Foods and Schreiber Dynamix Dairies, to export milk products to Russia for six months, after these companies got approval for their products by Russian inspection authorities.
- Ms Harsimrat Kaur Badal, Union Minister for Food Processing Industries, Government of India inaugurated the first of its kind Rs 136 crore (US\$ 20.4 million) mega international food park at Dabwala Kalan, Punjab.
- The Ministry of Food Processing Industries announced a scheme for human resource development (HRD) in the food processing sector. The HRD scheme is being implemented through State Governments under the National Mission on Food Processing. The scheme has the following four components:
  - Creation of infrastructure facilities for degree/diploma courses in food processing sector
  - Entrepreneurship Development Programme (EDP)
  - Food Processing Training Centres (FPTC)
  - Training at recognised institutions at State/National level
- The Food Safety and Standards Authority of India (FSSAI) under the Ministry of Health and Family Welfare has issued the Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011 and the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011 which prescribe the quality and safety standards, respectively for food products.
- The Ministry of Food Processing Industries has taken some new initiatives to develop the food processing sector which will also help to enhance the incomes of farmers and export of agro and processed foods among others.
- Spices Board, set up by the Ministry of Commerce to develop and promote Indian spices worldwide, aims spice exports of US\$ 3 billion by 2017.
- The Spices Board India has decided to sell around 30 of the choicest spices and value added products globally under the brand names 'Spices India' and 'Flavourit' by opening premium retail outlets abroad in partnership with private investors.
- The Government of India has approved the setting up of five numbers of Mega Food Parks in the states of Bihar, Maharashtra, Himachal Pradesh and Chhattisgarh. The Government plans to set up 42 such mega food parks across the country in next three to four years.
- In the Budget 2015-16, a corpus of Rs. 2,000 crore (US\$ 300 million) was created under National Bank for Agriculture and Rural Development (NABARD) to provide cheaper credit to food processing industry. Excise duty on plant and machinery for packaging and processing has been brought down to six per cent from 10 per cent.
- The Government of India has planned to set up 42 mega food parks across the country in next three to four years.

(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)





## NOTABLE TRENDS IN THE INDIAN FOOD PROCESSING SECTOR



(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)

### Road Ahead

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 offers several benefits. It would enable adherence to stringent quality and hygiene norms and thereby protect consumer health, prepare the industry to face global competition, enhance product acceptance by overseas buyers and keep the industry technologically abreast of international best practices.

(Source: <http://www.ibef.org/download/Food-Processing-January-2016.pdf>)

### Global Oil crops and Solvent Extraction Scenario

The current outlook for the 2015/16 marketing season points to further improvement in the global supply and demand balance for oilseeds and oilmeals, while that of oils/fats could tighten. Oilseed production in 2015/16 is forecast to trail behind last season's record level on account of lower rapeseed, soybean and cottonseed outputs. Soy production could decrease slightly in both the United States and South America as yields drop from last season's unprecedented high level. Regarding rapeseed, adverse weather conditions compromised production prospects in the world's two leading producers, the EU and Canada, while global cottonseed output is expected to decrease on reduced plantings. Output from oil palms could grow at a belowaverage rate, due to unfavourable weather. While 2015/16 crop projections foreshadow stagnation of oils/fats production, global oils/fats consumption is forecast to expand further, possibly requiring some downsizing of inventories. For meals/cakes, a small surplus in global production relative to demand could push global inventories beyond last season's record level. Based on current forecasts, a year-on-year drop in the stock-to-use ratio for oils/fats seems likely, while the stock-to-use ratio for meals/cakes would match last season's exceptionally high level. International trade in oilseeds and derived products is forecast to expand further in 2015/16, albeit less than in recent years. In the case of oils/fats, the anticipated slowdown mainly reflects possible drops in imports by China and India, underpinned by, respectively, large inventories and production gains. Regarding meals/cakes, China, the world's largest buyer of soybeans, may see import growth slow for several reasons, including low soybean processing margins, the availability of large stocks, and the recent depreciation of China's currency.

(Source: [http://www.fao.org/fileadmin/templates/est/COMM\\_MARKETS\\_MONITORING/Oilcrops/Documents/Food\\_outlook\\_oilseeds/Oilcrops\\_October\\_2015.pdf](http://www.fao.org/fileadmin/templates/est/COMM_MARKETS_MONITORING/Oilcrops/Documents/Food_outlook_oilseeds/Oilcrops_October_2015.pdf))



(Source: [http://www.fao.org/fileadmin/templates/est/COMM\\_MARKETS\\_MONITORING/Oilcrops/Documents/Food\\_outlook\\_oilseeds/Oilcrops\\_October\\_2015.pdf](http://www.fao.org/fileadmin/templates/est/COMM_MARKETS_MONITORING/Oilcrops/Documents/Food_outlook_oilseeds/Oilcrops_October_2015.pdf))

### **Overview of Oil Seeds Production**

India is one of the major oilseeds grower and importer of edible oils. India's vegetable oil economy is world's fourth largest after USA, China & Brazil. The oilseed accounts for 13% of the Gross Cropped Area, 3% of the Gross National Product and 10% value of all agricultural commodities. This sector has recorded annual growth rate of area, production and yield @ 2.44%, 5.47% and 2.96% respectively during last decade (1999-2009).

The diverse agro-ecological conditions in the country are favourable for growing 9 annual oilseed crops, which include 7 edible oilseeds (groundnut, rapeseed & mustard, soybean, sunflower, sesame, safflower and niger) and two non-edible oilseeds (castor and linseed). Oilseeds cultivation is undertaken across the country in about 27 million hectares mainly on marginal lands, of which 72% is confined to rainfed farming.

During the last few years, the domestic consumption of edible oils has increased substantially and has touched the level of 18.90 million tonnes in 2011-12 and is likely to increase further. With per capita consumption of vegetable oils at the rate of 16 kg/year/person for a projected population of 1276 million, the total vegetable oils demand is likely to touch 20.4 million tonnes by 2017.

A substantial portion of our requirement of edible oil is met through import of palm oil from Indonesia and Malaysia.

It is, therefore, necessary to exploit domestic resources to maximize production to ensure edible oil security for the country. Oil Palm is comparatively a new crop in India and is the highest vegetable oil yielding perennial crop. With quality planting materials, irrigation and proper management, there is potential of achieving 20-30 MT Fresh Fruit Bunches (FFBs) per ha after attaining the age of 5 years. Therefore, there is an urgent need to intensify efforts for area expansion under oil palm to enhance palm oil production in the country.

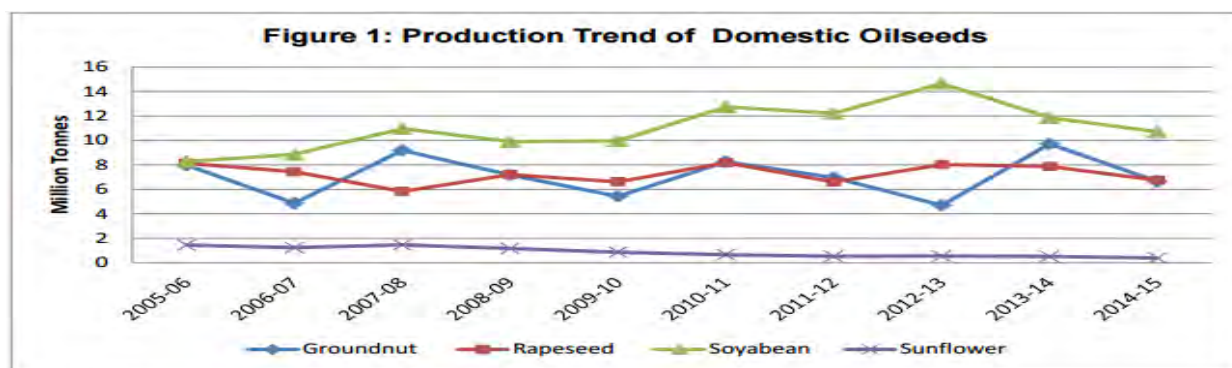
Tree Borne Oilseeds (TBOs), like sal, mahua, simarouba, kokum, olive, karanja, jatropha, neem, jojoba, cheura, wild apricot, walnut, tung etc. are cultivated/grown in the country under different agro-climatic conditions in a scattered form in forest and non-forest areas as well as in waste land /deserts/hilly areas. These TBOs are also good source of vegetable oil and therefore need to be supported for cultivation.

(Source: <http://nmoop.gov.in/Introduction.aspx>)

### **Soyabean Oil Industrial Sector**

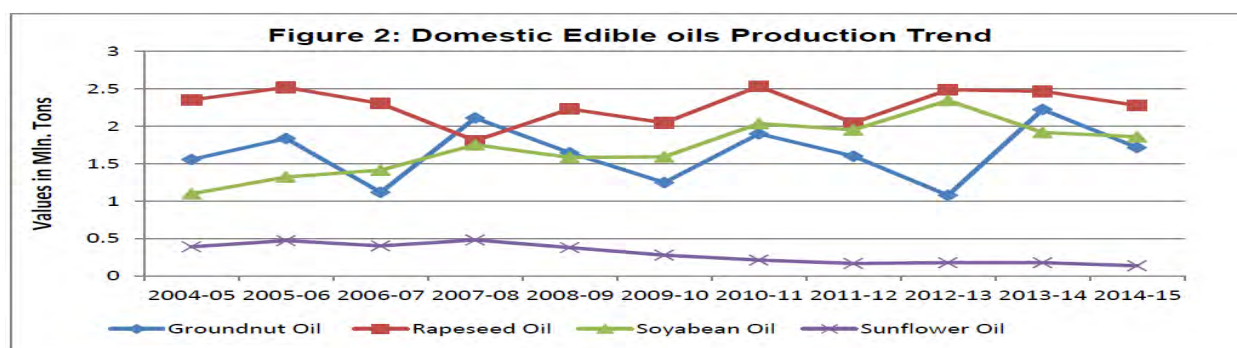
India's Soybean production has increased in the last 10 years at CAGR of 4.54 percent. Production of Groundnut increased substantially from 4.60 million 2012-13 to 9.67 million tonnes 2013-14 showing a growth of about 110%. However, production is estimated to be at 6.65 million tons in 2014-15.



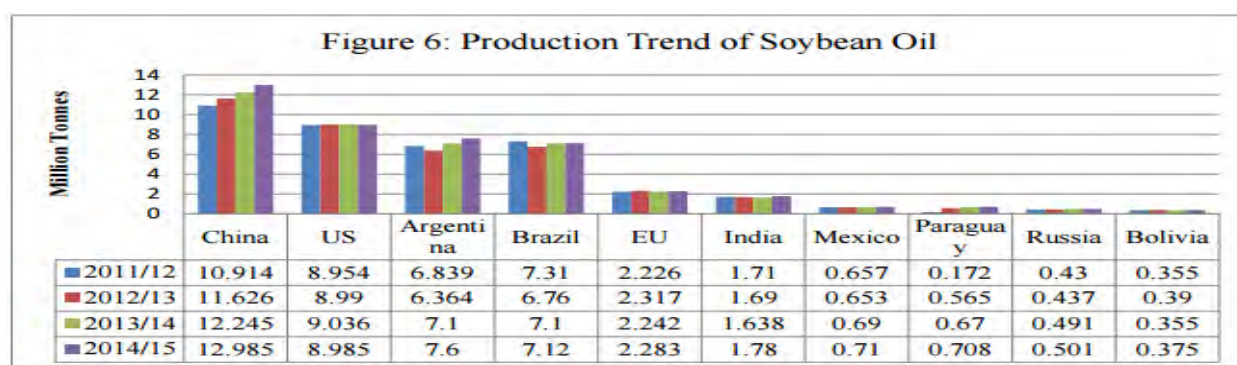


Source: Directorate of Economics and Statistics

Soybean oil production has increased in the last 10 years at CAGR of 5.67 percent. Production of Rapeseed oil has increased in the last 10 years at CAGR of 0.46 percent.

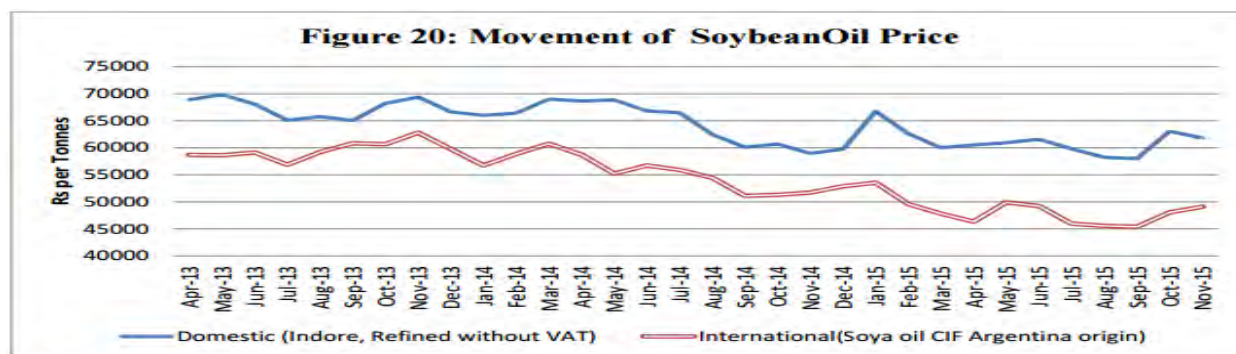


China, United States, Argentina and Brazil are the key producers of Soybean oil in 2014- 15. India's share in global production of Soybean Oil in 2014-15 is around 4.13 percent.



Source: United States Department of Agriculture

Domestic price of soybean oil are higher than International prices throughout period.



(Source: - <http://agricoop.nic.in/imagedefault/trade/Edible.pdf> )

### Decline in Soyabean Market

The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of Nov., 2015. The export of oilmeals during Nov., 2015 is reported at 112,081 tons compared to 189,032 tons in Nov., 2014 i.e. down by 41%. The overall export of oilmeals during April-Nov., 2015 is reduced by 38% compared to last year and reported at 895,646 tons compared to 1,452,105 tons during the same period of last year and 2,602,966 tons for the period April-Nov, 2013. Soybean crushing is very much reduced due to continuous disparity and high price of domestic market affecting overall domestic availability of both oils and meals. The export of soybean meal is at a historical low during current year and reported 55,889 tons during the first eight months of the financial year 2015-16 compared to 250,904 tons in the previous year. Similarly rapeseed meal export is also reduced to 1/3rd of last year. The capacity utilization is at the lowest. Industry is passing through very tough time and many plants are close down or operating at very low capacity due to disparity in crushing and export.

Source: The Solvent Extractors' Association of India report no. EC 180/2015-16 dated 4th December, 2015  
(<http://www.seaofindia.com/cdn/gallery/13/fe1d8fedcfa0a8c07dcf2eadccf4f70b.pdf> )

### Reasons for decline:

- High price of soybean in domestic market v/s lower realization for meal and oil resulted in to drastic fall in crushing and export of soybean meal.
- The export to Japan, Iran, Thailand, Indonesia, Taiwan and Vietnam drastically reduced due to disparity in export in these regions against severe competition from other origins including China and Argentina.
- India lost Vietnam market for soybean meal due to stiff competition from other origins and increased availability from domestic crushing of imported soybean.
- On wake of lifting sanctions, Iran shifted soybean meal buying from India to another origins. Currently India is out priced by US\$ 100 against other origins in Iranian market.
- Japan was big importer of Indian soybean meal being non GMO, however now started using GM soybean meal and buying from other origins.

### Export of Oilmeals - April – Nov., 2015

(Qty. in  
M.T.)

Month	Soybean Meal	Rapeseed Meal	Ground Nut Meal	Ricebran Ext. #	Castor Seed Meal	Total	Last Year	Change %
Apr. '15	18,017	69,398	250	24,332	70,641	182,638	248,445	(-) 26%
May '15	14,046	35,188	---	40,618	31,487	121,339	169,607	(-) 28%
June '15	2,098	56,139	---	34,328	77,134	169,699	207,753	(-) 18%
July '15	928	8,645	150	33,628	887	44,238	132,102	(-) 67%



## Avi Agri Business Limited

Aug.'15	768	49,788	---	8,500	32,778	91,834	156,942	(-) 42%
Sept.,15	6,886	60,211	206	33,236	39,110	139,649	109,521	(+) 28%
Oct.,2015	4,237	3,079	---	26,852®	---	34,168	238,703	(-) 86%
Nov.,2015	8,909	12,845	---	4,550@	85,777	112,081	189,032	(-) 41%
(Apr.-Nov. '15)	55,889	295,293	606	206,044	337,814	895,646		(-) 38%
(Apr.-Nov. '14)	250,904	765,878	1,579	151,734	282,010	1,452,105		
(Apr.-Nov. '13)	1,559,474	589,509	1,671	80,125	372,187	2,602,966		
2014-15 (F.Y.)	659,593	1,067,159	3,013	277,492	458,406	2,465,663		
2013-14 (F.Y.)	2,781,985	916,050	3,290	147,001	533,668	4,381,994		
2012-13 (F.Y.)	3,439,848	786,690	2,883	233,200	383,392	4,846,013		

Source: The Solvent Extractors' Association of India report no. EC 180/2015-16 dated 4th December, 2015  
<http://www.seaofindia.com/cdn/gallery/13/fe1d8fedcfa0a8c07dcf2eadccf4f70b.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 Information of the Company” on page 15, 235 and 179, 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 “Avi Agri Business Limited”, ‘the Company’, ‘our Company’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Avi Agri Business Limited.*

### **Overview**

Our Company was started with the potential of soyabean processing by carrying out solvent extraction activities in year 2010 at Chandukhedi, Ujjain, Madhya Pradesh catering to the requirement of Solvent Extraction & Edible oil industry. Since then we added many more range of soyabean products such as refined Soyabean oil, Indian soyabean meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins in our portfolio.

In 2010, our Company succeeded in setting - up of manufacturing plant for carrying out solvent extraction and oil refining activities, with solvent extraction capacity of 600 MT per day and oil refining capacity of 100 MT per day and within a short span of time of around 2 years we enhanced our solvent extract plant to 1400 MT per day and oil refining capacity to 300 MT per day by installing additional solvent extraction plant and oil refining plant.

Our Company has received ISO Certifications from United Kingdom Accreditation Service Management System (UKAS) certifying that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 and ISO 22000:2005 in regards to manufacture and supply of our soyabean products. We have established a well-equipped round the clock laboratory having modern/latest technology and testing equipment with supporting environment and facilities has been established in the plant, to ensure product quality and to meet pre-determined food standards. Our wide range of Soyabean products includes Refined Soyabean Oil, Indian Soyabean Meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins. Soyabean Meal (Hipro & FAQ) produced is meant for cattle feed as well as food grade for human consumption and soya crude oil also sold to industrial food handlers. Our Company is in process of installing Lecithin plant which will produce Soya Lecithin Powder in dry form.

The location of our factory gives us the competitive edge over other players in terms of procurement and availability of raw material. At present, our Company has an Authorized collection centre located at our factory to source soyabean seeds from local farmers, which serves as the major raw material in production of soyabean products.

As of January 31, 2016, our work force consisted of approximately 178 full time employees. We adhere to international best practices standards and are committed in developing products and services where quality assurance is systematic process of checking to see whether a product or service being developed is meeting specified requirements. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology.

Our total revenue (as restated) increased from Rs. 337.69 crores in F.Y 2010-11 to Rs. 850.42 crores in F.Y. 2014-15, representing a CAGR of 20.29%. Our Profit before tax (as restated) increased from Rs. 2.50 crores in F.Y 2010-11 to Rs. 9.65 crores in F.Y. 2014-15, representing a CAGR of 31.01%.

For details relating to our industry, industry production figures, past trends, future prospects etc., please refer to Chapter titled “**Industry Overview**” beginning on page 97 of this Draft Prospectus.

### **Our Location:**

<b>Registered Office</b>	Saket Tower, 4 <sup>th</sup> Floor, 3A Ratlam Kothi, Indore, Madhya Pradesh – 452-001.
<b>Factory &amp; Warehouse</b>	Village Chandukhedi, 11 <sup>th</sup> Km, Ujjain-Badnagar Road, Tehsil & Dist. Ujjain, Madhya Pradesh- 456222



### **Our Competitive Strengths**

We believe that the following are our primary competitive strength:

**1. Well qualified and experienced Management team:**

Our Promoter, Mr. Vinod Kumar Jain has been actively involved in the business since 1986 and has around 29 years of experience in the agri-commodities industry. He founded Suraj Impex (India) Pvt. Ltd. in 1997 for exporting agriculture products mainly soyabean meal, Grains and Sugar to Asian Countries, which has now built its name in international market, and also holds status of star trading house accredited by Government of India. Also, our Managing Director Mr. Mahendra Lakhichand Jalori has more than 30 years of experience in solvent extraction and edible oil refinery industry at various levels. Also, our Chairman and Non-Executive Director, Mr. Praveen Kumar Vyas is a Fellow Company Secretary and has overall 30 years of experience in accounts, finance and legal matters. We are also supported with adequate technical and commercial team having relevant experience of the industry and who along with the experience of our promoter help us to achieve the organizational goals. We believe that our management team's experience and their understanding of this industry will enable us to continue to take advantage of both current and future market opportunities.

**2. In-house Manufacturing capabilities:**

At present, our Company has an in house installed capacity of 1400 TPD for carrying out solvent extraction activities and 300 TPD for refining activities, which enables us to stream line inventory management and production process resulting into maintenance of high quality production standards, minimizing production time and bringing cost effectiveness. We believe that our well established in-house integrated manufacturing unit would help us in achieving a high sales growth and an improvement in operating margins.

**3. Consistent and Standardised product quality:**

Our Company has received ISO Certifications from United Kingdom Accreditation Service Management System (UKAS) certifying that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 and ISO 22000:2005 in regards to manufacture and supply of our soyabean products. This certification provides assurance to our domestic as well as overseas customers for the quality and durability of our products. We believe that investment in technology will allow us to provide a higher quality to our customers demanding bulk quantities, allowing us to attract new customers and differentiate ourselves from other competitors.

**4. Wide Range of Products:**

Our Company has wide range of soyabean products, offering refined Soyabean oil, Indian soyabean meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins (Soya Bari/Granules). We believe that our product portfolio allow our customers to source all soyabean related products under one roof, which helps us to expand our business to existing customers as well as to potential new customers.

**5. Existing customer relationship:**

We believe that we constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business. Our Sales from Top 5 Customers for the year ended on March 31, 2015 and half year ended September 30, 2015 were Rs. 470.29 crores and Rs. 74.43 crores respectively.

### **Our Business Strategy**





**1. Improving operational efficiency and product quality**

Apart from expanding business and revenues, we look forward for areas to improve operational efficiencies so as to achieve cost reduction and gain competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. Also, we believe that quality products and service of global standards are of utmost importance for customer retention and repeat – order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them, which also aid us in enhancing our brand value.

**2. Optimal utilization of resources**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and take corrective measure wherever possible. This helps us in improving efficiency and putting resources to optimal use.

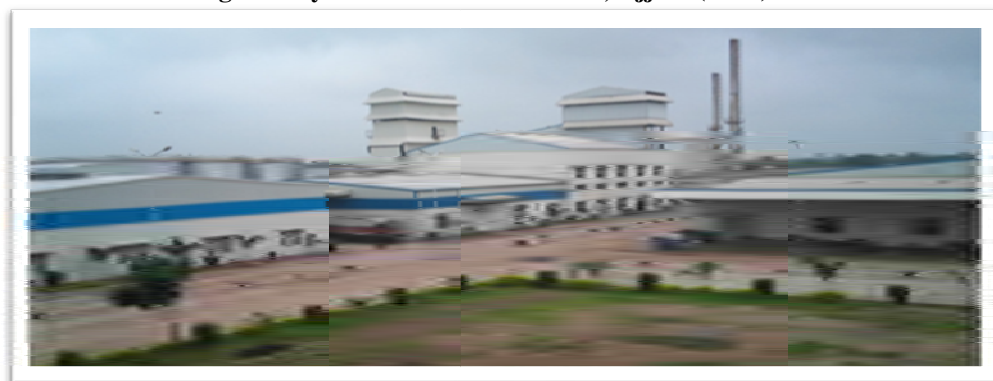
**3. To build-up a professional organization**

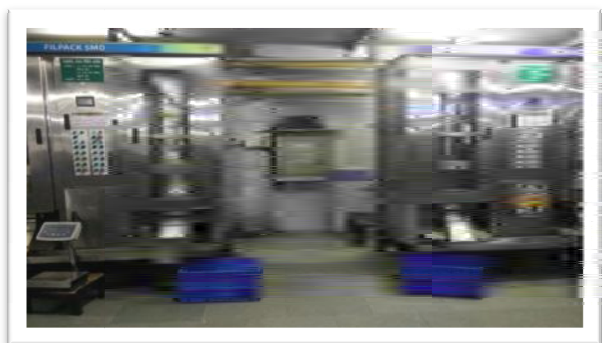
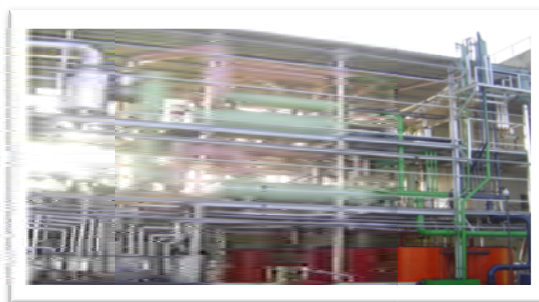
We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

**4. Focus on cordial relationship with our Suppliers, Customer and employees**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

**Our Manufacturing Facility located at Chandukhedi, Ujjain (M.P.):**







### **Our Products and its Features**



S. No.	Products	Features
1	<b>Refined Soyabean Oil</b> 	<ul style="list-style-type: none"> <li>• Refined Soyabean Oil is sold by us in Bulk as well as in consumer packs with our own brand name of AVI.</li> <li>• It is used as cooking oil, since it is free from Cholesterol, low in Saturated Fat and rich in natural Tocopherol (Vitamin-E).</li> <li>• Colour &amp; Appearance: Light Yellowish Liquid</li> <li>• Odor/Taste: Odorless and Tasteless</li> <li>• Packaging:- Available in following packing sizes:- 500 ml &amp; 1 ltr. Pouch, 500 ml &amp; 1 ltr. Bottle, 2 ltr. Jar, 5 ltr. Jar, 15 kg tin/jar, 15 ltr. Tin/jar and tanks.</li> </ul>







2	<p><b>Indian Soyabean Meal (Hipro &amp; FAQ)</b></p> 	<ul style="list-style-type: none"> <li>Indian Soyabean Meal (also known as Soya deoiled cake) is produced only from cleaned Non GMO (Non Genetically Modified) Soyabean seeds.</li> <li>Our Soyabean Meal/ White Flake is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>It contains healthful balanced nutrients hence mainly used in making nutritious food like 'Soya- Bari' 'Soya- Chunks' 'Soya-Granules' 'Soya – Flour'</li> <li>Due to higher protein, energy and lower fiber content, soybean meal is also used as feed ingredient to livestock (e.g. poultry feed, pet foods etc), and white flakes as soya protein ingredients for the food industry. Also, soya bean white flake meal finds its application in pharmaceutical industry.</li> <li>Soyabean Meal (FAQ - Fair Average Quality) is lower in protein compared to Hi – pro Soyabean meal.</li> <li>Colour : Pale Yellow to light tan</li> <li>Packaging: - Available in 50 kg HDPE Bags.</li> </ul>
3	<p><b>Soya Lecithin</b></p> 	<ul style="list-style-type: none"> <li>Soya Lecithin is made by drying fresh gums, produced during degumming of Soya bean Oil obtained from Non-GMO soya bean seeds.</li> <li>Our Soya Lecithin is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>Soya Lecithin is used as emulsifier, it disperses readily in oil &amp; forms hydrates/emulsions in water. It is used in milk powders, ice creams, noodles, candy based products, medical, instant food etc.</li> <li>Colour &amp; Appearance: Pale brown viscous homogenous liquid ,clear , and pourable</li> <li>Taste: Characteristic taste of soya bean</li> <li>Packaging: Available in ISO tanks.</li> </ul>



4	<p><b>Soya Grits</b></p> 	<ul style="list-style-type: none"> <li>• Soya Grits are made from Soyabeans de-oiled cake (Food Grade Soya Flakes). They are available in two varieties: Soya Grits (Full Fatted) and Soya Grits (Defatted)</li> <li>• Our Soya Grit is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Soyabean grits are used for making untoasted Soya Flour, soya milk, tofu, soya bean powder, soya bean sauce, soya bean bari, Isolated Soya bean Protein. It is used in Dietetic Foods, Baby Foods / Drink mixes. Soya bean grits can also be used in conjunction with other foods to add protein and texture to food items such as breads, cookies, and cereals.</li> <li>• Colour: Pale yellow</li> <li>• Texture: Uniform, free from extraneous matter</li> <li>• Packaging: Soya Grits is available in 50 kg HDPE bags or bulk in jumbo bag.</li> </ul>
5	<p><b>Soya Flour</b></p> 	<ul style="list-style-type: none"> <li>• Soya Flour are available in two varieties:- Soya Flour (Full Fatted) and Soya Flour (Defatted).</li> <li>• Soya Flour (Full Fatted) is manufactured using enzyme active Non GMO soya-bean seed. However, Soya Flour (Defatted) is manufactured using enzyme inactive Non GMO soya- bean seed.</li> <li>• Our Soya Flour is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Colour:- Light Yellow</li> <li>• Texture:- Fine Powder , free from extraneous matter</li> <li>• Packaging: Soya Flour is available in 50 Kg plastic/paper bags or in Bulk in jumbo Bags as per Customer's requirement.</li> </ul>



<p><b>6</b></p>	<p><b>Soya Deodorizer Distillate(SODD)</b></p> 	<ul style="list-style-type: none"> <li>• SODD is a by-product produced in the refining process of soybean oil.</li> <li>• SODD consists of mixture of tocopherols (Vitamin-E), sterols, fatty acids, glycerides and hydrocarbons.</li> <li>• Our SODD is Non GMO certified by CERT-ID and is also Kosher certified.</li> <li>• It is used in manufacturing progesterone, corticoids, estrogens, contraceptives, diuretics, male hormones and vitamin D. They are, also, used in cosmetics, food like margarine, salad oils and dressings.</li> <li>• Color &amp; Appearance: Pale brown viscous homogenous liquid ,clear , and pourable</li> </ul>
<p><b>7</b></p>	<p><b>White Soya Flour/Flakes</b></p> 	<ul style="list-style-type: none"> <li>• White Soya Flour/Flakes is obtained from Soya beans seeds, by processing it through various stages of cracking, de hulling, flaking, extracting, and de solventizing, to get flakes of white to creamy color.</li> <li>• White Flake Food-Grade Soy Meal is a fat-free protein product, which is the source material for production of food-grade fat-free soy flour, soy grits and textured, concentrated and isolated soya proteins.</li> <li>• It is used in making bakery products, concentrated foods, meat and fish products</li> <li>• Colour:- Light yellow to cream colour</li> <li>• Texture:- Uniform free from extraneous matter</li> </ul>
<p><b>8</b></p>	<p><b>Texturised Vegetable Proteins (Soya Bari)</b></p>	<ul style="list-style-type: none"> <li>• Texturised Vegetable Proteins “Soya Bari” is prepared from defatted (DOC) soya flour by the process of extrusion cooking. During the process, the protein in the flour undergoes structural changes and forms a fiber like network.</li> <li>• Soya Nuggets (Bari) are a rich source of proteins that contribute a maximum level</li> </ul>



		<p>of protein of aprox 50%</p> <ul style="list-style-type: none"> <li>• Soya Bari with their hydration properties can be used in a wide range of food applications.</li> <li>• Colour: Light Yellow</li> <li>• Texture: Hard and porous, becomes soft and spongy when water is added</li> </ul>
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**The production and processing facilities that includes sorting and grading are as under:**

- Solvent Extraction (Soya Crude Oil & De-Oiled Cake) 1400 TPD capacity
- Refinery (Soya Oil Refinery) 300 TPD capacity
- Lecithin Plant (Food Grade) 11 TPD capacity
- Soya Flour & Grits (food Grade) 75 TPD capacity
- FDS Plant (Soya White Flakes) 560 TPD capacity

**MANUFACTURING PROCESS**

A description of the manufacturing process followed by the Company is discussed hereunder:

**SEED PROCESSING AND SOLVENT EXTRACTION:**

**(i) Receiving and Storage of Soyabean seeds** - Soyabean seeds are received at the factory in bulk quantities by trucks. They are weighed, unloaded, cleaned and sent to the main storage silos. As Soyabean seeds are purchased by grade, we draw representative samples for quality evaluation from each lot at the point of reception. The samples are analyzed for moisture, foreign materials, colour, broken beans etc. in order to determine the compliance of the lot with the specified quality and grade criteria. It is important to maintain good sanitary conditions on and around the receiving areas especially to protect the seeds from contact with moisture.

**(ii) Preparation of raw material for extraction** - This stage comprises of cleaning of seeds to remove impurities like stones, broken seeds, foreign material, husks etc. through cleaning machines i.e. vibrator screen, grader, de-stoner, blower and magnetic separators. After cleaning of seeds, dehulling takes place in dehuller machine. After dehulling, seeds are cracked into smaller particles (aprox 3 mm size) and are then converted into flakes after treating them in open steam.

**(iii) Extraction of Oil** – The extraction of oil from soyabean flakes/seeds is done by solid-liquid extraction process. The solvent extractor consists of a slow moving conveyor in a closed chamber. After expanded materials/flakes are received from preparatory section, they are moved slowly in conveyor forming a bed, which is continuously washed with miscella (oil solvent solution) and then finally washed with fresh solvent. The miscella passes through the meal bed and collects in various hopper kept below the bed. Flash Desolventisation System (FDS) is also used for removing solvent from solvent de oiled flakes with inflicting minimum damage to the material. The de oiled solvent containing flake, going into existing desolventiser toaster are diverted to the FDS system via a special plug conveyer.

**(iv) Desolventisation of extracted material (meal)** – The extracted meal is fed further to Desolventiser Toaster to evaporate hexane which is condensed in condensers. Output of the Toaster section at bottom is De Oil Cake. The recovered hexane is reused in the process. The desolventized extracted material (De oiled cake meal) is then cooled and collected into the bags.



(v) **Solvent Recovery** – Condensers, which are of floating head type, condense the vapour received from the distillation chamber. The condensed liquid, which is a mixture of hexane and water is fed to a solvent water separator where Solvent (Hexane) is separated from water. The uncondensed gases from the condensers are contacted with coolers and are fed to absorbers where residual solvent vapour is absorbed in absorbing oil and non-condensable gases are released into the atmosphere.

(vi) **Meal finish and Bagging** – The deoiled meal(DOC) from the extraction plant is cooled to temperature of 45°C and is then sent for bagging.

#### **REFINING PROCESS:-**

Refining is a process where impurities from the oil are removed. Oil has two types of impurities (a) oil soluble as colouring matter, odiferous compound, free fatty acid, gummy materials etc. (b) other type of impurities are oil insoluble such as sand, seed fragment, dust, straw etc.

#### **Following method is used for refining of raw oil:-**

**Degumming** - De-gumming is the process of removal of phosphatides and other limy or mucilaginous material. The process consists of hydrating the gums by subsequent removal by centrifugal separation. The oil so obtained is then sent for neutralization.

**Alkali Neutralization** – Preheated/treated oil is sent to a continuous neutralizing mixer where caustic treatment is given to remove free fatty acids. The caustic forms soap by reacting with free fatty acids. The mixture is sent to a centrifugal separator where the gums and soap stock are separated from oil. The oil is mixed with water to dilute the traces of soap left in the oil, and is sent for further separation, to remove the soapy water. Finally the oil is passed through a vacuum drier

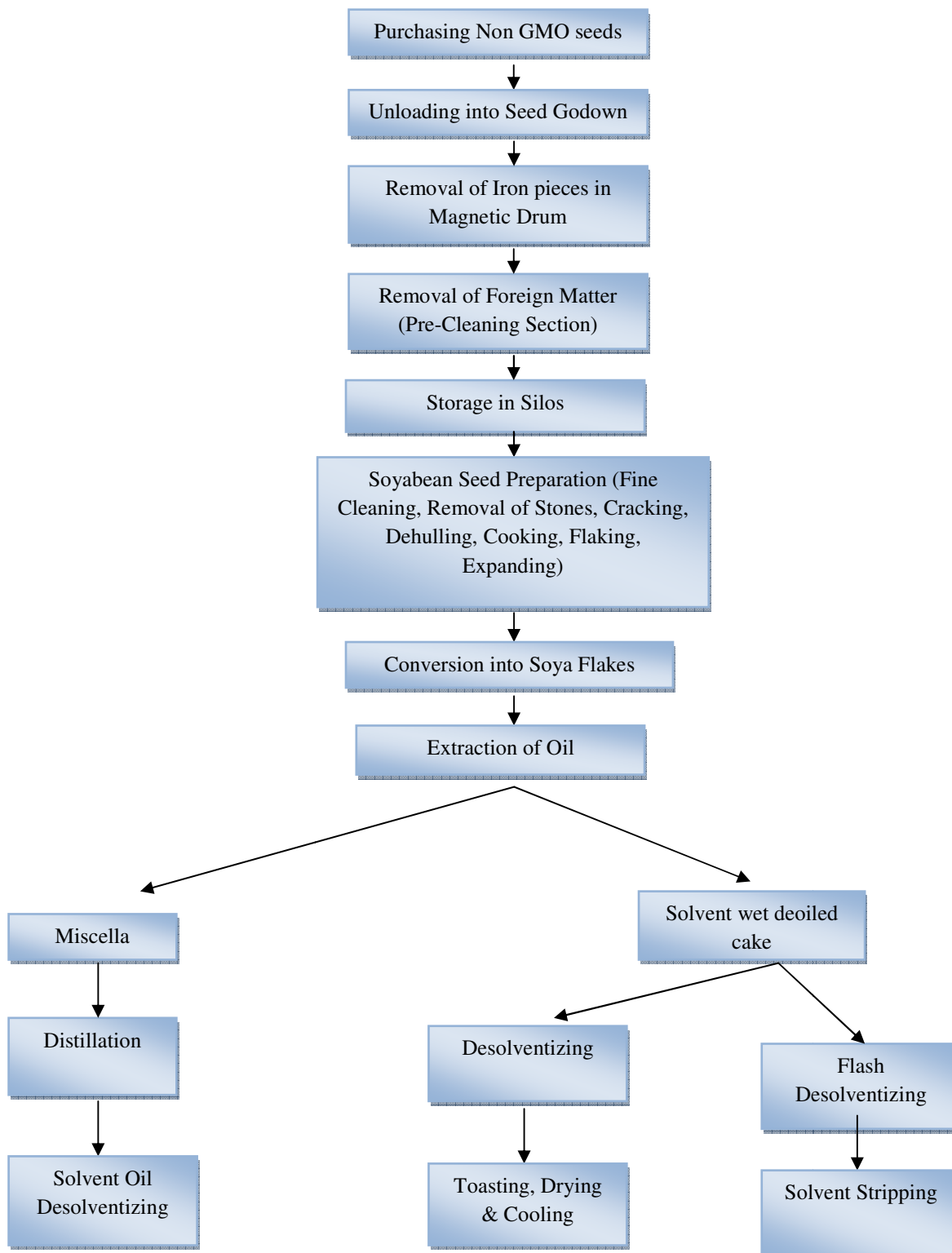
**Bleaching** - The oil, after initial purification, is bleached by contact with activated earth and charcoal to improve the colour of the oil to acceptable levels. The process also removes any soap traces left in the oil after water washing any other metallic compounds present in the oil. The process consists of mixing the oil with adequate quantities of bleaching earth, heating it for a specified time temperature cycle followed by removal of bleaching earth from the oil by a filtration process.

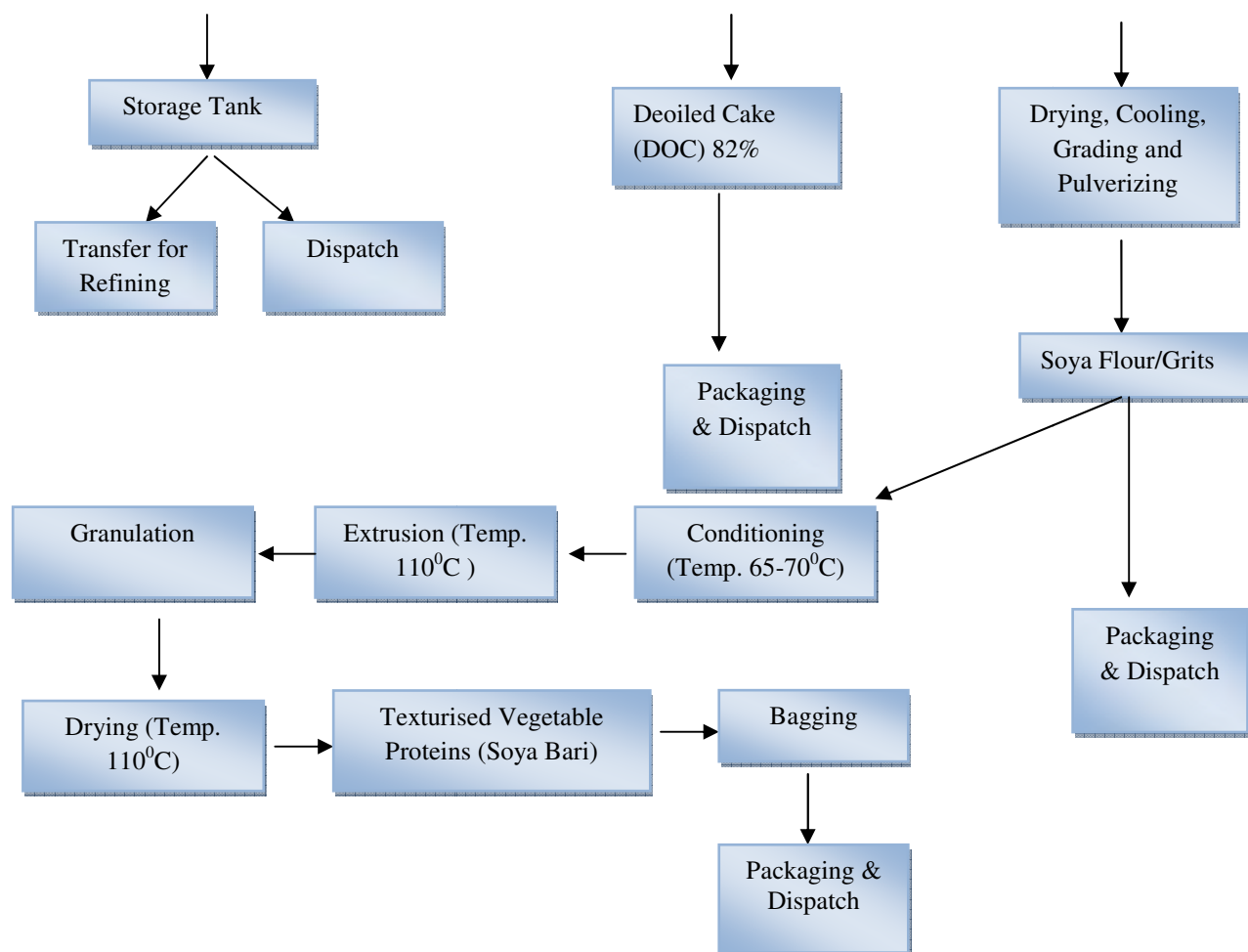
**Deodorizing:** The bleached oil still needs deodorizing to remove impurities, which impart objectionable odours or flavors to the oil. The oil is subjected to high temperature (approx. 250°C) and high vacuum conditions (about 2mm). The oil is cooled, mixed with antioxidants and then filtered.



## MANUFACTURING PROCESS FLOW CHART

### SEED PROCESSING & SOLVENT EXTRACTION PROCESS

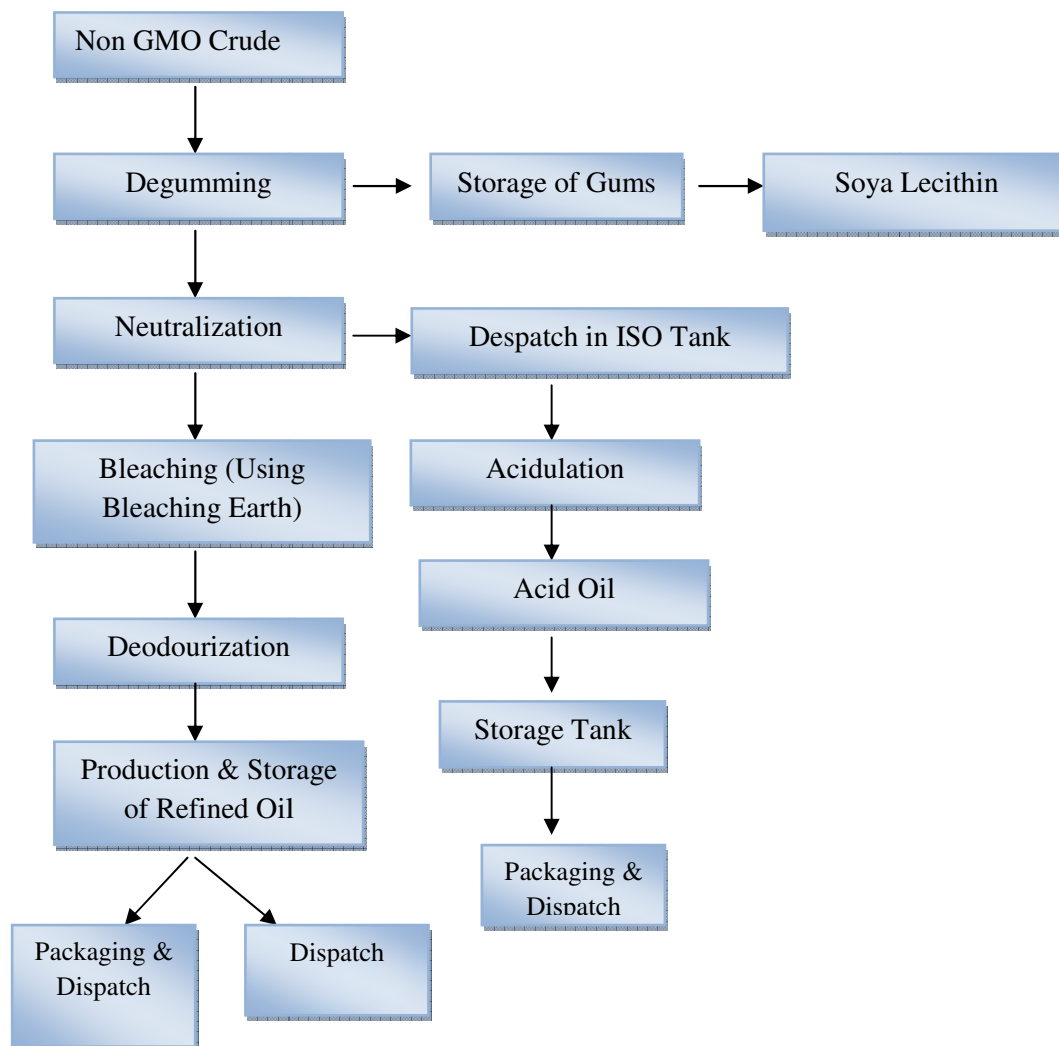








## REFINING PROCESS



## PLANT & MACHINERY

Some of the major machineries used by our Company are:-

S. No.	Name of Machinery	Plant/Section used in	Supplier	Year of Purchase	Amt. (Rs. in lakhs) (inc. all taxes)
1	Separator RSE Machine (Qty. 3) along with all accessories	Refinery	GEA Westfalia Separator Process GmbH, Germany	2011	226.72
2	Hexane Gas Heater	Flash Desolventising System Plant	DVC Process Technologist, Pune	2013	114.60



3	Gas Circulating Fan Motor 160 KW * 1440 RPM Flame Proof	Flash Desolventising System Plant	DVC Process Technologist, Pune	2013	85.95
4	Separator RTB Machine (Qty. 3)	Refinery	GEA Westfalia Separator Process GmbH, Germany	2009	81.26
5	Vapour Conveyor	Flash Desolventising System Plant	DVC Process Technologist, Pune	2013	74.49
6	Vaccum Stripper 3600 * 4N Fluid Couling Motor 90KXW 1440 RPM	Flash Desolventising System Plant	DVC Process Technologist, Pune	2013	67.61
7	DG Set 725 KVA (Qty. 2)	-	GMMCO Limited	2009	94.40
8	Flaker Machine (Qty – 10)	Solvent Extraction Plant	Oilex Engineers (India) Pvt. Ltd.	2009	29.93
			Heavy Machines, Ujjain	2011	23.05
				2012	12.31
9	Double Head Oil Packing Machine (Qty 3)	Oil Packaging	Nichrome India Ltd.	2010	16.59
				2012	34.64
10	Motor Control Centre with MIMIC PLC Automation	Flash Desolventising System Plant	DVC Process Technologist, Pune	2013	40.80
11	Seed Cleaner Machine (Qty -5)	Seed Preparatory Section	Oilex Engineers (India) Pvt. Ltd.	2011	57.12
12	Deodoriser Cum Deacidifier (PCD)	Refinery	DVC Process Technologist, Pune	2011	56.25
13	Cleaning Machine TAS204A-4	Seed Pre Cleaning Section	Schmidt –Seeger GmbH, Germany	2011	35.14
14	Desolventiser Toaster (3500 mm Diameter)	Solvent Extraction Plant	Oilex Engineers (India) Pvt. Ltd.	2009	27.54
				2011	30.09
15	Regenerative Heat Exchanger	Refinery	DVC Process Technologist, Pune	2012	33.75
16	Final Oil Heater	Refinery	DVC Process Technologist, Pune	2011	28.12
17	Deodorisation Vessel	Refinery	Chame Process Technologies Pvt. Ltd.	2009	25.50
18	Blower for Drier Cooler & Rotary Drier	Solvent Extraction Plant	Oilex Engineers (India) Pvt. Ltd.	2009	8.16
				2011	14.28
19	Economiser (Qty 2)	Solvent Extraction Plant	Oilex Engineers (India) Pvt. Ltd.	2009	10.30
				2011	12.24
20	Expander (Qty 2)	Solvent Extraction Plant	Oilex Engineers (India) Pvt. Ltd.	2009	8.67
				2011	9.33



**INSTALLED CAPACITY & CAPACITY UTILISATION (product wise):-**

Particulars	Unit	Existing				Proposed			
		2012-2013	2013-2014	2014-2015	Apr'15 – Nov'15	Dec'15 – Mar.'16	2016-2017	2017-2018	2018-2019
Installed Capacity	Tonne per annum	2,46,000	3,44,400	3,44,400	2,29,600	1,14,800	3,44,400	3,44,400	3,44,400
Actual Production	Tonne per annum	1,69,355	1,81,271	1,05,401	38,335	34,440	172,200	2,58,300	2,58,300
Capacity Utilization (in %)		68.84%	52.63%	30.60%	16.70%	30.00%	50.00%	75.00%	75.00%

**Refined Soyabean Oil**

Particulars	Unit	Existing				Proposed			
		2012-2013	2013-2014	2014-2015	Apr'15 – Nov'15	Dec'15 – Mar.'16	2016-2017	2017-2018	2018-2019
Installed Capacity	Tonne per annum	60,000	90,000	90,000	60,000	30,000	90,000	90,000	90,000
Actual Production	Tonne per annum	39,404	35,782	25,756	11,277	9,000	45,000	67,500	67,500
Capacity Utilization (in %)		65.67%	39.76%	28.62%	18.80%	30.00%	50.00%	75.00%	75.00%

**Soya Lecithin**

Particulars	Unit	Existing				Proposed			
		2012-2013	2013-2014	2014-2015	Apr'15 – Nov'15	Dec'15 – Mar.'16	2016-2017	2017-2018	2018-2019
Installed Capacity	Tonne per annum	2,063	3,263	3,263	2,175	1,088	3,263	3,263	3,263
Actual Production	Tonne per annum	1,692	1,500	1,044	586	326	1,632	2,610	2,610
Capacity Utilization (in %)		82.04%	45.97%	32.00%	26.93%	30.00%	50.00%	80.00%	80.00%

Capacity Utilization of Soya Deodorizer Distillate (SODD) cannot be determined as it is a by-product produced in the refining process of soybean oil, so its production depends on soyabean oil production.



## Avi Agri Business Limited

**Collaborations/Tie Ups/ Joint Ventures:** As on date of the Draft Prospectus, our Company does not have any Collaboration/Tie Ups/ Joint Ventures.

**Export Obligation:** As on date of this Draft Prospectus, Our Company has export obligation of \$ \$11,047,563.38/-. For further details regarding Export Obligation, please refer to Chapter titled “*Government and Other Approvals*”.

### **SALES AND MARKETING:-**

The efficiency of the marketing and sales network is critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

#### **Our Major Customers**

The percentage of sales derived from top 10 customers for the year ended 31 March 2015 is given below:

Sr No	Customer Name	Revenue ( in ₹ )	As a % of Total Turnover
1.	Tejarat Noor Abrar Co., Iran	2,028,675,000	23.89
2.	Kian Gostar Atieh Kish Co., Iran	1,231,080,000	14.50
3.	Marubeni Corporation, Tokyo, Japan	553,498,129	6.52
4.	Islamabad Feeds (Pvt) Limited, Rawalpindi	539,781,874	6.36
5.	National Feeds Limited, Lahore	349,856,001	4.12
6.	Sahara Q Shop Unique Products Range Ltd	344,547,654	4.06
7.	Sadiq Feeds Pvt. Ltd. Rawalpindi	225,845,161	2.66
8.	Asia Poultry Feeds Pvt.Ltd, Multan	216,690,583	2.55
9.	Supreme Feeds (Pvt) Ltd, Lahore	211,685,516	2.49
10.	Cargill India Pvt. Ltd.	198,800,603	2.34
	<b>TOTAL</b>	<b>5,900,460,521</b>	<b>69.48</b>
Sr No	Particulars	Revenue( in ₹ )	Percentage
1.	Sales from Top 5 Customers (%)	4,702,891,004	55.38
2.	Sales from Top 10 Customers (%)	5,900,460,521	69.48

The percentage of sales derived from top 10 customers for the stub period of Apr.’15 to Sept.’15 is given below:

Sr No	Customer Name	Revenue ( in ₹ )	As a % of Total Turnover
1.	Cargill India Pvt. Ltd.	200,096,189	11.38
2.	Poddar Business Pvt. Ltd.	194,672,415	11.07
3.	Pratishtha Commercial Pvt. Ltd.	194,672,415	11.07
4.	Sumati Shipping & Chartering Pte. Ltd.	81,938,488	4.66
5.	Chalimeda Feeds Pvt. Ltd.	72,935,927	4.15
6.	Cargill Texturizing Solutions Netherland	61,675,888	3.51
7.	S. R. Traders	49,048,743	2.79
8.	Ilwonhibrand Co. Ltd.	46,806,884	2.66



## Avi Agri Business Limited

9.	Invictus Trading Fze	45,635,659	2.6
10.	Dammani Brothers	44,078,252	2.51
	<b>TOTAL</b>	<b>991,560,859</b>	<b>56.40</b>
Sr No	Particulars	Revenue( in ₹ )	Percentage
1.	Sales from Top 5 Customers (%)	744,315,433	42.34
2.	Sales from Top 10 Customers (%)	991,560,859	56.40

### COMPETITION:-

Our Industry is fragmented consisting of large established players and small niche players. We face substantial competition for our products from other manufacturers in domestic market. Many of our competitors have substantially large capital base and resources than us and offer broader range products. We compete with other manufacturers on the basis of product range, product quality, product price including factors, based on reputation, regional needs, and customer convenience. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. Some of our Major Competitors are:-

- Ruchi Soya Industries Limited
- Gujarat Ambuja Exports Limited
- Sanwaria Agro Oils Limited
- Gokul Refoils & Solvent Limited

### Infrastructure & Utilities:

#### *Raw Materials & Finished Goods:*

The major raw material required by the Company is soya bean seeds. Major suppliers of raw material and finished goods as on March 31, 2015 is as follows:-

Name	Value (in ₹ )	As % of total
Gokul Refoils & Solvent Limited	411,190,789	9.63
Surendrakumar Shaitanmal Moonat, Dhar (M.P.)	365,786,692	8.57
Gujarat Ambuja Exports Ltd.	277,441,463	6.50
SSA International Limited	269,572,811	6.32
M/s. Nirmalkumar Navinkumar, Ujjain	265,846,742	6.23
Rajendrakumar Shaitanmal Moonat, Dhar (M.P.)	251,749,172	5.90
Mahakali Foods Pvt. Ltd. (Unit II)	234,696,240	5.50
Dhanuka Soya Pvt. Ltd.	206,820,786	4.85
Akash Trading Company, Ujjain	198,377,513	4.65
Godha Traders, Indore	185,018,565	4.33
<b>TOTAL</b>	<b>2,666,500,773</b>	<b>62.47</b>

Major suppliers of raw material and finished goods during stub period April 01, 2015 to September 30, 2015 are as follows:-

Name	Value (in ₹ )	As % of total
Khandelwal Industries & Exports	123,590,962	11.8
Surendrakumar Shaitanmal Moonat	103,585,528	9.89
Goutam Foods	98,698,642	9.42
Rajendrakumar Shaitanmal Moonat	82,715,650	7.9
Nirmalkumar Navinkumar	50,385,976	4.81
Godha Traders	48,503,127	4.63
Shree Mahadev Traders	42,202,591	4.03



## Avi Agri Business Limited

Lalaji Tolaram	41,451,032	3.96
Akash Trading Company	36,177,674	3.45
Vinod Traders, Ashta	29,588,819	2.82
<b>Total</b>	<b>656,900,001</b>	<b>62.7</b>

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board i.e. M.P. Paschim Kshetra Vidyut Vitran Co. Ltd. Our company has also installed diesel generator sets for backup power supply. Our back-up diesel generators are crucial to our operations in case of power failures.

**Water:** The existing water requirement for our factory is met from bore wells. The site has five bore well. The soft water requirement of the boiler and process is met through Reverse Osmosis plant (RO Plant) installed in our factory premises.

**Manpower:** We believe that our employees are key contributors to the success of our business. To achieve this, we focus on attracting and retaining the best possible talent. We endeavor to achieve and maintain a high standard of ethics, professional conduct and work performance to ensure the Company maintains its reputation with all internal and external stakeholders. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our management team have enabled us to successfully implement our growth plans.

**Employee Profile:** As on 31<sup>st</sup> January 2016, Our Company has employed 178 permanent full time employees at various levels. We also hire contract labourers on subcontract basis from a number of Subcontractors depending upon the requirement. As on date of the Draft Prospectus, the count of labour employed on sub-contract basis is 40 (approximately)

Number of permanent full-time employee as on 31<sup>st</sup> January, 2016:-


Category	No. of employees
Administrative staff	49
Skilled Worker	46
Semi Skilled & Unskilled Workers	83
<b>Total</b>	<b>178</b>

### **PROPERTY:-**

#### **Intellectual Property**

#### **Trademarks applied in the name of our company**


Set forth below are the trademarks applied in the name of our company. Under the Trademarks Act, 1999:

S. No	Brand Name/Logo Trademark	Class	Trademark	Owner	Application No. & Date	Remark
1.	Trade Mark	29		-	2162164/ 20.06.2011	The Status of the Trademark applied by the Company is Opposed.

#### **Trademark not registered:-**



## Avi Agri Business Limited

S. No	Brand Name/ Trademark	Class	Nature of Trademark	Owner	Application No. & Date	Date of Grant	Expiry Date
1.	Avi Agri Business Limited	-		-	-	-	-

The Details of Domain Name registered on the name of the Company is:-

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name, ID and Address	Creation Date	Registration Expiry Date
1.	avgroup.co D46278826 – CO	GoDaddy.com, INC.  IANA ID – 146	Registration Private, ID: CR147719271 Address: domainsbyproxy.com, 14747, N Northsight Blvd Suite 111, PMB 309, Scottsdale, Arizona, US.	23-July-2013	22-July-2016

## IMMOVABLE PROPERTY

Details of the property owned/ leased/ rented are as follows: -

### Registered Office, Corporate Office, Factory & Warehouse

S. No.	Details of the Property	Use	Owned/ Leased/License	Licensor/Lessor/Vendor	Consideration/ Lease Rental/ License Fees (₹)
1.	Saket Tower, 4th Floor, 3A Ratlam Kothi, Indore, Madhya Pradesh- 452001	Currently the premise is used as Registered Office and Corporate Office.	Leased for a period of 59 months commencing from 29 <sup>th</sup> April 2015 i.e. upto 28 <sup>th</sup> March, 2020.	Excel Agri Business Private Limited	Registered Lease Deed dated June 27, 2015 executed between Excel Agri Business Private Limited and Avi Agri Business Private Limited for area admeasuring 2500 sq. ft. in consideration of Rs. 50,000/- p.m. (excluding service tax), interest free security deposit of Rs. 5,00,000/- and Maintenance Charges of Rs. 1.5 per sq. ft. p.m.
2.	Village Chandukhedi, 11 <sup>th</sup> Km, Ujjain-Badnagar Road, Tehsil & Dist. Ujjain, Madhya Pradesh- 456222  (a) Halka No. 02, Survey No. 361/1 (Land Area: 0.860	Currently the premises is used as Factory	Owned	Mr. Rajesh Singh	<b>Through various sale deeds as listed below:-</b>  Sale Deed dated June 19, 2013 between Rajesh Singh ('Seller') and Avi Agri Business Private Limited,





S. No.	Details of the Property	Use	Owned/ Leased/License	Licensor/Lessor/Vendor	Consideration/ Lease Rental/ License Fees (₹)
	hectares)				through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 23.00 lakhs
	(b) Halka No. 02, Survey No. 361/2 (Land Area: 1.370 hectares)		Owned	Mr. Sugan Singh and Mrs. Gita Bai	Sale Deed dated June 19, 2013 between (1) Sugan Singh, (2) Gita Bai ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 16.45 lakhs.
	(c) Halka No. 02, Survey No. 364/2, 364/3, 365/1, 365/2. (Land Area: 2.04 hectares)		Owned	Suraj Impex (India) Private Limited	Sale Deed dated May 30, 2009 between Suraj Impex (India) Private Limited ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 20.00 lakhs.
	(d) Halka No. 02, Survey No. 367/1/1, 367/1/2, 367/2/1, 367/2/2, 367/3/1, 367/3/2, 364/4, 364/5, 365/4/1, 366/1 (Land Area: 5.70 hectares)		Owned	Suraj Impex (India) Private Limited	Sale Deed dated May 30, 2009 between Suraj Impex (India) Private Limited ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 55.52 lakhs.
	(e) Halka No. 02, Survey No. 364/1 (Land Area: 2.84 hectares)		Owned	Mr. Vinod Kumar Jain	Sale Deed dated May 30, 2009 between Vinod Kumar Jain ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in



S. No.	Details of the Property	Use	Owned/ Leased/License	Licensor/Lessor/Vendor	Consideration/ Lease Rental/ License Fees (₹)
	(f) Survey No. 366/2, 366/3, 384. (Land Area: 2.08 hectares)		Owned	Karan Singh and Shaitan Bai	consideration of Rs. 28.00 lakhs  Sale Deed dated April 06, 2009 between (1) Karan Singh (2) Shaitan Bai (' <b>Seller</b> ') and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori (' <b>Buyer</b> ') for the property in consideration of Rs. 19.72 lakhs
	(g) Survey No. 373, 374/2 (Land Area: 1.65 hectares)		Owned	Suraj Impex (India) Private Limited	Sale Deed dated October 07, 2012 between Suraj Impex (India) Private Limited through its Director, Vinod Kumar Jain (' <b>Seller</b> ') and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori (' <b>Buyer</b> ') for the property in consideration of Rs. 25.00 lakhs
	(h) Survey No. 374/1, 375 (Land Area: 1.64 hectares)		Owned	Suraj Impex (India) Private Limited	Sale Deed dated October 07, 2012 between Suraj Impex (India) Private Limited through its Director, Vinod Kumar Jain (' <b>Seller</b> ') and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori (' <b>Buyer</b> ') for the property in consideration of Rs. 23.00 lakhs
	(i) Halka No. 02, Survey No. 376 (Land Area: 1.26 hectares)		Owned	Suraj Impex (India) Private Limited	Sale Deed dated October 07, 2012 between Suraj Impex (India) Private Limited through its Director, Vinod



## Avi Agri Business Limited

S. No.	Details of the Property	Use	Owned/ Leased/License	Licensor/Lessor/Vendor	Consideration/ Lease Rental/ License Fees (₹)
	(j) Halka No. 02, Survey No. 377/1 (Land Area: 0.80 hectares)		Owned	Suraj Impex (India) Private Limited	Kumar Jain ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 18.10 lakhs  Sale Deed dated October 07, 2012 between Suraj Impex (India) Private Limited through its Director, Vinod Kumar Jain ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 11.00 lakhs
	(k) Halka No. 02, Survey No. 377/2 (Land Area: 1.54 hectares)		Owned	Mr. Vinod Kumar Jain	Sale Deed dated October 07, 2012 between Vinod Kumar Jain ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 22.20 lakhs
	(l) Halka No. 01, Survey No. 221/1 (Land Area: 1.43 hectares)		Owned	Mr. Ishwar Lal	Sale Deed dated October 07, 2012 between Ishwar Lal ( <b>'Seller'</b> ) and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ( <b>'Buyer'</b> ) for the property in consideration of Rs. 29.00 lakhs
	(m) Survey No. 365/3, 365/4/2 (Land Area: 0.60 hectares)		Owned	Mr. Himmatsingh and Mr. Devisingh	Sale Deed dated April 13, 2009 between



## Avi Agri Business Limited

S. No.	Details of the Property	Use	Owned/ Leased/License	Licensor/Lessor/Vendor	Consideration/ Lease Rental/ License Fees (₹)
	hectares)				(1)Himmatsingh (2)Devisingh ('Seller') and Avi Agri Business Private Limited, through its Director, Mahendra Lakhichand Jalori ('Buyer') for the property property in consideration of Rs. 5.49 lakhs

### **Insurance:**

The Company maintains insurance against various risks, including property damage caused by fire, flood, explosion and similar catastrophic events that may result in physical damage to or destruction of our plant & machinery, furniture, equipment or stocks. Although we consider our insurance coverage to be of a type and level that are economically prudent, we cannot assure you that our insurance coverage will be sufficient to cover the losses we may incur. Also, our insurance policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is adequate for our business needs and operations and will continue to review our policies to ensure adequate insurance coverage is maintained.

### **Certifications and Recognitions:-**

ISO 9001:2008 Certification for meeting requirements of the management system standard in marketing of solvent extracted oil, refined oil, de-oiled cakes, lecithin, soya deodorizer distillate, soya flour & soya grits.

ISO 22000:2005 Certification for meeting requirements of the management system standard in manufacturing of soya lecithin, hipro soya meal, soya flour, soya grits, soya de-oiled cake and soya refined oil (bulk and consumer packs).

Cert ID Europe Limited Certification for conforming to the Cert ID Non-GMO Standard in production of "non-GMO" products and compliance with Regulations.

Registration in Halal Committee, Jamiat Ulama – E- Maharashtra, which ensures that our products do not contain anything which is not permissible as per Sharia Law.

Certification from Kosher, which certifies that our products do not contain any prohibitory/Non Kosher ingredients and complies with the laws of kashruth and are processed under Halacha regulations.



## **KEY INDUSTRY REGULATION AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 268 of this Draft Prospectus.*

### **INDUSTRIAL LAWS**

#### ***The Essential Commodities Act, 1955***

The Essential Commodities Act, 1955 (the “**Essential Commodities Act**”) provides for the regulations relating to production, supply, distribution, trade and commerce of the commodities that are declared as essential, for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices. Foodstuff, including edible oilseeds and oil are categorized as essential commodities under the Essential Commodities Act. The ministries/ departments of central government have issued control orders for regulating production, distribution, and quality aspects pertaining to the commodities which are essential and administered by them.

#### ***The Food Safety and Standards Act, 2006***

The Food Safety and Standards Act, 2006 (the “**FSSA**”) was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the “Food Authority”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’. The FSSA has not been fully notified and has only been partially enacted. In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (the “**FSSR**”) which have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ and procedures of taking extracts, seizure, sampling and analysis.

The Food Safety and Standard Act, 2006 consolidates various central Acts like Prevention of Food Adulteration Act, 1954 , Fruit Products Order , 1955, Meat Food Products Order , 1973, Vegetable Oil Products (Control) Order, 1947, Edible Oils Packaging (Regulation) Order 1988, Solvent Extracted Oil, De- Oiled Meal and Edible Flour (Control) Order, 1967, Milk and Milk Products Order, 1992 etc.

The Food Authority has also framed the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

The key provisions of the FSSA are:

- Establishment of the Food Authority to regulate the food sector;



- The Food Authority will be aided by several scientific panels and a central advisory committee to lay down standards for food safety. The standards will include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels;
- Enforcement through 'state commissioners of food safety' and other local level officials;
- Registration or licensing requirement for every entity in the food sector. Such licence or a registration would be issued by local authorities;
- Every distributor is required to be able to identify any food article by its manufacturer, and every seller by its distributor; and
- Any entity in the sector is bound to initiate recall procedures if it finds that the food sold has violated specified standards

### ***The Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (the “**Legal Metrology Act**”) has come into effect after its publication in the Official Gazette on January 14, 2010 and has been operative since March 1, 2011. The Legal Metrology Act replaces Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

The key features of the Legal Metrology Act are:

- Appointment of Government approved test centres for verification of weights and measures;
- Allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and
- Simplified definition of packaged commodity and more stringent punishment for violation of provisions

### ***Indian Boilers Act, 1923***

Indian Boilers Act, 1923 (“**IB Act**”) regulates that use of boilers used for generating steam under pressure. It prohibits the use of boilers without obtaining registration under the IB Act. No structural alteration, addition, renewal can be made to the boilers without obtaining the written permission of the Chief Inspector appointed under the IB Act. In the event of an accident involving the boiler, the owner is required to notify the Inspector within 24 (twenty-four) hours of the occurrence of such accident. In the event, any owner makes use of a boiler without obtaining a certificate under the IB Act or without obtaining a provisional order authorizing use of the boiler, then the owner would be punishable to pay fine extending to Rs.500/- and in the case of a continuing offence, with an additional fine which may extend to Rs.100/- each day for a continuing offence.

### ***The Petroleum Act, 1934***

The Petroleum Act, 1934 (“**Petroleum Act**”) defines "petroleum" as any liquid hydrocarbon or mixture of hydrocarbons, and any inflammable mixture (liquid, viscous or solid) containing any liquid hydrocarbon. The Petroleum Act empowers the Central Government to make rules regulating the import, storage, transport, production, refining of petroleum and whoever contravenes the provisions of the Petroleum Act shall be punishable with simple imprisonment which may extend to one month, or with fine which may extend to one thousand rupees, or with both. The Petroleum Act also lays down instances in which a license is required for transport/ storage of petroleum with respect to its quantity.

### ***Madhya Pradesh Krishi Upaj Mandi Adhiniyam, 1972***

Madhya Pradesh Krishi Upaj Mandi Adhiniyam, 1972 (“**MPKUM Act**”) regulates buying and selling of agricultural produce and the establishment and proper administration of markets of agricultural produce in the State of Madhya Pradesh. MPKUM Act provides for constitution of Market Committee for every market area to implement the provisions of MPKUM Act, rules and bye-laws made thereunder in the market area. The Market Committee has been authorised to grant licence/ renew the licence to whoever desires to operate in the market area, in accordance with the prescribed bye-laws.



## **ENVIRONMENTAL LAWS**

### ***Environment Protection Act, 1986***

The Environmental Protection Act, 1986 (“EPA”) provides for the protection and improvement of the environment. "Environment" is defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. Any solid, liquid or gaseous substance present in such concentration as may/tend to be injurious to the environment is a “pollutant”. The Central Government has the power to take all such measures as it deems necessary for protecting the environment and improving its quality. No person carrying on any industry, operation or process shall discharge or emit any environmental pollutant in excess of such standards as may be prescribed. Whoever fails to comply with the provisions of the Act shall be punishable with imprisonment for a term extending to five years or fine extending to one lakh rupees, or with both. If the person committing the offence is a company, the company as well as every person in charge of its conduct at the time of the commission of the offence shall be deemed to be guilty and prosecuted accordingly. The EPA also inter-alia requires submission of an environment statement in the prescribed manner.

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

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) provides for the prevention and control of water pollution, the maintaining or restoring of wholesomeness of water, and for the establishment of Boards for the prevention and control of water pollution. “Pollution” means such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act provides for the constitution of Central, State and Joint Boards and shall perform such functions or give such directions as need be. No person shall, without the previous consent of the State Board establish or take any steps to establish any industry, operation or process, or any treatment and disposal system, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. The State Board or any officer empowered by it in that behalf, may make surveys of any area and keep records of the flow or volume of a stream or well in such area. The State Board shall also have power to take samples of water for any analysis. The Act provides for penalties for contravention of its provisions.

### ***Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the “Water Cess Act”)***

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for noncompliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ` 1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

### ***Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) provides for the prevention, control and abatement of air pollution, and for the establishment of Boards and assignment of powers and functions to them. As per this act, "air pollutant" means any solid, liquid or gaseous substance (including noise) present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment. The Central and State Pollution Control Boards are to exercise powers and performs functions under this Act also. No person shall without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. No person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in





excess of the standards laid down by the State Board. Where in any area the emission of any air pollutant occurs or is apprehended to occur in excess of the standards laid down, the person in charge of the premises shall forthwith intimate such fact to the State Board. The State Board may call for any information and shall have the right to inspect the premises for the purpose of verifying the correctness of such information. The Act provides for penalties for contravention of its provisions.

***The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)***

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

***Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008***

These rules stipulate provisions for proper collection, reception, transport, treatment, storage and disposal of hazardous waste. Any waste, which by virtue of any of its physical, chemical, reactive, toxic, flammable, explosive or corrosive characteristics causes danger or is likely to cause danger to health or environment, whether alone or when in contact with other wastes or substances has been defined as “hazardous waste” and includes wastes generated mainly from the processes referred under Schedule-I of the said Rules. In addition, some wastes become hazardous by virtue of concentration limits as well as hazardous characteristics listed under Schedule -II of the said Rules. It also includes the wastes specified in Parts A and B of Schedule-III in respect of import or export of such wastes and other wastes possessing hazardous characteristics specified in Part C of Schedule-III. These rules do not apply to waste-water and exhaust gases as covered under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981) and the rules made thereunder. Every person who is engaged in generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste shall require to obtain an authorization by applying to the State Pollution Control Board in the prescribed form. Such authorization shall be valid for a period of five years and shall be subject to such conditions as may be laid down therein. Every person authorized under these rules shall maintain the record of hazardous wastes handled by him and prepare and submit to the Board, an annual return of the same. The occupier shall take all adequate steps while handling hazardous wastes to (i) contain contaminants and prevent accidents and limit their consequences on human beings and the environment; and (ii) provide persons working on the site with the training, equipment and the information necessary to ensure their safety.

**LABOUR LAWS**

***Employees Provident Fund and Miscellaneous Provisions Act, 1952***

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The EPF Act inter-alia provides that a factory mentioned in Schedule I employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. The employer has to get himself registered with the Regional Provident Fund Commissioner. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities.

The EPF Act also inter-alia imposes punishments on any person who avoids making payments required to be made under the schemes made under the EPF Act and specifically on employers who contravene or default in complying with certain provisions of the EPF Act. If the person committing an offence is a company, every person who at the time the offence was committed was in charge of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.



***The Employees' Compensation Act, 1923***

The Employees' Compensation Act, 1923 has been enacted with the object to provide compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The Act inter-alia lays down the amount of compensation to be paid in any such circumstance. In case the employer fails to pay the compensation under the provisions of the Act within 1 (one) month from the date it falls due, the employer may be directed to pay the compensation along with simple interest.

***Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, plantations, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages based on the rate of wages last drawn by the employee for every completed year of service with the employer. The employer shall arrange to pay the gratuity amount within 30 (thirty) days from the date it becomes payable. Presently, an employer is obliged for a maximum gratuity payout of Rs.10,00,000/- only for an employee.

***The Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 ("MWA Act") was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages. An employer who pays to any employee wages less than the minimum rate of wages fixed is punishable with imprisonment upto six months or fine upto five hundred rupees only.

***Payment of Bonus Act, 1965***

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus on the basis of profits of the establishment.. Contravention of the provisions of the Payment of Bonus Act, 1965 is punishable with imprisonment up to six months or a fine upto Rs.1,000/- only or both. Further, it has been provided that if the defaulter is a company, every person in charge of its business at the time of the offence shall be liable to be proceeded against and punished accordingly.

***The Maternity Benefit Act, 1961***

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in factories, plantations and other establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women. The employer shall be liable to pay the maternity benefit at the rate of average daily wage for the period of her actual absence. In case of failure to inter-alia make such payment, the employer shall be liable to punishment.

***The Payment of Wages Act, 1936***

The Payment of Wages Act, 1936 ("PWA") is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer. If the employer contravenes the provisions of the Act, he shall be punishable with fine not less than one thousand rupees only extending to seven thousand five hundred rupees only.

***Equal Remuneration Act, 1976***

Equal Remuneration Act, 1976 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 and incidental thereto. If the employer contravenes the provisions of the Act, he shall be liable to punishment.

***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for



a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- only.

#### ***The Factories Act, 1948***

The Factories Act, 1948 (“**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. "Factory" means any premises including the precincts thereof- (i) whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or (ii) whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

#### ***The Employees State Insurance Act, 1948***

The Employees State Insurance Act, 1948 (the “**ESI Act**”) provides for certain benefits to employees in case of sickness, maternity and employment injury. The ESI Act is applicable to all factories including a factory belonging to the Government other than seasonal factories and any other establishment as the appropriate Government may determine. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

#### ***The Industrial Disputes Act, 1947***

The Industrial Disputes Act, 1947 (the “**IDA**”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment.

#### ***Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970 (“**CLRA**”) regulates the employment of contract labour in certain establishments and to provides for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. “Establishment” means any place where any industry, trade, business, manufacture or occupation is carried on. Further, it contains provisions regarding constitution of Central and State Advisory Boards to carry out the functions of the Act. Every principal employer to whom this Act applies has to make an application to the registering officer as appointed by the



Government. The appropriate Government shall notify in the Official Gazette the establishments in which employment of contract labour is prohibited in any process, operation or other work. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. A “contractor” has been defined as “in relation to an establishment, means a person who undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labour for any work of the establishment and includes a sub-contractor”. If a person contravenes the provisions of the Act or the rules thereunder he shall be punishable with imprisonment for a term which may extend to three months or with fine which may extend to one thousand rupees, or with both. If the person committing the offence is a company, the company as well as every person in charge of its conduct at the time of the commission of the offence shall be deemed to be guilty and prosecuted accordingly.

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

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

## **INTELLECTUAL PROPERTY**

### ***The Trademarks Act, 1999***

Under the Trademarks Act, 1999, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. 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 10 years, which may be renewed for similar periods on payment of a prescribed renewal fee.

## **TAX RELATED LAW**

### ***Central Sales Tax Act, 1956 (“CST Act”)***

The CST Act formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and (c) when a sale or purchase takes place in the course of imports into or export from India. This Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in inter-State trade or commerce and specifies the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. Central Sales tax is levied on inter State sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one State to another or (b) is effected by transfer of documents during their movement from one State to another.

A sale or purchase of goods shall be deemed to take place in the course of inter-state trade or commerce if the sale or purchase is affected by a transfer of documents of title to the goods during their movement from one state to another. When the goods are handed over to the carrier, he hands over a receipt to the seller. The seller sends the receipt to buyer. The buyer gets delivery of goods on submission of the receipt to the carrier at other end. The receipt of carrier is ‘document of title of goods’. Such document is usually called Lorry Receipt (LR) in case of transport by Road or Air Way Bill (AWB) in case of transport by air. Though it is called Central Sales Tax Act, the tax collected under the Act in each State is kept by that State only. Central Sales Tax is payable in the State from which movement of goods commences (that is, from which goods are sold). The tax collected is



## ***Avi Agri Business Limited***

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retained by the State in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer.

### ***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 the IT Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like.

### ***Value Added Tax***

Value Added Tax (“**VAT**”) is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State. The Madhya Pradesh Value Added Tax Act, 2002 is applicable to the establishment of the Company.

### ***Service Tax***

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

### ***Central Excise Act, 1944***

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and requires every person who produces, manufactures, carries on trade, holds private store-room or warehouse or otherwise uses excisable goods, to obtain registration thereunder. Additionally, the Central Excise Tariff Act, 1985 prescribes the rates of excise duties for various goods. The Central Excise Rules, 2002 provides the manner of payment of the central excise duty as well as the rebate and remission provisions.

### ***The Customs Act, 1962***

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

### ***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.

## **OTHER LAWS**

### ***Madhya Pradesh Shops and Establishments Act, 1958***

Our Company has its registered office at: 4th Floor Saket Tower, 3-A Ratlam Kothi, Indore, Madhya Pradesh, India. Accordingly, the provisions of the Madhya Pradesh Shops and Establishments Act, 1958 are applicable to our Company. These provisions regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

### ***Consumer Protection Act, 1986***

The Consumer Protection Act, 1986 (“**COPRA**”) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

### ***Transfer of Property Act, 1882 (“TP Act”)***

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The TP Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

*Sale:* The transfer of ownership in property for a price paid or promised to be paid

*Mortgage:* The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The TP Act recognises several forms of mortgages over a property.

*Charges:* Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.

*Leases:* The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.



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

The 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.

***Indian Stamp Act, 1899(the “Stamp Act”)***

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

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

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

The Contract Act codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

***The Specific Relief Act, 1963 (“Specific Relief Act”)***

The Specific Relief Act is complimentary to the provisions of the Contract Act and the TP Act, as the Specific Relief 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.

***Competition Act, 2002 (“Competition Act”)***

The 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.

***The Companies Act, 1956***

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects





## ***Avi Agri Business Limited***

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of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

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

The law relating to easements and licenses in property is governed by the Easements Act, 1882 (“IE Act”). The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own. Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

### ***The Sale of Goods Act, 1930(Sale of Goods)***

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer’s right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

## **FOREIGN INVESTMENT REGULATIONS**

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

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

### ***Foreign Exchange Management Act, 1999***

Foreign investment in companies in the manufacturing of soya bean products are governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“DIPP”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy (the “**FDI Circular**”) which consolidates the policy framework on Foreign Direct Investment (“**FDI**”), with effect from May 12, 2015. The FDI Circular



consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till May 11, 2015. All the press notes, press releases, clarifications on FDI issued by DIPP till May 11, 2015 stand rescinded as on May 12, 2015.

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 approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. A declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Circular dated May 12, 2015 issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which our Company operates. Therefore, foreign investment up to 100% is permitted in our Company under the automatic route. No approvals of the FIPB or the RBI are required for such allotment of equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

RBI has also issued Master Circular on Foreign Investment in India dated July 01, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.



## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Our History and Background**

Our Company was Originally incorporated as “Avi Agri Business Private Limited” on March 23, 2009 under the provisions of Companies Act, 1956 with Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior, vide registration no. 021753 (CIN: U15311MP2009PTC021753). Our Company was converted into a public limited company pursuant to shareholders’ resolution passed at the extra ordinary general meeting of the members of the Company held on January 23, 2016 and the name of our Company was changed from “**Avi Agri Business Private Limited**” to “**Avi Agri Business Limited**” vide a fresh Certificate of Incorporation dated February 10, 2016 issued by the Registrar of Companies, Madhya Pradesh, Gwalior,

The Current Promoters of our Company are Mr. Vinod Kumar Jain and Excel Agri Business Private Limited (Formerly Known as Excel Futures Private Limited).

### **Address of Registered Office, Factory and Warehouse**

<b>Registered Office</b>	Saket Tower, 4th Floor, 3A Ratlam Kothi, Indore – 452001, Madhya Pradesh, India. Tel No:- +91-731-6666300, 2526844/45 Fax No.: +91-731-4053955 Website: <a href="http://www.avgroup.co">www.avgroup.co</a> Email: <a href="mailto:info@avgroup.co">info@avgroup.co</a>
<b>Factory and Warehouse</b>	Village Chandukhedi, 11 <sup>th</sup> Km, Ujjain-Badnagar Road, Tehsil & Dist. Ujjain, Madhya Pradesh- 456222

### **Changes in the Registered Office:**

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of this Draft Prospectus for better operational efficiency and administrative convenience.

<b>From</b>	<b>To</b>	<b>With Effect From</b>
111, Shrivardhan, 4 R. N. T. Marg., Indore-452001, Madhya Pradesh (India)	Saket Tower, First Floor, 3A, Ratlam Kothi, A.B. Road, Indore-452001, Madhya Pradesh (India)	October 3, 2011
Saket Tower, First Floor, 3A, Ratlam Kothi, A.B. Road, Indore-452001, Madhya Pradesh (India)	Saket Tower, 4th Floor, 3A Ratlam Kothi, Indore- 452001, Madhya Pradesh (India)	April 29, 2012

### **Key Events and Mile Stones:**

<b>Year</b>	<b>Key Events / Milestone</b>
2009	Incorporation of the Company in the name and style of “Avi Agri Business Private Limited”
2010	Setting up of Manufacturing Plants at Chandukhedi, Ujjain(M.P.) for carrying out solvent extraction and oil refining activities, with solvent extraction capacity of 600 MT per day and oil refining capacity of 100 MT per day.
2012	Expansion in the capacity of our solvent extract plant to 1400 MT per day and oil refining capacity to 300 MT per day by installing additional solvent extraction plant and oil refining plant
2016	Conversion of our Company from Private Limited to Public Limited Company.

For details regarding Certifications and Recongnitions of our Company, please see Section “**Our Business**” on page 109 of this Draft Prospectus.



## Avi Agri Business Limited

### Other Details about our Company

For details on the description of our Company's activities, products, growth, technology, marketing strategy, competition of our Company and our customers, please see "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" on pages 109, 235 and 86 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "*Our Management*" and "*Capital Structure*" beginning on pages 147 and 60 of this Draft Prospectus respectively.

### Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To own, acquire, Install, promote, establish and carry on business of manufactures ,importers, exporters, agents, brokers, traders, dealers and processing of agriculture produce, meal, food, feed ,flour, soya milk, textured proteins, protein-concentrates, protein-isolates, lecithin, glycerin, emulsifiers, oils, deoiled cakes, boi diesel, ethanol ,refined or partially refined oil, hydrogenated oil (vanaspati), margarine, peanut butter ,peanut milk , including their joint/by- products from or nut of cottonseed, castor, linseed, sunflower, soyabean, ricebran, ground, palm etc. and any other type of edible and non-edible including industrial oils, lubricants, additives, essential and non- essential oils, oil seeds/oil bearing materials and vegetable seeds/produce of all kinds as it is or by /through any type of processing viz., crushing ,solvent extraction ,fractionation, chemical treatment/ process or any other process and to utilize ,trade deal in the oils ,cakes, proteins and other products ,including joint/by-products to be produced /so produced /extracted therefrom, including their derivatives in all forms, either through itself or through subsidiaries ,SPVs, joint ventures, nationally or internationally including putting up of various process/ utility (power/steam etc.) plants either on captive or otherwise (including sale) basis, including manufacture/sale/trade in of such process/utility plants ,logistics.
2. To carry on the business of manufacture and processing of nutrition foods ,cattle feeds, manure, fatty acids, soaps perfumes, chemicals and other products in which such oil seeds, oil cakes, and proteins are utilized and of making, preparing and processing of formulations and by-products of oil seeds, oils proteins, from the products aforesaid.
3. To act dealers ,Whole-sellers, retailers, stockists ,commission agents, representatives, selling agents, purchasing agents ,distributors and brokers, exporters, importers manufactures, cultivator farmers, processors, refiners of soyabean, ground nut, sesame seeds, all other oil seeds edible and non- edible, oils, vanaspati, oil cakes, proteins and protein foods.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Authorized Capital of Rs. 50,00,000 divided into in 5,00,000 Equity Shares of Rs.10/- each.	Incorporation	-
2.	Increase in the authorized share capital of the Company from Rs.50,00,000 divided into 5,00,000 Equity Shares of Rs.10/- each to Rs.10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10/- each.	June 12, 2009	EGM
3.	Increase in the authorized share capital of the Company from Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10/- each to Rs. 20,00,00,000 divided into 2,00,00,000 Equity Shares of Rs.10/- each.	March 12, 2012	EGM
4.	Increase in the authorized share capital of the Company from Rs. 20,00,00,000 divided into 2,00,00,000 Equity Shares of Rs.10/- each to Rs. 25,00,00,000 divided into 2,50,00,000 Equity Shares of Rs. 10/-each.	December 4, 2015	EGM
5.	Conversion of our Company from a Private Limited to a Public Limited	January 23,	EGM



## ***Avi Agri Business Limited***

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	Company. Consequently name of the Company has been changed to Avi Agri Business Limited from Avi Agri Business Private Limited and a fresh Certificate of Incorporation dated February 10, 2016 bearing CIN No.U15311MP2009PLC021753 was issued by Registrar of Companies, Madhya Pradesh, Gwalior.	2016	
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For other details regarding our Company, please refer chapter titled “***Our Business***” and “***Our Management***” beginning on pages 109 and 147, respectively of this Draft Prospectus.

### **Adopting New Articles of Association of the Company**

Our Company has adopted a new set of Articles of Association of the Company, in the extra ordinary general meeting of the Company dated January 23, 2016.

### **Capital raising through equity or debt**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “***Capital Structure***” beginning on page 60 of this draft Prospectus.

For a description of our Company’s debt facilities, see “***Statement of Financial Indebtedness***” on page 230 of this Draft Prospectus

### **Time and Cost Overruns in setting up projects**

There has been no time / cost overrun in setting up projects by our Company.

### **Injunctions or Restraining Orders**

There are no injunctions/ restraining orders that have been passed against the Company.

### **Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation, Revaluation of Assets Etc.**

There are no acquisitions of business/undertakings, mergers, amalgamation, revaluation of assets etc.

### **Revaluation of Assets**

Our company has not revalued its assets since incorporation.

### **Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks and Conversion of loans into Equity Shares**

There have been no defaults or rescheduling of borrowings with financial institutions/banks as on the date of this Draft Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

### **Strikes and Lock-outs**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this draft Prospectus, our employees are not unionized.

### **Shareholders of our Company**

Our Company has 9 shareholders as on the date of filing of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “***Capital Structure***” beginning on page 60 .of the Draft Prospectus.

### **Changes in the Activities of Our Company during the last Five Years**



There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Prospectus which may have had a material effect on the profit/loss account of our Company except as mention in Material development in chapter titled “*Management’s discussion and analysis of financial conditions & results of operations*” beginning on page 235 of this Draft Prospectus,

### **Holding Company**

As on the date of this Draft Prospectus, our Company is not a subsidiary of any company.

### **Details of Subsidiaries**

As on the date of this Draft Prospectus, our Company doesn’t have any subsidiary company.

### **Shareholders Agreement**

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

### **Collaboration Agreements**

As on the date of this Draft Prospectus, our Company is not a party to any collaboration agreements.

### **Material Agreement**

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

### **OTHER AGREEMENTS:**

#### **Non Compete Agreement**

Our Company has not entered into any Non-compete Agreement as on the date of filing this Draft Prospectus.

#### **Joint Venture Agreement**

Except the agreements entered in the ordinary course of the business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

#### **Strategic Partners**

Our Company does not have any strategic partners as on the date of filing this Draft Prospectus.

#### **Financial Partners**

Our Company does not have any financial partners as on the date of filing this Draft Prospectus.



## OUR MANAGEMENT

### **Board of Directors**

As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. Currently, our Company has 4 (Four) Directors out of which 2 (Two) are Non-Executive Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this draft Prospectus:

<b>Sr. No.</b>	<b>Name, Father's /Husband's Name, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality and DIN</b>	<b>Date of Appointment/Reappointment, Term, Period of Directorship</b>	<b>No. of Equity Shares held &amp; % of Share holding (Pre Issue)</b>	<b>Other Directorships</b>
<b>1.</b>	<b>Name:</b> Mr. Mahendra Lakhichand Jalori <b>S/o:</b> Mr. Lakhichand Jogidasji Jalori <b>Age:</b> 60 Years <b>Designation:</b> Managing Director <b>Address:</b> 91/89 Vishal Deep Shrushti, Flat No. 4, 2 <sup>nd</sup> Floor, TMV Colony, Gultekdi, Pune – 411037, Maharashtra, India <b>Experience:</b> 35 years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Engineering (Mechanical) <b>Nationality:</b> Indian <b>DIN:</b> 02592482	Appointed on the Board w.e.f. March 24, 2009  Designated as Managing Director vide EGM Resolution dated February 16, 2016 for a period of 5 years not liable to retire by rotation.	7,500 Shares (0.04%)	1. Rajshree Power and Ispat Private Limited
<b>2</b>	<b>Name:</b> Mr. Praveen Kumar Vyas <b>S/o:</b> Mr. Vidyadhar Vyas <b>Age:</b> 57 Years <b>Designation:</b> Chairman & Non Executive Director <b>Address:</b> 37, Tilak Nagar Ext., Indore - 452001, Madhya Pradesh, India <b>Experience:</b> 30 Years <b>Occupation:</b> Business <b>Qualifications:</b> FCS, M. Com <b>Nationality:</b> Indian <b>DIN:</b> 00103686	Appointed on the Board w.e.f. March 23, 2009	7,500 Shares (0.04%)	1. Suraj Impex (India) Private Limited  2. Max Realmart Private Limited





Sr. No.	Name, Father's /Husband's Name, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality and DIN	Date of Appointment/Reappointment, Term, Period of Directorship	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
3	<b>Name:</b> Mr. Hari Prasad Sarda <b>S/o:</b> Mr. Bhagwan Das Sarda <b>Age:</b> 68 years <b>Designation:</b> Non Executive & Independent Director <b>Address:</b> 203, Sakar Terraces, 2/3 New Palasia, Indore, Indore G.P.O. - 452001, Madhya Pradesh, India <b>Experience:</b> 45 years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Engineering(Electrical) <b>Nationality:</b> Indian <b>DIN:</b> 07410841	Appointed as Non- Executive & Independent Director vide EGM Resolution dated January 23, 2016 for a period of 5 years	Nil	1. A & A Solutions Pte. Ltd.  2. Flow Devices System (S) Pte. Ltd., Singapore
4.	<b>Name:</b> Mrs. Dipika Kataria <b>D/o:</b> Mr.Narendra Kumar Jain <b>Age:</b> 28 years <b>Designation:</b> Non Executive & Independent Director <b>Address:</b> 23,Brhamapuri Pipalyarav,Indore-452012, Madhya Pradesh, India <b>Experience:</b> 8 Years <b>Occupation:</b> Service <b>Qualifications:</b> B.Com,C.S <b>Nationality:</b> Indian <b>DIN:</b> 06694868	Appointed as Non- Executive & Independent Director vide EGM Resolution dated February 16, 2016 for a period of 5 years	Nil	1. Mittal Corp. Limited

#### **Brief Profiles of our Directors**

##### **1. Mr. Mahendra Lakhichand Jalori, Managing Director , Age: 60 Years**

Mr. Mahendra Lakhichand Jalori aged 60 years is the Managing Director of our Company. He joined the Company in 2009 and is associated with it since then. He holds Bachelor's degree in Mechanical Engineering from Nagpur University. He is having 35 years of overall experience in the field of solvent extraction industry at various levels. Mr. Jalori has worked with Mansingka group of Companies from 1979 to 1987 at their plants situated at Pachora (Mahatashtra), Amravati (Maharashtra) and Maksi (M.P.) from 1987 to 1992, he has worked with Vegepro Foods and Feeds Ltd. at Orai (U.P.) – a Glaxo Promoted Company as General Manager. From 1992 to 2008, he has been associated with Nav Maharashtra Chakan Oils Mills group at Sholapur and Sangli (Maharashtra). He has rich international exposure about industry and trade. He looks after overall management and operations of the Company. Under his guidance our Company has witnessed continuous growth.

##### **2. Mr. Praveen Kumar Vyas, Chairman & Non Executive Director, Age: 57 Years**

Mr. Praveen Kumar Vyas aged 57 Years is the Chairman and Non Executive Director of our Company. He has been on the Board since incorporation of the Company. He is Fellow Company Secretary and holds Masters Degree in Commerce from Devi Ahilya Vishwavidyalaya, Indore. Mr. Praveen Kuamr Vyas has 30 years of experience in accounts, finance and legal



matters. He underwent training at Chowgule Group in Goa in 1983. From 1984 to 2004 he has been associated with Prestige Foods Ltd. and its group companies engaged in the business of soyabean processing, oil refining, feed manufacturing, wheat milling and international trade. During this period he looked after financing and corporate affairs of solvent extraction plants, edible oil refineries and vanaspati units. He joined our Group Company, Suraj Impex (India) Private Limited in 2004 as Executive Director.

He has significant international exposure and travelled to Singapore, Thailand, Malaysia, Mauritius, Vietnam, Sri Lanka, France, England, Belgium, Netherland and UAE. He has played key role in setting up of trading outfits for our Group Company Suraj Agri-Business Pte. Ltd. in Singapore. He has handled several portfolios covering insurance, accounts, audit, legal, corporate affairs and international trade.

No remuneration/sitting fees was paid to him for the financial year 2014-15.

**3. Mr. Hari Prasad Sarda, Non Executive & Independent Director, Age: 68 Years**

Mr. Hari Prasad Sarda aged 68 years is a Non Executive and Independent Director of our Company. He has done Bachelors of Engineering (Electrical) from Vikram University, Ujjain. He is having 45 years of experience in the field of electrical engineering. He has been appointed as Non-Executive and Independent Director on our Board on January 23, 2016. No remuneration/sitting fees was paid to him for the financial year 2014-15.

**4. Mrs. Dipika Kataria, Non Executive & Independent Director, Age: 28 Years**

Mrs. Dipika Kataria aged 28 years is a Non Executive and Independent Director of our Company. She is a Company Secretary and holds Bachelor's degree in Commerce from Government Girls College, Ratlam. She is having 8 years of experience in the field of Secretarial & legal Compliances. She has been appointed as Non-Executive and Independent Director on our Board on February 16, 2016. No remuneration/sitting fees was paid to her for the financial year 2014-15.

- **Nature of any family relationship between any of our Directors:**

None of the Directors in our Board are related to each other within the meaning of section 2 (77) of the Companies Act, 2013.

- **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

- **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

- **Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Draft Prospectus:**

Further, none of our Directors is / was a Director of any listed company whose shares are/were (a) suspended from trading on the BSE and/or NSE (b) delisted from any recognised Stock Exchange .

- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this draft Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been debarred from accessing the capital market by SEBI or any other Regulatory Authority.



## Avi Agri Business Limited

### Details of Borrowing Powers of Directors

Our Company has passed a resolution in the Extra Ordinary General Meeting of the members held on September 10, 2014 authorizing the Directors of the Company to Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs.800 Crores (Rupees Eight Hundred Crores only).

### Compensation of our Managing Director

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies act, 1956, for the time being in force).

#### The following remuneration/compensation has been approved for the Managing Director:

Particulars	Mr. Mahendra Lakhichand Jalori
Resolution for Change in Designation	Special Resolution passed in Extra Ordinary General Meeting dated February 16, 2016
Designation	Managing Director
Term of Appointment	5 years Not liable to Retire by Rotation
Remuneration	Rs.103,484 .00 Per Month Bonus and Perquisite will be paid as per Company's norms , but within the ceiling limits of Companies Act, 2013
Term of Remuneration	3 Years

### Compensation paid and benefits in kind granted to Directors during the financial year 2014-15

Following is the detail of compensation paid to the Board of Directors of the Company during the financial year 2014-15:

Particulars	Compensation (Rs in Lacs)
Mr. Mahendra Lakhichand Jalori- (including Bonus and Perquisites )	17.05

### Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit sharing plan for our Directors.

### Sitting Fee

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than managing Director & Whole Time Directors ) not exceeding Rs. 1.00 Lac to be fixed by directors from time to time, for attending a meeting of the Board or a Committee thereof our Board of Directors have resolved in their meeting dated February 19, 2016 for payment of an amount of Rs. 1500/- (Rupees One Thousand Five Hundred only) to all Non-executive Independent Directors for attending each such meeting of the Board or Committee thereof.

### SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

Except as stated below, none of our other Directors hold any Equity Shares in our Company:



Sr. No.	Name of Director	No. of Shares held	Holding in % in Pre Issue Capital
1.	Mr. Mahendra Lakhichand Jalori	7,500	0.04
2.	Mr. Praveen Kumar Vyas	7,500	0.04

*None of the Independent Directors of Company holds any Equity Shares of our Company as on the date of this Draft Prospectus*

*As on the date of this Draft Prospectus, we do not have any subsidiary and associate company as defined under Section 2(6) of the Companies Act, 2013.*

## **INTEREST OF DIRECTORS**

All the Directors of our Company may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses and/or sitting fees, if any, payable to them under the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares, dividend payable thereon and other distributions in respect of the said Equity Shares, if any, held by them in our Company or by their relatives or by the companies, firms or HUFs, in which they are interested as directors, members, partners, trustees or promoters, pursuant to this Issue. Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or Partnership firms in which they are Partners or HUFs in which they are members or proprietorship firm in which they are proprietor and some of the directors also hold directorships in Promoter Group and Group Entities of our Company.

Except for Mr. Mahendra Lakhichand Jalori who receives remuneration, as employee of our Company, none of the relatives of our Directors have been appointed to a place or office of profit in our Company. For further details, please refer to section titled **"Our Management-Compensation of our Managing Director"** beginning on page 150 of this Draft Prospectus.

Our Directors are interested to the extent of unsecured Loan and Interest thereon as may be outstanding to be paid to them by our Company or by their relatives or by the companies/ firms in which they are interested as Directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners. Our Directors may be interested to the extent of personal guarantees given by them in favour of the Company.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details regarding unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to **"Annexure R Statement of Related Party Transaction"** on page no 224 and for the details of Personal Guarantee given by Directors/KMPs towards Financial facilities of our Company please refer to **"Statement of Financial Indebtedness"** and **"Annexure B (A)"** of Section **"Financial Information of the Company"** on page 230 ,208 respectively of this Draft Prospectus. For the Details of Shareholding our Directors in our Company, please refer chapter **"Capital Structure"** beginning on page 60 of this Draft Prospectus.

Except as stated in this chapter **"Our Management"** beginning on page no 147 and the Section titled **"Financial Information of the Company"** beginning on page no. 179 of this Draft Prospectus, our Directors do not have any other interest in our business.

### **Interest in the property of Our Company**

Our Directors do not have any interest in any property acquired two years prior to the date of this Draft Prospectus.

## **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

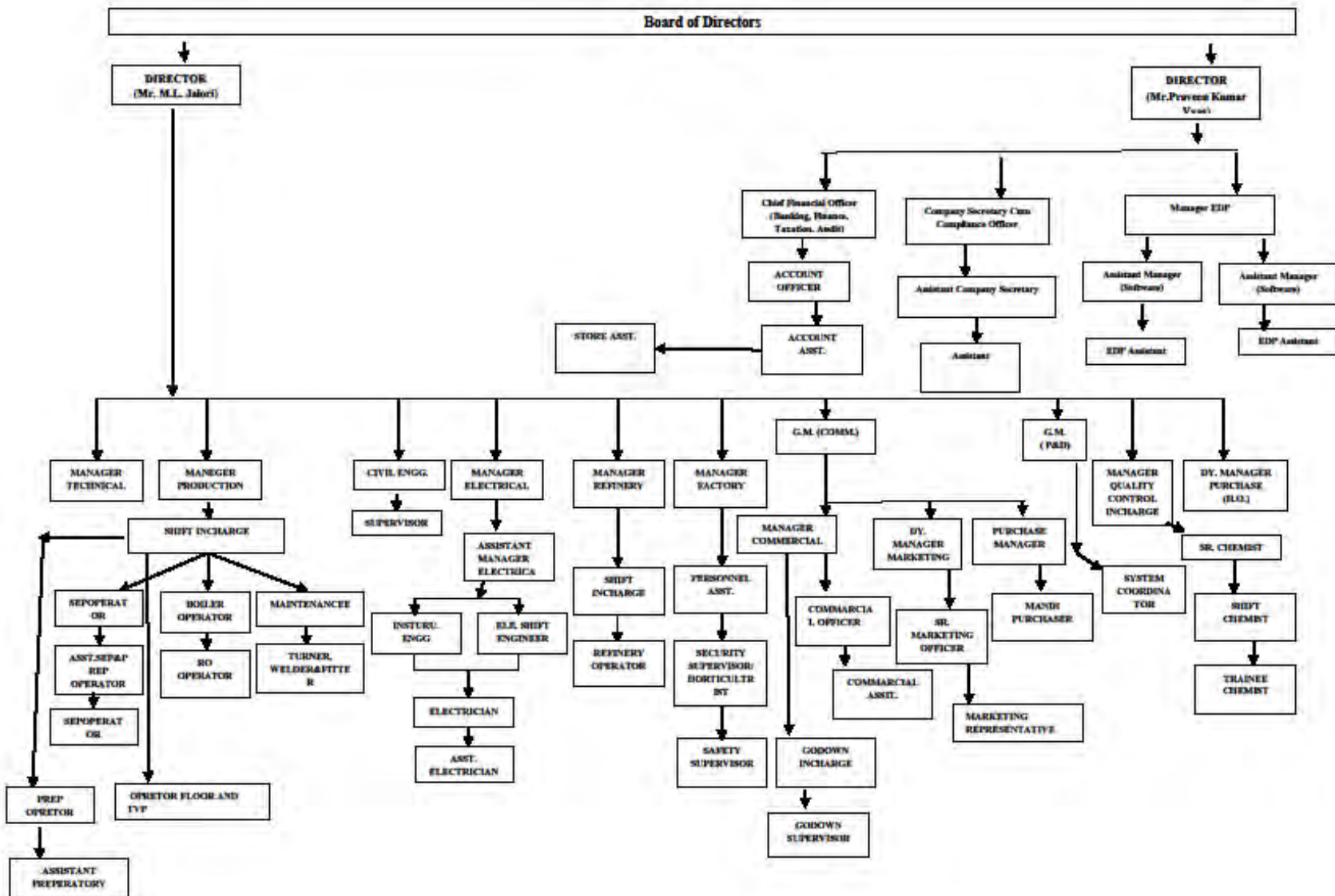


## ***Avi Agri Business Limited***

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Sr. No.	Name	Date & Nature of Change	Reasons for Change
1	Mr. Mahendra Lakhichand Jalori	Designated as Managing Director w.e.f. February 16, 2016	To ensure better Corporate Governance
2	Mr. Hari Prasad Sarda	Appointed as Non Executive & Independent Director w.e.f. January 23, 2016	To ensure better Corporate Governance and to broad base the Board
3	Mrs. Dipika Kataria	Appointed as Non Executive & Independent Director w.e.f. February 16, 2016	To ensure better Corporate Governance and to broad base the Board

### **MANAGEMENT ORGANISATION STRUCTURE**





## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of BSE Limited. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committees have been complied with.

Our Board of Directors consists of 4(Four)directors of which 2 (Two) are Non-Executive Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), which constitutes 50.00 % of the Board of Directors and one woman Director , which is in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has formed the Audit Committee vide Resolution passed in the Meeting of Board of Directors dated February 19,2016 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of Company's equity shares on SME Platform of BSE.The constituted Audit Committee comprises following members

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mrs. Dipika Kataria	Chairman	Non Executive-Independent Director
Mr. Hari Prasad Sarda	Member	Non Executive-Independent Director
Mr. Mahendra Lakhichand Jalori	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts.The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly 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;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
  16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. 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;
  18. 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;
  19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
  20. 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;
  21. To review the functioning of the whistle blower mechanism;
  22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
  23. Audit committee shall oversee the vigil mechanism.
  24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
  25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- 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.
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).



- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## **2. Stakeholders Relationship Committee**

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated February 19, 2016. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Dipika Kataria	Chairman	Non Executive-Independent Director
Mr. Hari Prasad Sarda	Member	Non Executive-Independent Director
Mr. Mahendra Lakhichand Jalori	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
  - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
  - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
  - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
  - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
  - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

## **3. Nomination and Remuneration Committee**

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated February 19, 2016. The Nomination and Remuneration Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
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## ***Avi Agri Business Limited***

Mrs. Dipika Kataria	Chairman	Non Executive-Independent Director
Mr. Hari Prasad Sarda	Member	Non Executive-Independent Director
Mr. Praveen Kumar Vyas	Member	Non Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

### **C. Role of Terms of Reference:**

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:**

The provisions of the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, will be applicable to our Company immediately upon the listing of Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of BSE Ltd. Further, Board of Directors at their meeting held on February 19, 2016, have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Vipul Goyal, Company Secretary & Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.



**POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE Ltd. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the SME Platform of BSE Ltd. The Board of Directors at their meeting held on February 19, 2016 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

**OUR KEY MANAGERIAL PERSONNEL**

Our Company is supported by a well-laid team of experts and professionals having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Years)	Date of joining	Compensation paid for the F.Y ended 2015 (in Rs Lacs)	Over all experience (in years)	Previous employment
<b>Name:</b> Mr.Mahendra Lakhichand Jalori <b>Designation:</b> Managing Director <b>Qualifications:</b> Bachelor of Engineering (Mechanical)	60	24.03.2009	17.05	35	Nav Maharashtra Chakan Oils Mills group
<b>Name:</b> Mr. Dinesh Jain <b>Designation:</b> Chief Financial Officer <b>Qualification:</b> Bachelor of Commerce & Chartered Accountant	35	10.12.2014	1.43	7	Indra Industries Limited, Indore
<b>Name:</b> Mr. Vipul Goyal <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualifications:</b> B.Com, Company Secretary and LL.B,	27	04.09.2014	1.56	2	Ultratech Cement Limited

**BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

• **Mr.Mahendra Lakhichand Jalori, Managing Director**

Mr. Mahendra Lakhichand Jalori aged 60 years is the Managing Director of our Company. He holds Bachelor's degree in Mechanical Engineering from Nagpur University. He is having 35 years of experience in the field of solvent extraction industry at various levels. Mr. Jalori has worked with Mansingka group of Companies from 1979 to 1987 at their plants situated at Pachora (Maharashtra), Amravati (Maharashtra) and Maksi (M.P.). From 1987 to 1992, he has worked with Vegepro Foods and Feeds Ltd. at Orai (U.P.) – a Glaxo Promoted Company as General Manager. From 1992 to 2008, he has been associated with Nav Maharashtra Chakan Oils Mills group at Sholapur and Sangli (Maharashtra). He has rich international exposure about industry and trade. Under his guidance our Company has witnessed continuous growth.

• **Mr.Dinesh Jain, Chief Financial Officer**

Mr. Dinesh Jain is the Chief Financial Officer of our Company. He holds Bachelor Degree of Commerce from Jai Narayan Vyas University, Jodhpur. He is a Chartered Accountant from Institute of Chartered Accountant of India. He takes care of all accounts, banking, taxation and financial activities of our Company. He has more than 5 years of experience in his functional area and associated with us since 2014. He has been appointed as Chief Financial Officer of our Company vide Board Resolution



## ***Avi Agri Business Limited***

passed in Board meeting dated February 11, 2016. He was paid a gross salary of Rs. 1.43 Lakhs in financial year 2014-15.

- **Mr. Vipul Goyal, Company Secretary and Compliance Officer**

Mr. Vipul Goyal, aged 26 years is Company Secretary and Compliance officer of our Company. He holds a Bachelor Degree of Commerce from Kota University, L.L.B. From Vikram University, Ujjain, Company Secretary Degree from Institute of Company Secretaries of India, New Delhi. He has around 2 years of experience in the field of secretarial matters. He looks after the secretarial matters of our Company. He was paid a gross salary of Rs 1.56 Lakhs in financial year 2014-15.

### **Relationship between Key Managerial Personnel**

None of our Key Managerial Personnel are related to each other or to any of our Promoters and Directors. Also, they are not related parties as per the Accounting Standard 18.

### **Status of Key Managerial Personnel in our Company**

All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.

### **Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.

### **Payment or Benefit to our Officers**

In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2015. Except for the terms set forth in the appointment Letters/Service Agreements the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer. None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.

### **Loans taken by Key Management Personnel:**

None of our Key Managerial Personnel have taken any loan from our Company.

### **Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years:**

Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.

### **Shareholding of Key Managerial Personnel:**

None of our Key Managerial Personnel hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:

Sr. No.	Name of KMP	No. of shares
1.	Mr. Mahendra Lakhichand Jalori	7,500

### **Employee Share Purchase and Employee Stock Option Scheme:**

Presently, we do not have ESOP/ESPS scheme for our employees.

### **Interest of Key Managerial Personnel in Our Company**

Apart from shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company and unsecured loan granted by them to the Company and other than as mentioned below, our Key Managerial Personnel are not interested in our Company: Our Key managerial personnel may be interested to the extent of personal guarantees given by them in favour of the Company.

Except as stated otherwise in this draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.



For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “**Annexure R Statement of Related Party Transaction**” page no 224 and for the details of Personal Guarantee given by Directors/KMPs towards Financial facilities of our Company please refer to “**Statement of Financial Indebtedness**” and “**Annexure B (A)**” of Section “**Financial Information of the Company**” on page 230 and 208 of this Draft Prospectus.

**Other Benefits to Our Key Managerial Personnel:**

Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.

**Changes in the Key Managerial Personnel:**

There have been no changes in the Key Managerial Personnel of our Company during the last three year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1	Mr. Mahendra Lakhichand Jalori	Managing Director	February 16, 2016	Change in Designation
2	Mr. Dinesh Jain	Chief Financial Officer	February 11, 2016	Promotion
3	Mr. Vipul Goyal	Company Secretary	September 4, 2014	Appointment

**EMPLOYEES**

For details about our employees appear please refer Chapter Titled “**Our Business**” beginning on page 109 of this Draft Prospectus.

**PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)**

Except as disclosed in the heading titled “**Annexure – R Related Party Transactions**” in the section titled “**Auditors’ Report on Restated Financial Statements**” beginning on page 179 of this draft prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.




**OUR PROMOTER AND PROMOTER GROUP**

**Our Promoters:**

Mr. Vinod Kumar Jain and Excel Agri Business Private Limited (Formerly Known as Excel Futures Private Limited) are the Promoters of our Company.

As on the date of this Draft Prospectus, Mr. Vinod Kumar Jain holds 3,75,000 Equity Shares and Excel Agri Business Private Limited holds 79,84,380 Equity Shares. Our Promoter and Promoter Group will continue to hold the majority of our post-issue paid-up equity share capital of our Company.

***Brief Profiles of Promoters are as under:***

	<b>Mr. Vinod Kumar Jain</b>	
	<b>Qualification</b>	Master in Commerce
	<b>Age</b>	51 Years
	<b>Address</b>	D-9/20,RatlamKothi ,Indore-452001,Madhya Pradesh, India
	<b>Experience</b>	29 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AAAPJ0545R
	<b>Passport Number</b>	Z3412854
	<b>Name of Bank &amp; Bank Account Details</b>	Punjab National Bank Branch: Siyaganj, Indore Bank Account No.: 0213000100167768
	<b>Driving License Number</b>	MP09R-2014-0288090
	<b>Voter Identification Card Number</b>	LHV3156353
	<b>No. of Equity Shares held in AABL &amp; [% of Shareholding (Pre Issue)]</b>	3,75,000 (2.16%)
	<b>Other Interests</b>	<p><b>Directorships in the Companies:</b></p> <ul style="list-style-type: none"> <li>• Excel Agri Business Private Limited</li> <li>• Manikaran Commercial Private Limited</li> <li>• MaxRealmart Private Limited</li> <li>• Anant Global Energy Private Limited</li> <li>• SurajImpex (India) Private Limited</li> <li>• Suresh D. Punj Salt And Storage Private Limited</li> <li>• Tejas P. Sheth Rice Mill and Storage Private Limited</li> <li>• Super Construction (Indore) Private Limited</li> <li>• Suraj Agri-Business Pte. Ltd.</li> </ul> <p><b>HUF:</b></p> <ul style="list-style-type: none"> <li>• Vinod Kumar Jain HUF (Karta)</li> </ul> <p><b>Partnership Firm:</b></p> <ul style="list-style-type: none"> <li>• Avi Impex</li> </ul>





## **OUR CORPORATE PROMOTER**

### **Excel Agri Business Private Limited (Formerly Known as Excel Futures Private Limited)**

#### ***Corporate Information:***

Excel Agri Business Private Limited (“EABL”) was incorporated as Excel Futures Private Limited on March 25, 2008 under the Companies Act, 1956, with the RoC, Madhya Pradesh and Chattisgarh, Gwalior. The name was subsequently changed to Excel Agri Business Private Limited and a fresh certificate of incorporation was issued by the RoC, Madhya Pradesh on March 23, 2012. The registered office of Excel Agri Business Private Limited is situated at Saket Tower, Fourth Floor, 3A Ratlam Kothi, A.B. Road, Indore, Madhya Pradesh – 452001, India.

The CIN of Excel Agri Business Private Limited is U51101MP2008PTC020497.

In terms of its Memorandum of Association, the main objects of Excel Agri Business Private Limited are:

1. To carry on the business of Import Exports of all kinds of agricultural products and to carry on the business of farming, horticulture, sericulture, pisciculture, dairy, gardening and of raising, breeding, improving, developing, buying, selling, producing, preserving and dealing in all kinds of product of such business and in particular, food grains, seeds, meat, trees, plants, plants fruits, flowers and vegetable milk and milk products and to establish experimental farms and research stations anywhere in India for conducting experiments test and research for developing better qualities of seeds, food grains and agricultural products and for developing and increasing milk productivity in cattle by cross breeding or otherwise and increasing egg laying capacity in poultry and also for finding other ways and means of improving other agricultural crops produce, seeds, fodder, crops and cattle feed of all kinds.
2. To cultivate, grow, produce or deal in any agriculture, vegetable or fruit products, food items, vegetable oils, oil cakes and by products thereof and to carry on all or any of the business of farmers, dairymen, milk contractors, dairy farmers, millers, surveyors, and vendors of milk products, condensed milk and powdered milk, cream, cheese, butter, poultry, fruits, vegetables, condensed milk and powdered milk, cream, cheese, butter, poultry, fruits, vegetables, cash crops and provision of all kinds, growers of and dealers, in corn, hay and straw, seedsmen and nurserymen and to buy, sell, manufacture and trade in any goods usually traded in any of the above business or any other business inclusive of staple foods and medicinal preparations from milk, vegetable and animal products or any substitute for any, them associated with the farming interests.
3. To purchase, or take on lease or exchanges, hire or otherwise acquire any real and personal property and rights and privilege, which company may think necessary or convenient for its business and in particular purchase any land including agricultural land; building, construction, basement's machinery, plant and stock in trade.

EABL is neither a sick company within the meaning of SICA nor has any winding up proceedings been initiated against EABL.

No application has been made to RoC for striking off its name. Additionally, neither EABL nor any of our Group Companies have become defunct in the five years preceding the date of the Prospectus.

Our Promoters, the members of our Group Companies and relatives of our Promoters (as per the Companies Act) 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 except as stated under chapters “**Risk Factors**”, “**Our Group Companies**” and “**Outstanding Litigations and Material Developments**” on pages 15, 169 and 253 of this Draft Prospectus, respectively.



## Avi Agri Business Limited

None of (i) our Promoters, Promoter Groups or Group Companies 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 except as stated under chapters “**Risk Factors**”, “**Our Group Companies**” and “**Outstanding Litigations and Material Developments**” on pages 15, 169 and 253 of this Draft Prospectus, respectively.

### Promoters of Excel Agri Business Private Limited:

The Promoters of Excel Agri Business Private Limited are Mr. Vinod Kumar Jain & Mrs. Anita Jain.

PAN and Paasport No. of Promoters of Excel Agri Business Private Limited

Name	PAN	Passport No.
Mr. Vinod Kumar Jain	AAAPJ0545R	Z3412854
Mrs. Anita Jain	AAFPJ2893M	H3739245

### Board of Directors:

As on the date of this Draft Prospectus, the Board of Directors of Excel Agri Business Private Limited comprises:

Sr. No.	Name of Director	Designation
1.	Vinod Kumar Jain	Director
2.	Shanti LalVaid	Director

### Shareholding Pattern

As of the date of this Draft Prospectus, the authorized share capital of Excel Agri Business Private Limited is ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each.

The shareholding pattern of Excel Agri Business Private Limited as of the date of this draft Prospectus is as follows:

Name of Shareholder	Number of Equity Shares held	Percentage of Issued Capital (%)
Mrs. Anita Jain	1,58,000	96.34
Vinod Kumar Jain HUF	6,000	3.66
<b>TOTAL</b>	<b>1,64,000</b>	<b>100.00</b>

### Financial Information

The financial performance of Excel Agri Business Private Limited for the last three financial years, preceding the date of this draft Prospectus, is as follows:

(₹ in Lakhs except per share data)

Particulars	As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2014	As on 31 <sup>st</sup> March, 2013
Equity Share capital	16.40	16.40	16.40
Reserves and Surplus (excluding revaluation reserves)	621.80	614.26	3,77.94
Net Worth	638.20	630.66	394.34
Total Income including other income	2157.57	4870.58	8394.64
Profit/(Loss) after Tax	7.54	236.33	82.39
Earnings per Share (in ₹)	4.60	144.10	50.24



## ***Avi Agri Business Limited***

Net Asset Value per Share (in ₹)	389.15	384.55	240.45
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### ***PAN and Bank Account Details***

Permanent Account Number	AABCE9411B
Bank Account Details	<b>Punjab National Bank</b> A/c No. 0213002100057438 Branch Name: Indore Siyaganj Bank Address: GG Tower, 24 MG Road, Indore

### ***Changes in the management and control of our Corporate Promoter:***

There has been no change in control or management of Excel Agri Business Private Limited in the last three years immediately preceding the date of filing this Draft Prospectus

### ***Change in Board of Directors in the last 3 years:***

Sr. No.	Name	Date & Nature of Change
1	Mr. Shanti LalVaid	Appointed as Director w.e.f. March 15, 2013
2	Mr. Surendra Kumar Jain	Ceased from the Directorshipw.e.f. March 18, 2013

### ***Changes in Shareholding pattern:***

S. No.	Name of Transferor	Name of Transferee	No. of Shares	% of total shares	Transfer Date
1	Mr. Vinod Kumar Jain	Mrs. Anita Jain	76,000	46.34	April 01, 2013
2	SurajImpex (India) Pvt. Ltd.	Mrs. Anita Jain	36,000	21.95	March 25, 2013
3	Koyna Enterprises Private Limited	Mr. Vinod Kumar Jain	33,000	20.12	March 25, 2013
4	Mr. Surendra Jain	Mr. Vinod Kumar Jain	5,000	3.05	March 25, 2013
5	Mr. Vishal Nahar	Vinod Kumar Jain HUF	5,000	3.05	March 25, 2013

### ***Changes in registered office of our Corporate Promoter:***

From	To	With Effect From	Reason for Change
111 Shreevardhan, 4, RNT Marg, Indore Madhya Pradesh – 452001, India	Saket Tower, Fourth Floor, 3A Ratlam Kothi, A.B. Road, Indore, Madhya Pradesh – 452001, India	April 25, 2012	Better Operational Efficiency

### **Confirmations/Declarations**

In relation to our individual promoter, Mr. Vinod Kumar Jain, our Company confirms that the Permanent Account Number, Bank Account Number and Passport Number has been submitted to BSE Ltd. at the time of filing of this Draft Prospectus .

In relation to our Corporate Promoter, Excel Agri Business Private Limited,our Company confirms that the Permanent Account Number, Bank Account Number, Company Registration Number and the address of the Registrar of Companies where Excel Agri Business Private Limited is registered has been submitted to BSE Ltd. at the time of filing of this Draft Prospectus.



### **Common Pursuits/ Conflict of Interest**

Our Promoter **Mr. Vinod Kumar Jain** has promoted our Promoter Group Entities/Group Companies viz., Excel Agri Business Private Limited, Suraj Impex (India) Private Limited and Suraj Agri-Business Pte. Limited which are engaged in the similar line of business as on the date of this draft Prospectus. We cannot assure that our Promoter and Promoter Group or Group Companies will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see “**Risk Factors**” on page 15 For details of our Promoter Group and Group Companies refer to Section titled “**Our Promoter and Promoter Group**” and “**Our Group Companies**” beginning on page 161 and 169 respectively of this Draft Prospectus.

Our Promoter, Mr. Vinod Kumar Jain is also on the Board of our Group Companies. For the details of his directorship in other Companies, please refer chapter titled “**Our Management**” beginning on the page 147 of this Draft Prospectus.

### **Interest of our Promoters**

The following is the interest of our Promoters in our Company:

#### ***Interest in promotion and shareholding of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Prospectus, our Promoters together holds 83,59,380 Equity Shares in our Company i.e. 48.13 % of the pre issue paid up Equity Share Capital of our Company.

Further, Excel Agri Business Private Limited may also have an interest in our Company to the extent of related party transactions entered into with our Company.

For details regarding the shareholding of our Promoters in our Company, see “**Capital Structure**” on page 60 of this Draft Prospectus.

#### ***Interest in the property of Our Company:***

Except as mentioned hereunder our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus with RoC.

Sr. No.	Name of Promoter	Address of Property	Interest and nature of interest
1	Excel Agri Business Private Limited	<b>Registered &amp; Corporate Office</b> Saket Tower, 4th Floor, 3A Ratlam Kothi, Indore, Madhya Pradesh- 452001	Our Company has obtained the said property on lease at monthly rent of Rs. 50,000/- (excluding service tax), interest free security deposit of Rs. 5,00,000/- and Maintenance Charges of Rs. 3,750 p.m. from Excel Agri Business Private Limited for a period of 59 months commencing from 29 <sup>th</sup> April 2015 to 28 <sup>th</sup> March, 2020. (For further details of property please refer to Chapter titled “ <b>Our Business</b> ” beginning on page 109 )

Further, we confirm that our Promoter does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.



## ***Avi Agri Business Limited***

For transactions in respect of loans and other monetary transactions entered in past please refer Annexure R on “**Related Party Transactions**” on page 224 forming part of “**Financial Information of the Company**” of this Draft Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “**Statement of Financial Indebtedness**” and “**Annexure B (A)**” of Section “**Financial Information of our Company**” on page 230 and 208 respectively of this Draft Prospectus.

### **Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoter and Promoter group, please refer to Annexure R on “**Related Party Transactions**” on page 224 forming part of “**Financial Information of the Company**” and Paragraph on “**Interest of our Promoters**” on page 165 of this draft Prospectus.

### **Companies/Firms with which our Promoters have disassociated in the last (3) three years**

Except as disclosed below, our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Prospectus:-

#### **Mr. Vinod Kumar Jain**

Name of Company	Reason for Disassociation
Marval Enterprises Private Limited	Resignation from Directorship (Mr. Vinod Kumar Jain was appointed as director in Marval Enterprises Private Limited on 30.09.2011 but due to preoccupation he has resigned from this Company on 31.03.2014)

### **Other ventures of our Promoter**

Save and except as disclosed in this section titled “**Our Promoter and Promoter Group**” and “**Our Group Companies**” beginning on page 161 and 169 respectively of this draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on the date of this Draft Prospectus.

### **Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “**Outstanding Litigations and Material Developments**” beginning on page 253 of this draft Prospectus.

### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled “**Annexure - R**” **Related Party Transactions**” on page 224 of this draft Prospectus.

Except as stated in “**Annexure - R**” **Related Party Transactions**” beginning on page 224 of this draft Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.



## Avi Agri Business Limited

### OUR PROMOTER GROUP

In addition to the Promoter named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2 (1) (zb) (ii) of SEBI ICDR Regulations, 2009 as **Excel Agri Business Private Limited** is a Corporate Promoter:

Relationship with Promoter	Mr. Vinod Kumar Jain
Father	Mr. Shankar Lal
Mother	Mrs. Ranjana Bai Jain
Spouse	Mrs. Anita Jain
Brother	Mr. Sharad Jain
	Mr. Pankaj Jain
Sister	Mrs. Snehlata Maru
	Mrs. Rekha Jain
	Mrs. Sangeeta Bhandari
	Mrs. Sunita Bhandari
Son	Mr. Avi Jain
	Mr. Anuj Jain
Daughter	-
Spouse's Father	Mr. Parasmal Jain
Spouse's Mother	Late Mrs. Tara Jain
Spouse's Brother	Mr. Vijesh Jain
	Mr. Ajay Jain
Spouse's Sister	-

**Our Promoter Group as defined under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations, 2009 includes following entities:**

S.No.	Nature of Relationship	Entity
For Individual Promoter as defined under Regulation 2(1)(zb) (iv) of the SEBI (ICDR) Regulations, 2009		
1	Any Body corporate in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	<ul style="list-style-type: none"> <li>Manikaran Commercial Private Limited</li> <li>Rajshree Power and Ispat Private Limited</li> <li>Anant Global Energy Private Limited</li> <li>Suraj Impex (India) Private Limited</li> <li>Suresh D. Punj Salt And Storage Private Limited</li> <li>Tejas P. Sheth Rice Mill And Storage Private Limited</li> <li>Super Construction (Indore) Private Limited</li> <li>Goldstar Realestate India Private Limited</li> <li>Ascent Packaging Private Limited</li> </ul>
2	Any company in which a company mentioned in (1) above, holds 10% or more, of the equity share capital	<ul style="list-style-type: none"> <li>Max Realmart Private Limited</li> <li>Suraj Agri-Business Pte. Ltd.</li> <li>Mahaveer Trading Private Limited</li> </ul>
3	Any HUF or Trust or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	<p><b>Partnership firms:</b></p> <ul style="list-style-type: none"> <li>Avi Impex</li> </ul> <p><b>HUF:</b></p> <ul style="list-style-type: none"> <li>Vinod Kumar Jain H.U.F.</li> </ul>



## ***Avi Agri Business Limited***

S.No.	Nature of Relationship	Entity
<b>For Corporate Promoter as defined under Regulation 2(1)(zb) (iii) of the SEBI (ICDR) Regulations, 2009</b>		
1	A subsidiary or holding company of such body corporate	Nil
2	Any body corporate in which the promoter holds ten per cent or more of the equity share capital or which holds ten per cent or more of the equity share capital of the promoter	Nil
3	Any body corporate in which a group of individuals or companies or combinations thereof which hold twenty per cent or more of the equity share capital in that body corporate also holds twenty per cent. or more of the equity share capital of the issuer; and	<ul style="list-style-type: none"><li>• Cassandra Realty Private Limited</li></ul>

### **Other persons included in promoter group:**

Mr. Praveen Kumar Vyas (Chairman & Non Executive director) and Mr. Mahendra Lakhichand Jalori (Managing Director) are not relative within the meaning of regulation 2 (1) (zb) of ICDR Regulations but is considered for the purpose of shareholding of the Promoter Group under Regulation 2(1)(zb)(v) of ICDR Regulations.





## OUR GROUP COMPANIES

Below are the details of our Group Companies which are included in the list of related parties of the Company, under Accounting Standard 18 or other companies as considered material by our Board. Pursuant to a resolution of our Board dated February 19, 2016, for the purpose of disclosure in draft prospectus, a company shall be considered material and disclosed as a Group Company' if (i) such company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI Regulations; and (ii) companies in which, the investment in the form of equity or loan by our Company exceeds 10% of the consolidated net worth of our Company for the last audited financial year; and (iii) where our Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total consolidated revenue of our Company for the last audited financial year.

The following entities are identified as Group Companies of our Company:-

1. Suraj Impex (India) Private Limited
2. Suraj Agri-Business Pte. Ltd.
3. Mahaveer Trading Private Limited
4. Tejas P. Sheth Rice Mill and Storage Private Limited
5. Suresh D. Punj Salt and Storage Private Limited

As of the date of this Draft Prospectus, none of our Group Companies have any equity shares that are listed on any stock exchange. As on the date of this Draft Prospectus, none of our Group Companies have made any public or rights issue of securities in the three years immediately preceding the date of this Draft Prospectus.

### **DETAILS OF OUR GROUP COMPANIES**

#### **1. Suraj Impex (India) Private Limited:**

Main Object	1. To buy,sell, import, export, forward, clear, deal in and do business of trading in all type of goods and all other commodities, products and merchandise. 2. To deal in as buyers, buyeragents, clearing and forwarding agency,shipper,consignment agents in all kinds of commodities, metals, products, agriproduce, chemicals and merchandise.		
Date of Incorporation	December 10, 1997		
CIN	U51101MP1997PTC012506		
PAN	AACCS3080R		
Registered Office Address	Saket Tower, 4th Floor, 3A RatlamKothi, A.B. Road, Indore, Madhya Pradesh – 452-001,India.		
Board of Directors*	Name	DIN	
	Mr.Vinod Kumar Jain	00103632	
	Mr. Praveen Kumar Vyas	00103686	
	(Rs. in Lacs, rounded off except per sharedata)		
Audited Financial Information	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital	497.5	497.5	497.5
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	6158.38	5484.14	4070.79
Net worth	6655.88	5981.64	4568.29
Income including other income and exceptional items	68876.86	123927.5	127801.73
Profit/ (Loss) after tax	676.95	1463.01	1506.11
Earnings per share (face value of Rs. 10 each)	13.61	29.41	30.27
Net asset value per share (Rs)	133.79	120.23	91.82



## Avi Agri Business Limited

\*As on date of Draft Prospectus

**Shareholding Pattern as on the date of the Draft Prospectus is as follows:**

Sr.No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1	Mr. Vinod Kumar Jain	4474900	89.95
2	Mrs. Anita Jain	100	0.00
3	Vinod Kumar Jain HUF	500000	10.05
	<b>Total</b>	<b>4975000</b>	<b>100</b>

**Nature and extent of interest of our Promoter:**

Name	Number of Shares held	%age of Shareholding
Mr. Vinod Kumar Jain	4474900	89.95
Mrs. Anita Jain (Wife of Mr. Vinod Kumar Jain)	100	0.00
Vinod Kumar Jain HUF	500000	10.05
<b>Total</b>	<b>4975000</b>	<b>100</b>

Suraj Impex (India) Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Suraj Impex (India) Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### 2. Suraj Agri -Business Pte. Ltd.:

Main Object	
	<ol style="list-style-type: none"> <li>1. To carry on the business of international trade in agricultural commodities and as an international trader engaged in third country exports.</li> <li>2. To purchase, establish and carry on business as general merchants, importers, exporters, commission agents, del credere agents, removers, packers, storers, storekeepers, factors and manufacturers of and dealers in foreign and local produce, manufactured goods, materials and general merchandise and to import, buy, prepare, manufacture, sell, barter, exchange, pledge, charge, make advances on and otherwise deal in or turn to account, produce goods, materials and merchandise generally either in their prepared, manufactured or raw state and to undertake, carry on and execute all kinds of commercial trading and all business whether wholesale or retail.</li> <li>3. To act as indenting agents, importers and exporters, general agents, buying agents and all type of business representatives for both foreign and local companies and to engaged in the sales and marketing of all types of commodities, produce, goods, materials and merchandise of all descriptions.</li> <li>4. To purchase and sell all merchandise, commodities and goods of every kind and nature for importation from and exporting throughout the world to and from and or between all countries wherever situate including the purchase and sale of domestic merchandise in domestic markets and foreign merchandise in foreign markets.</li> </ol>



## Avi Agri Business Limited

	Such transaction to be for the account of the Company and or others and to constitute as one of the said purposes the doing of general foreign and domestic importing and exporting merchandise business and in particular to carry on a general import and export business in any place throughout the world.		
<b>Date of Incorporation</b>	August 18, 2004		
<b>Company No.</b>	200410417W (Incorporated in Singapore)		
<b>PAN</b>	N/A		
<b>Registered Office Address</b>	101, Thomson Road, #14-02/03 United Square, Singapore – 307591		
<b>Board of Directors*</b>	Mr.Ithnin Bin Hushin		
	Mr.Vinod Kumar Jain		
<b>Audited Financial Information (in USD)</b>	<b>For The Year Ended (figures in USD)</b>		
	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Paid Up Equity Share Capital</b>	330,001	330,001	330,001
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	92,31,183	64,95,768	54,68,128
<b>Net worth</b>	95,61,184	68,25,769	57,98,129
<b>Income including other income and exceptional items</b>	17,62,42,195	16,89,60,757	7,65,20,697
<b>Profit/ (Loss) after tax</b>	27,35,415	11,15,007	20,57,071
<b>Earnings per share (543,602 shares of face value of 1 Singapore Dollar each)</b>	5.03	2.05	3.78
<b>Net asset value per share (USD)</b>	17.59	12.56	10.67

\*As on date of Draft Prospectus

### Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Sr.No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1	Mr. Vinod Kumar Jain	2	0.00
2	SurajImpex(India) Private Limited	543600	100
	<b>Total</b>	<b>543602</b>	<b>100</b>

### Nature and extent of interest of our Promoter:

Mr. Vinod Kumar Jain is interested in Suraj Agri-Business Pte. Ltd. to the extent of his direct and indirect shareholding, directorship and reimbursement of expenses, if any .

Name	Number of Shares held	%age of Shareholding
Mr. Vinod Kumar Jain	2	0.00
<b>Total</b>	<b>2</b>	<b>0.00</b>

Suraj Agri-Business Pte. Ltd is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company nor is under winding up.Further Suraj Agri-Business Pte. Ltd. does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### 3. Mahaveer Trading Private Limited (“MTPL”):

<b>Main Object</b>	1. To carry on the business of Import Exports of all kinds of agricultural products and to carry on the business of
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		<p>farming, horticulture, sericulture, pisciculture, dairy,\ngardening and of raising, breeding, improving, developing,\nbuying, selling,producing, preserving and dealing in all\nkinds of product of such business and inparticular, food\ngrains, seeds, meat, trees, plants, plants fruits, flowers and\nvegetable milk and milk products and to establish\nexperimental farms andresearch stations anywhere in India\nfor conducting experiments test andresearch for developing\nbetter qualities of seeds, food grains and\nagriculturalproducts and for developing and increasing milk\nproductivity in cattles by crossbreeding or otherwise and\nincreasing egg laying capacity in poultry and also\nforfinding other ways and means of improving other\nagricultural crops produce, seeds,fodder, crops and cattle\nfeed of all kinds.</p> <p>2. To purchase, or take on lease or exchanges, hire or\notherwise acquire any real and personal property and rights\nand privilege ,which company may think necessary or\nconvenient for its business and in particular purchase any\nland including agricultural land; building, construction,\nbasement’s machinery , plant and stock in trade.</p> <p>3. To deal in as buyers, buyers agents, indenters,\ncommission agents, clearing and forwarding agency,\nshipper, consignment agents in all kinds of commodities,\nmetals, product, Agri produce, chemicals and merchandise.</p>		
Date of Incorporation		April 6, 2010		
CIN		U01403MH2010PTC201730		
PAN Card no.		AAOCS1024P		
Registered Office Address		Office No. 208, Rewa Chambers, New Marine Lines, Mumbai- 400020, Maharashtra, India		
Board of Directors		Name		DIN
		Mukesh Jain		06421986
		DayashankerTilakdhari Patel		05171043
Audited Financial Information		(Rs. in Lacs, rounded off except per share data)		
		For The Year Ended		
		March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital		2.23	2.23	2.23
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )		797.20	789.91	785.91
Net worth		799.43	792.14	788.14
Income including other income and exceptional items		253.87	2312.36	573.00
Profit/ (Loss) after tax		7.30	4.00	0.17
Earnings per share (face value of ₹ 10/-each)		32.66	17.89	0.76
Net asset value per share (Rs)		3578.01	3545.36	3527.47

# This Company was originally incorporated under the Companies Act, 1956 on April 6, 2010 as 'Seine Properties Private Limited' and name was subsequently changed to 'Mahaveer Trading Private Limited' and a fresh certificate of incorporation was issued by the RoC on April 4, 2012.

**Shareholding Pattern as on the date of the Draft Prospectus is as follows:**

Sr.No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1.	Vishal Nahar	100	0.45
2.	Avon Kumar Jain	100	0.45



## Avi Agri Business Limited

3.	Suresh D. Punj Salt & Storage Pvt. Ltd.	22,143	99.10
	<b>Total</b>	<b>22,343</b>	<b>100.00</b>

### Nature and extent of interest of our Promoters:

Our Promoters do not directly hold any equity shares. Our Promoter Group Company Suresh D. Punj Salt & Storage Pvt. Ltd. holds 99.10% of the equity share capital of the Company.

Mahaveer Trading Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Mahaveer Trading Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### 4. Tejas P. Sheth Rice Mill and Storage Private Limited:

Main Object		<div>1. To carry on the business of importers, exporters, dealers, distributors, traders, marketers of all kind and types of rice and all types of related products.</div> <div>2. To carry on in India or elsewhere the business to establish,erect,promote,undertake, acquire, own,operate,transport,equip,manage,renovate,reconditi on, turn to account,maintain keep and to run cold storages,refrigeration houses and freezing houses,storage chambers, chambers, ice-plants, godowns, warehouses,forstoring,warehousing, keeping preserving and commercialising all kinds of rice, vegetarian and protein foods, sweets, processed foods, fruit products,bakeryproducts,bacons,softdrinks,liquors,med icines,chemicals, roots or other substances made from all or any of them whether kept loose, packed,canned, tinned, or in any other form whatsoever.</div>		
Date of Incorporation		January 08,2008		
CIN		U63023GJ2008PTC052593		
PAN		AADCT1150G		
Registered Office Address		C-6, NU 10B, Shaktinagar, Gandhidham -370201, Gujarat,India.		
Board of Directors*		Name		DIN
		Mr. Vinod Kumar Jain		00103632
		Mr. Rikhav Jagdishchandra Shah		01946395
		(Rs. in Lacs, rounded off except per share data)		
Audited Financial Information		For The Year Ended		
		March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital		11.00	11.00	11.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )		86.72	57.01	36.35
Net worth		97.72	68.01	47.35
Income including other income and exceptionl items		254.76	87.03	178.67



## Avi Agri Business Limited

Profit/ (Loss) after tax	29.71	20.66	21.35
Earnings per share (face value of Rs. 10 each)	27	18.78	19.41
Net asset value per share (Rs)	88.83	61.83	43.05

\*As on date of Draft Prospectus

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Sr.No.	Name of the Equity Shareholder	No. of Shares held	% age of Shareholding
1	Mr. VinodKumar Jain	109989	99.99
2	Mr. RikhavJagdishchandra Shah	1	0.00
3	Mr.Tejas P. Sheth	10	0.01
	<b>Total</b>	<b>110000</b>	<b>100</b>

Nature and extent of interest of our Promoter:

Mr. Vinod Kumar Jain is the promoter of Tejas P. Sheth Rice Mill and Storage Private Limited and is interested to the extent of his shareholding given below, directorship and reimbursement of expenses, if any.

Name	Number of Shares held	% age of Shareholding
Mr. Vinod Kumar Jain	109989	99.99
<b>Total</b>	<b>109989</b>	<b>99.99</b>

Tejas P. Sheth Rice Mill and Storage Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Tejas P. Sheth Rice Mill and Storage Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### 5. Suresh D. Punj Salt and Storage Private Limited:

Main Object	<ol style="list-style-type: none"> <li>To carry on the business of manufacture ,importers ,exporters ,dealers ,distributors, traders, marketers of all kind and types of salt and all types of related products.</li> <li>To carry on in india or elsewhere the business to establish ,erect ,promote ,undertake, acquire ,own ,operate ,transport ,equip ,manage ,renovate ,recondition ,turn to account ,maintain ,keep and to run cold storages ,refrigeration houses and freezing houses, storage chambers ,chambers,ice-plants , godowns warehouses ,for storing ,warehousing ,keeping preserving and commercialising all kinds of salt ,vegetarian and protein foods ,sweets ,processed foods ,fruit products ,bakery products ,bacons soft drinks ,liquors ,medicines chemicals roots or other substances made from all or any of them whether kept loose, packed ,canned ,tinned or in any other form whatsoever.</li> </ol>
Date of Incorporation	January 04, 2008
CIN	U63023GJ2008PTC052551
PAN Card no.	AAMCS7597K
Registered Office Address	C-6, NU 10B, Shaktinagar,



## Avi Agri Business Limited

		Gandhidham 370201,Gujarat,India.		
<b>Board of Directors*</b>		<b>Name</b>		<b>DIN</b>
		Mr. Vinod Kumar Jain		00103632
		Mr. Rikhav Jagdishchandra Shah		01946395
		<i>(Rs. in Lacs, rounded off except per share data)</i>		
<b>Audited Financial Information</b>		<b>For The Year Ended</b>		
		<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Paid Up Equity Share Capital</b>		13.8	13.8	11
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>		250.91	197.21	126.98
<b>Net worth</b>		264.71	211.01	137.98
<b>Income including other income and exceptional items</b>		197.18	87.98	108.79
<b>Profit/ (Loss) after tax</b>		53.70	38.03	62.72
<b>Earnings per share (face value of Rs. 10 each)</b>		48.79	27.56	57.02
<b>Net asset value per share (Rs)</b>		191.82	152.91	125.43

\*As on date of Draft Prospectus

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Sr.No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1	Mr. Vinodkumar Jain	109889	79.63
2	Mr. Suresh D. Punj	10	0.01
3	Mr. Rikhav Jagdishchandra Shah	1	0.00
4	V K Jain HUF	28100	20.36
	<b>Total</b>	<b>138000</b>	<b>100</b>

### Nature and extent of interest of our Promoter:

Mr. Vinod Kumar Jain is the promoter of Suresh D. Punj Salt and Storage Private Limited and is interested to the extent of his shareholding, as given below, directorship and reimbursement of expenses, if any.

Name	Number of Shares held	%age of Shareholding
Mr. Vinodkumar Jain	109889	79.63
<b>Total</b>	<b>109889</b>	<b>79.63</b>

Suresh D. Punj Salt and Storage Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Suresh D. Punj Salt and Storage Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### Litigations

For details on litigations and disputes pending against the Group Companies, if any, please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 253 of this Draft Prospectus.

### Undertaking/Confirmations:

None of our Promoters or Promoter Group or Group Companies or person in control of our Company has been (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or





## ***Avi Agri Business Limited***

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dealing in securities under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act), Promoter Group entities nor our Group Companies have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group Entities or the Group Companies have become sick Companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Companies.

### **Nature and Extent of Interest of Group Companies**

#### **(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled “***Financial Information of the Company–Annexure R- Related Party Transaction***” on page 224 of this Draft Prospectus.

#### **(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Prospectus with Stock Exchange**

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Prospectus with Stock Exchange.

#### **(c) In transactions for acquisition of land, construction of building and supply of machinery**

Except as stated in the Chapter titled “***Our Business***” beginning on page 109 of this Draft Prospectus, none of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

### **Common Pursuits/Conflict of interest**

Except for Excel Agri Business Private Limited, Suraj Impex (India) Private Limited and Suraj Agri- Business Pte. Ltd., which are engaged in the similar line of business as on the date of this draft Prospectus, none of Our Group Companies/ have any Common Pursuits. For details please refer to chapter titled “***Our Promoter and Promoter Group***” and “***Group Companies***” on page 161 and page 169 of this Draft Prospectus.

### **Related business transaction within the Group and their significance on the financial performance of the issuer:**

For details relating to the business transactions within the Group Companies and their significance on the financial performance of the issuer see the chapter titled “***Financial Information of the Company – Annexure R Related Party Transactions***” on page 224 of this Draft Prospectus.

### **Sales / Purchase between our Company and Group Companies:**

For details relating to sales or purchases between our Company and any of our Group Companies exceeding 10% of the sales or purchases of our Company see the chapter titled “***Financial Information of the Company–Annexure R- Related Party Transactions***” on page 224 of this Draft Prospectus.

### **Business Interests amongst our Company and Group Companies /Associate Companies**



## ***Avi Agri Business Limited***

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Except as mentioned under Related Party Transactions, “***Annexure R***” beginning on page 224 .under Chapter titled “Financial Information of the Company” there is no business interest among Group Company.

### **Defunct /Struck-off Company**

None of Promoters, Promoter Group and our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this draft prospectus.

### **Changes in Accounting Policies in the last three years**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “Annexure IV” beginning on page 191 under Chapter titled “***Financial Information of the Company***” beginning on page 179 of the Draft Prospectus, there have been no changes in the accounting policies in the last three years.



### **DIVIDEND POLICY**

Under the Companies Act 2013, the Company can pay dividends upon recommendation by the Board of Directors of the Company and approval by the majority of shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of 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 namely but not limited to the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial conditions ,contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors. No dividend has been declared or paid on the Equity shares by our Company during the last 5 years.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the Register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.



**SECTION V – FINANCIAL INFORMATION OF THE COMPANY**

**AUDITOR'S REPORT ON STANDALONE RESTATED FINANCIAL STATEMENT**

**Independent Auditors' report on Restated Financial Statements of Avi Agri Business Limited**

To,  
The Board of Directors,  
**Avi Agri Business Limited**  
Saket Tower, 4th Floor, 3A Ratlam Kothi,  
Indore – 452001 Madhya Pradesh

Dear Sirs,

**1. Report on Restated Financial Statements**

We have examined the Restated Financial Statements of **Avi Agri Business Limited** (, the name of the Company has been changed from “Avi Agri Business Private Limited” to “Avi Agri Business Limited” w.e.f. February 10, 2016, pursuant to conversion into Public Limited Company) (hereinafter referred as “the Company”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- a) Section 26 of Companies Act, 2013 (hereinafter referred to as the “Act”), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
  - c) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (“IPO” or “SME IPO”);
  - d) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“ICAI”); and
  - e) In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, Ashok Khasgiwala & 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 No.006878 dated November 13, 2013 issued by the “Peer Review Board” of the ICAI.
- 2.** The Restated Summary Statements and Financial information of the Company have been extracted/ prepared by the management from the Audited Financial Statements of the Company for the half year ended Sep 30, 2015 and financial year ended, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, which have been approved by the Board of Directors.
- 3.** Audit of the Financial Statements for the half year ended on September 30, 2015 and year ended on March 31, 2015, 2014, 2013, 2012 & 2011 have been conducted by us and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary by us, have been examined for the presentation of the Restated Summary Statements under the requirements of Schedule III of the Act.

**4. Financial Information as per Audited Financial Statements:**

- 1) We have examined:



- i. The attached Restated Statement of Assets and Liabilities of the Company , as at Sep 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011 (Annexure I);
- ii. The attached Restated Statement of Profits and Losses of the Company for financial Period/Years ended on Sep 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011. (Annexure II);
- iii. The attached Restated Statement of Cash Flows of the Company for financial Period/Years ended on Sep 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011. (Annexure III);
- iv. The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “Restated Financial Statements” or “Restated Summary Statements”)

- 2) In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the ‘ICAI’) and the terms of our engagement agreed with you, we report that:
  - a) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - b) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for half year ended on Sep 30, 2015 and financial Years ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - c) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for half year ended on Sep 30, 2015 and financial Years ended on Sep 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above, we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- i. Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
- ii. Adjustments for any material amounts in the respective financial years have been made to which they relate;



- iii. There are no exceptional and extra-ordinary items in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.
- iv. There are no Statutory Audit Qualifications which require adjustments.
- v. Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
- vi. There are no revaluation reserves, which need to be disclosed separately in the **“Restated Financial Statements.”**
- vii. The Company has not paid any dividend on its equity shares till March 31, 2015.

## **5. Other Financial Information:**

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the Period/Years ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B, B(A), B(B)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Non Current Investments	Annexure-H
Restated Statement of Long-Term Loans And Advances	Annexure-I
Restated Statement of Non Current Assets	Annexure-I(A)
Restated Statement of Inventories	Annexure- J
Restated Statement of Trade Receivables	Annexure-K
Restated Statement of Cash & Cash Equivalents	Annexure-L
Restated Statement of Short-Term Loans And Advances	Annexure-M
Restated Statement of Other Current Assets	Annexure-N
Restated Statement of Other Income	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Mandatory Accounting Ratios	Annexure-Q
Restated Statement of Related party transaction	Annexure-R
Restated Statement of Capitalization	Annexure-S
Restated Statement of Tax shelter	Annexure-T
Restated Statement of Contingent Liabilities	Annexure-U

2. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under the Companies Act, 1956 of India read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.
3. In our opinion, the above financial information contained in Annexure I to Annexure III and Annexure A to U of this report read along with the Restated Statement of Significant Accounting Policies and related Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the SEBI Regulations, the Revised Guidance Note on Reports in Company



Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

4. Consequently the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
5. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

#### **6. Auditor's Responsibility**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **7. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

a) In the case of Restated Statement of Assets and Liabilities of the Company as at Sept 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011;

b) In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the half year ended on September 30, 2015 and years ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011; and





***Avi Agri Business Limited***

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c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the for the half year ended on September 30, 2015 and years ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011

**For Ashok Khasgiwala & Co.  
Chartered Accountants  
Firm Reg. No. - 0743C**

**AVINASH BAXI  
Partner  
Membership No. 79722  
Place: Indore  
Date: 25.02.2016**



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

(Amt in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
<b>I. EQUITY AND LIABILITIES</b>						
<b>Shareholder's Funds</b>						
Share Capital	173,696,250	173,696,250	173,696,250	173,696,250	173,696,250	92,597,500
Reserves and Surplus (excluding Revaluation Reserves, if any)	476,244,927	462,753,030	394,816,776	298,592,795	153,183,045	117,076,913
Money received against share warrants	-	-	-	-	-	-
<b>Share Application Money Pending Allotment</b>	-	-	-	-	-	-
<b>Non Current Liabilities</b>						
Long term Borrowings	360,239,310	349,881,287	410,547,605	498,762,005	489,130,268	226,036,898
Deferred Tax Liabilities (Net)	33,741,526	37,589,369	40,594,149	42,605,634	14,721,251	12,407,183
Other Long Term Liabilities	-	-	300,000	-	-	-
Long term Provisions	1,862,522	1,599,867	1,051,671	730,686	-	-
<b>Current Liabilities</b>						
Short term Borrowings	1,165,716,442	1,353,809,043	1,590,187,324	1,563,511,447	913,911,575	766,867,299
Trade Payables	10,194,193	72,847,464	14,335,391	25,535,411	5,134,296	12,840,102
Other Current Liabilities	103,106,773	133,656,338	151,860,603	163,893,195	154,393,187	38,256,953
Short term Provisions	7,219,630	3,995,117	24,253,542	14,616,867	12,550,784	2,581,589
<b>Total</b>	<b>2,332,021,578</b>	<b>2,589,827,767</b>	<b>2,801,643,310</b>	<b>2,781,944,289</b>	<b>1,916,720,655</b>	<b>1,268,664,437</b>
<b>II. ASSETS</b>						
<b>Non Current Assets</b>						
Fixed assets						
(i) Tangible Assets	696,384,564	746,824,558	714,045,168	777,937,615	382,015,352	376,137,036
(ii) Intangible Assets	4,566,773	5,708,466	549,377	.	.	.
(iii) Capital Work In Progress	371,212,031	304,456,283	169,181,233	92,173,902	304,704,235	30,830,489
(iv) Intangible Assets Under Development	727,000	-	3,234,170	-	-	-
Non Current Investments	1,005,500	1,005,500	1,005,500	5,500	5,500	5,500
Long term Loans and Advances	66,669,705	24,773,272	46,072,948	24,206,156	25,033,929	15,081,040



***Avi Agri Business Limited***

Other Non Current Assets	3,511,873	3,374,138	3,394,516	755,812	7,771,355	-
<b>Current assets</b>						
Current Investment	-	-	-	-	-	-
Inventories	872,268,981	1,199,385,453	1,037,721,432	1,088,808,209	706,416,298	635,703,621
Trade Receivables	58,645,277	157,717,579	481,708,238	562,666,559	189,190,138	112,868,484
Cash and Bank Balances	191,017,069	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649
Short term Loans and Advances	25,377,962	11,568,343	34,100,880	56,526,008	4,877,773	49,258,038
Other Current Assets	40,634,843	58,479,366	69,279,691	67,950,823	39,926,571	35,972,579
<b>Total</b>	<b>2,332,021,578</b>	<b>2,589,827,767</b>	<b>2,801,643,310</b>	<b>2,781,944,289</b>	<b>1,916,720,655</b>	<b>1,268,664,437</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, II and III.



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

(Amt in Rs.)

Particulars	For the Period/Year ended					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Revenue From Operations (Gross)	1,758,462,473	8,495,225,325	9,257,971,055	8,393,881,786	4,038,631,165	3,373,766,116
Less: Excise Duty	308,348	1,946,800	2,782,740	2,277,172	1,007,413	373,968
Net Revenue From Operation	1,758,154,125	8,493,278,525	9,255,188,315	8,391,604,614	4,037,623,752	3,373,392,148
Other income	7,289,561	10,899,217	17,671,462	6,573,331	8,593,572	3,534,457
<b>Total Revenue ( A )</b>	<b>1,765,443,686</b>	<b>8,504,177,742</b>	<b>9,272,859,778</b>	<b>8,398,177,944</b>	<b>4,046,217,324</b>	<b>3,376,926,605</b>
Expenses:						
Cost of Material Consumed	1,072,694,758	4,410,325,330	8,393,120,700	6,886,621,649	2,973,415,711	3,366,169,247
Purchases of Stock in Trade	31,020,245	3,054,022,728	207,638,358	637,494,829	182,126,197	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	346,112,288	(166,923,722)	(564,421,453)	(286,763,919)	301,083,509	(389,048,751)
Employee benefits expense	19,322,962	42,546,305	41,088,647	32,300,100	22,445,816	14,209,976
Finance costs	92,478,643	221,649,930	215,900,245	156,998,802	123,454,972	73,068,826
Depreciation and amortization expense	51,726,550	100,803,011	100,193,062	79,887,878	49,617,209	47,764,586
Other expenses	132,444,185	745,242,302	723,944,217	678,965,520	340,881,483	239,675,061
<b>Total Expenses ( B )</b>	<b>1,745,799,631</b>	<b>8,407,665,884</b>	<b>9,117,463,776</b>	<b>8,185,504,859</b>	<b>3,993,024,897</b>	<b>3,351,838,945</b>
<b>Profit before exceptional and extraordinary items and tax (A-B) C</b>	<b>19,644,055</b>	<b>96,511,858</b>	<b>155,396,002</b>	<b>212,673,085</b>	<b>53,192,427</b>	<b>25,087,660</b>
Exceptional/Prior Period item	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>19,644,055</b>	<b>96,511,858</b>	<b>155,396,002</b>	<b>212,673,085</b>	<b>53,192,427</b>	<b>25,087,660</b>
Extraordinary item	-	-	-	-	22,225	
Profit Before Tax	19,644,055	96,511,858	155,396,002	212,673,085	53,170,202	25,087,660
Provision for Tax						
- Current Tax	10,000,000	36,000,000	58,500,000	42,500,000	16,000,000	5,100,000
- Deferred Tax Liability / (Asset)	(3,847,843)	(2,988,897)	(2,011,484)	27,884,383	2,314,068	8,092,648
Tax Adjustment (Earlier Years)		4,465,511	437,542			
MAT Credit Entitlement			3,121,048	(3,121,048)	4,651,252	(4,651,252)
<b>Restated profit after tax for the period from continuing operations</b>	<b>13,491,898</b>	<b>67,966,266</b>	<b>96,223,981</b>	<b>145,409,750</b>	<b>30,204,882</b>	<b>16,546,264</b>
Profit/ (Loss) from Discontinuing	-	-	-	-	-	-



***Avi Agri Business Limited***

operation						
Tax expenses of discontinuing operations	-	-	-	-	-	-
<b>Restated profit for the period</b>	<b>13,491,898</b>	<b>67,966,266</b>	<b>96,223,981</b>	<b>145,409,750</b>	<b>30,204,882</b>	<b>16,546,264</b>
Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.						



ANNEXURE – III - RESTATED CASH FLOW STATEMENT

(Amt in Rs.)

PARTICULARS	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
	Amount	Amount	Amount	Amount	Amount	Amount
<b>(A) NET CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Net Profit before tax</b>	<b>19,644,055</b>	<b>96,511,858</b>	<b>155,396,002</b>	<b>212,673,085</b>	<b>53,170,202</b>	<b>25,087,660</b>
Adjustment for :						
Interest on Fixed Deposit	959,256	4,571,222	4,726,709	913,952	935,800	481,517
Dividend Income	-	-		-	-	-
Profit on sale of Investments	-	292,858				
Profit on sale of Fixed assets	-	13,798				
Depreciation	51,726,550	100,803,011	100,193,062	79,887,878	49,617,209	47,764,586
Provision of Gratuity	-	-	-	-	-	-
Interest on Borrowed Fund	83,061,857	221,649,929	215,900,245	156,998,802	123,454,972	73,068,826
Extra ordinary items					22,225	
write off of fixed assets				162,410	-	
preliminary expense written off					374,400	124,800
<b>Operating profit before working capital changes</b>	<b>153,473,206</b>	<b>414,086,920</b>	<b>466,762,600</b>	<b>448,808,223</b>	<b>225,703,208</b>	<b>145,564,355</b>
Adjustment for :						
(Increase)/Decrease in Inventories	327,116,472	(161,664,021)	51,086,777	(382,391,911)	(70,712,677)	(418,154,184)
(Increase)/Decrease in Trade Receivables	99,072,302	323,990,659	80,958,321	(373,476,421)	(76,321,654)	(110,157,124)
(Increase)/Decrease in Short Term loans and advances	(13,809,618)	22,532,539	19,304,079	(48,527,186)	39,729,012	-
(Increase)/Decrease in Other Current Assets	17,844,523	10,800,324	(1,328,868)	(28,024,252)	(4,328,391)	-
(Increase)/Decrease in Other non Current Assets	(137,735)	20,378	(2,638,704)	7,015,543	(7,771,355)	-
(Increase)/Decrease in Long Term loans and advances	(41,896,433)	21,299,676	(21,866,792)	827,773	(9,952,889)	(58,438,268)
Increase/(Decrease) in trade payables	(62,653,271)	58,512,073	(11,200,020)	20,401,115	(7,705,806)	-
Increase/(Decrease)in long term provisions	262,655	548,196	320,985	730,686	-	
Increase/(Decrease)in provisions	118,357	305,099	9,417	(363,701)	195,789	7,206,766
increase/(Decrease) in long term liabilities	-	(300,000)	300,000	-	-	
Increase/(Decrease) in other current liabilities	(30,549,565)	(18,204,265)	(12,032,592)	9,500,008	116,136,234	-
<b>Total</b>	<b>295,367,687</b>	<b>257,840,658</b>	<b>102,912,603</b>	<b>(794,308,346)</b>	<b>(20,731,736)</b>	<b>(579,542,810)</b>
<b>Cash generated from/</b>						



**Avi Agri Business Limited**

(used in) operations	448,840,893	671,927,578	569,675,203	(345,500,124)	204,971,472	(433,978,455)
Income Tax paid	6,893,843	52,098,012	48,435,200	40,070,216	6,226,594	2,690,031
Net cash generated from/(used in) operating activities-(A)	441,947,050	619,829,566	521,240,003	(385,570,340)	198,744,878	(436,668,486)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase of tangible fixed assets	(144,864)	(133,485,446)	(36,216,096)	(475,972,550)	(55,517,750)	(199,853,587)
Purchase of intangible fixed assets	-	(5,384,740)	(633,896)	-	-	-
Addition/ Reduction in Capital work-in-progress	(67,482,748)	(132,040,880)	(80,241,501)	212,530,333	(273,873,746)	143,195,897
Purchase of long-term investments	-	(1,000,000)	(1,000,000)	-	-	(5,500)
Sale of tangible fixed assets	-	96,600	-	-	-	-
Interest Income on Fixed Deposit	959,256	4,571,222	4,726,709	913,952	935,800	481,517
sale of investment	-	1,292,858	-	-	-	-
Dividend Income	-	-	-	-	-	-
<b>Net cash (used in) Investing Activities - (B)</b>	<b>(66,668,356)</b>	<b>(265,950,386)</b>	<b>(113,364,784)</b>	<b>(262,528,265)</b>	<b>(328,455,696)</b>	<b>(56,181,673)</b>
<b>(C) NET CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issue of Share Capital	-	-	-	-	87,000,000	-
Repayment/Proceeds of Long Term borrowings	(177,734,578)	(297,044,599)	(61,538,523)	659,231,609	410,137,645	487,028,151
Interest on Borrowed Fund	(83,061,857)	(221,649,929)	(215,900,245)	(156,998,802)	(123,454,972)	(73,068,826)
Proposed Dividend Paid (Including Dividend Distribution Tax)	-	-	-	-	-	-
<b>Net cash(used in) / from financing activities - (C)</b>	<b>(260,796,435)</b>	<b>(518,694,528)</b>	<b>(277,438,768)</b>	<b>502,232,807</b>	<b>373,682,673</b>	<b>413,959,325</b>
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	114,482,259	(164,815,347)	130,436,451	(145,865,799)	243,971,855	(78,890,834)
Cash and cash equivalents at the beginning of the year	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649	91,698,483
Cash and cash equivalents at the end of the year	191,017,069	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649
Cash and cash equivalents at the end of year comprises :						
1. Components of cash and cash equivalents:						
<b>Particulars</b>	<b>30-09-2015</b>	<b>31-03-2015</b>	<b>31-03-2014</b>	<b>31-03-2013</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
Cash on hand	29,048,620	22,417,772	9,482,046	8,384,662	4,175,774	5,119,828
Balances with scheduled banks:						





***Avi Agri Business Limited***

In current accounts	159,940,449	52,089,037	111,968,110	100,529,043	208,675,730	1,170,621
in Deposits with Scheduled Bank	2,028,000	2,028,000	119,900,000	2,000,000	43,928,000	6,517,200
Total Cash and cash equivalents	191,017,069	76,534,809	241,350,156	110,913,705	256,779,504	12,807,649

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures I, II and IV.



## **ANNEXURE-IV**

### **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

#### **A. BACKGROUND**

Avi Agri Business Limited was originally incorporated as Avi Agri Business Private Limited on March 23, 2009 under the provisions of Companies Act, 1956 with Registrar of Companies, Madhya Pradesh and Chattisgarh, Gwalior vide registration no. 021753 (CIN: U15311MP2009PTC021753), Further pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting of the members of the Company held on January 23, 2016, Company was converted into a Public Limited Company and the name of Company was changed from “Avi Agri Business Private Limited” to “Avi Agri Business Limited” and subsequent to conversion, a fresh Certificate of Incorporation dated February 10, 2016 was issued by the Registrar of Companies, Madhya Pradesh, Gwalior.

The Company is engaged in manufacturing of Soyabean Products such as Refined Soyabean Oil, Indian Soyabean Meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins (Soya Bari)..

#### **B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company as on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the half year ended on September 30, 2015, and year ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the half year ended on September 30, 2015, and year ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

##### **2. USE OF ESTIMATES**

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

##### **3. FIXED ASSETS**



Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Assets under erection/installation are shown as “Capital Work in Progress”. Expenditure during construction period are shown as “pre operative expenses” to be capitalized on completion of erection/installations of the assets.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a written down value basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

#### **4. DEPRECIATION**

##### **Tangible Fixed Assets**

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised the useful life specified in Part 'C' of Schedule II of the Act except based on the technical evaluation, the useful life of Plant & Machinery is considered 20 years which is different from that prescribed in Schedule II of the Act i.e. 15 years.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013, and 2012 and 2011.

#### **5. BORROWING COSTS**

Borrowing costs attributable to acquisitions and construction of qualifying assets are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to statement of Profit and Loss.

#### **6. IMPAIRMENT OF ASSETS**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

#### **7. INVESTMENTS**



Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are carried at lower of cost or fair value. Noncurrent / Long Term investments are carried at cost of acquisition. However, no provision is made for diminution in the value of long term investments, where in the opinion of board of directors such diminutions is temporary.

## **8. INVENTORIES**

Inventories are valued at lower of cost or market value on FIFO basis except by – products which are valued at net realizable value. Cost of inventory generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. The excise duty in respect of closing inventory of by – products is included as cost of by – products and goods in transit stated at cost.

## **9. REVENUE RECOGNITION**

- i. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- ii. 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.
- iii. Sale is recognized on transfer of significant risk & rewards of ownership of goods to the buyer and stated net off sales tax, VAT, Trade, discount & rebate but includes excise duty.
- iv. Interest income is recognized on time proportion basis.
- v. The benefit of export of goods is being accounted for on accrual basis, taking into account certainty of realization and its subsequent utilization.

## **10. FOREIGN CURRENCY TRANSACTIONS**

- i. All transactions in foreign currency are recorded at the rates of exchange prevailing at the date of transaction. Any gain/ loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.
- ii. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currencies outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.
- iii. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets/liabilities.

## **11. EMPLOYEE BENEFITS**

(a) Defined Contribution Plan - Contributions to provident fund and Family Pension Fund are accrued in accordance with applicable statute and deposited with appropriate authorities.

(b) Defined Benefit plan – The liability in respect of gratuity is determined using actuarial valuation of gratuity as at balance sheet date, using Projected Unit Credit Method as required by AS 15 “Employee Benefits” (Revised 2005). Actuarial gain / losses are recognized in full in Profit and Loss account for the year in which they occur.

(c) Short term employment benefits - The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services.



## **12. SEGMENT ACCOUNTING**

### **Business Segment**

- (1) The company has disclosed business segment as the primary segment. Segment have been identified taking into account the type of products, the differing risk return and the internal reporting system. The various segment identified by the company comprised as under:-

Name of Segment	Comprised of
Seed Extraction Oils	-Processing of Soya Seed, manufacturing and trading of Soya DOC -Manufacturing and Trading of Crude Oils and Refined Oils

(ii) Segment Revenue, segment results, segment assets and segment liabilities includes respective amount directly identified with the segment and also an allocation on reasonable basis of amount not directly identified. The expenses which are not directly relatable to the business segment, are shown as unallocated corporate cost. The assets and the liability that cannot be allocated between the segments are shown as unallocable corporate assets and liabilities respectively.

### **(iii) Geographical Segment**

The Company has identified Geographical Segment as a secondary segment. Secondary segment comprises of domestic and export markets.

## **13. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

## **14. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.



c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **15. EARNINGS PER SHARE:**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

#### **16. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

#### **C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies except for

Effective April 01, 2010, the Company has with retrospective effect changed its method of providing depreciation on fixed assets from the 'Straight Line' method to the 'Written Down Value' method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. Management believed that the change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly, the Company recognized an additional depreciation charge of Rs. 17.24 Lakhs as an exceptional item in the statement of profit and loss for the year ended March 31, 2011. However, while preparing restated financial statements, the same has been adjusted with the opening reserves & surplus and WDV of fixed assets as on 31.03.2010.

#### **D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The current maturities of the Secured Long Term Borrowings have been correctly reclassified as Short Term Borrowings and Long Term Borrowings, to that extent, Audited Balance Sheet figures has been restated.
3. Interest and other borrowing costs in respect of acquisition of fixed asset has been transferred from Statement of Profit & Loss account and capitalized along with fixed assets when the asset was put to use.



## Avi Agri Business Limited

Further cost of bringing assets to factory and incidental cost connected with installation of fixed assets also have been capitalized.

4. In Restated financials the Company has calculated the depreciation based on the rates given in Schedule XIV of the Companies Act, 1956 till 31.03.2014 and after 31.03.2014 based on the useful life as specified in Schedule II of the Companies Act, 2013. In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act. Such assets which do not have useful life as on 01.04.2014 were having WDV of Rs.30,012/-

### 5. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

(Amount in Rs.)						
Particulars	Apr.'15 to Sept.'15	2014-15	2013-14	2012-13	2011-12	2010-11
<b>1.The amounts recognised in the Balance Sheet are as follows:</b>						
Present value of unfunded obligations Recognized	22,99,103	19,18,091	10,64,796	7,34,394	367,409	171,620
<b>Net Liability</b>	<b>22,99,103</b>	<b>19,18,091</b>	<b>10,64,796</b>	<b>7,34,394</b>	<b>367,409</b>	<b>171,620</b>
<b>2.The amounts recognised in the Profit &amp; Loss A/c are as follows:</b>						
Current Service Cost	2,40,375	3,59,874	3,63,290	2,29,322	106,746	171,620
Interest on Defined Benefit Obligation	75,234	99,133	60,588	32,148	14,159	-
Net Actuarial Losses / (Gains) Recognized in Year	1,20,972	4,15,057	(93,476)	1,05,515	74,884	-
Past Service Cost	-	-	-	-	-	-
Total, Included in "Salaries, Allowances & Welfare"	<b>4,36,581</b>	<b>8,74,064</b>	<b>3,30,402</b>	<b>3,66,985</b>	<b>195,789</b>	<b>171,620</b>
<b>3.Changes in the present value of defined benefit obligation:</b>						
Defined benefit obligation as at the beginning of the year/period	19,18,091	10,64,796	7,34,394	3,67,409	171,620	-
Service cost	2,40,375	3,59,874	3,63,290	2,29,322	106,746	171,620
Interest cost	75,234	99,133	60,588	32,148	14,159	-
Actuarial Losses/(Gains)	1,20,972	4,15,057	(93,476)	1,05,515	74,884	-
Past Service Cost	-	-	-	-	-	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>22,99,103</b>	<b>19,18,091</b>	<b>10,64,796</b>	<b>7,34,394</b>	<b>367,409</b>	<b>171,620</b>
<b>Benefit Description</b>						
Benefit type:	Gratuity Valuation as per Act					
Retirement Age:	58 Years	58 Years	60 Years	60 Years	60 Years	60 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years





***Avi Agri Business Limited***

Particulars	Apr.'15 to Sept.'15	2014-15	2013-14	2012-13	2011-12	2010-11
<b>The principal actuarial assumptions for the above are:</b>						
Future Salary Rise:	5%	5%	5%	5%	5%	5%
Discount rate per annum:	7.70%	7.96%	9.31%	8.25%	8.75%	8.25%
Attrition Rate:	2% p.a.	2% p.a.	2% p.a.	2% p.a.	2% p.a.	2% p.a.
Mortality Rate:	Indian Assured Lives Mortality (2006-08) Ultimate				LIC (1994-96) Ultimate	



## Avi Agri Business Limited

### 6. Segment Reporting (AS 17)

The information required to be disclosed under Accounting Standard- 17:-

#### A. BUSINESS SEGMENT

Particulars	Apr.15– Sept.'15	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Segment Revenue</b>						
Seed Extraction	1,13,94,70,683	6,50,81,90,037	6,55,79,35,930	5,33,91,00,480	2,19,46,47,122	2,07,07,41,219
Oils	62,02,02,642	1,98,93,68,602	2,70,27,75,151	3,05,25,04,134	1,84,44,59,418	1,30,47,92,307
Unallocable	57,70,361	66,19,103	1,21,48,697	65,73,330	71,10,784	13,93,079
<b>Total</b>	<b>1,76,54,43,686</b>	<b>8,50,41,77,742</b>	<b>9,27,28,59,778</b>	<b>8,39,81,77,944</b>	<b>4,04,62,17,324</b>	<b>3,37,69,26,605</b>
<b>Segment Result(PBIT)</b>						
Seed Extraction	8,45,86,542	24,11,00,074	-5,74,23,725	2,26,45,508	-11,41,33,352	7,74,01,400
Oils	3,46,36,955	10,92,99,848	43,44,56,623	39,39,13,242	31,01,69,501	2,56,93,981
Unallocable	-71,00,799	-3,22,38,134	-57,36,651	-4,68,86,863	-1,93,88,750	-49,38,895
<b>Total</b>	<b>11,21,22,698</b>	<b>31,81,61,788</b>	<b>37,12,96,247</b>	<b>36,96,71,887</b>	<b>17,66,47,399</b>	<b>9,81,56,486</b>
<b>Less: Finance Cost</b>						
Seed Extraction	-	-	-	-	-	-
Oils	-	-	-	-	-	-
Unallocable	-	-	-	-	-	-
<b>Total</b>	<b>92,478,643</b>	<b>221,649,930</b>	<b>215,900,245</b>	<b>156,998,802</b>	<b>123,454,972</b>	<b>73,068,826</b>
<b>Profit before Exceptional/Extraordin ary item</b>						
Seed Extraction	-	-	-	-	-	-
Oils	-	-	-	-	-	-
Unallocable	1,96,44,055	9,65,11,858	15,53,96,002	21,26,73,085	5,31,92,427	2,50,87,660



**Avi Agri Business Limited**

<b>Total</b>	<b>1,96,44,055</b>	<b>9,65,11,858</b>	<b>15,53,96,002</b>	<b>21,26,73,085</b>	<b>5,31,92,427</b>	<b>2,50,87,660</b>
<b>Exceptional/Extraordinary item</b>						
Seed Extraction	-	-	-	-	-	-
Oils	-	-	-	-	-	-
Unallocable	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,225</b>	<b>-</b>
<b>Profit (+) Loss(-) before tax</b>						
Seed Extraction	-	-	-	-	-	-
Oils	-	-	-	-	-	-
Unallocable	-	-	-	-	-	-
<b>Total</b>	<b>1,96,44,055</b>	<b>9,65,11,858</b>	<b>15,53,96,002</b>	<b>21,26,73,085</b>	<b>5,31,70,202</b>	<b>2,50,87,660</b>
<b>Less : Tax Expenses</b>						
<b>Current Tax</b>						
Seed Extraction	-	-	-	-	-	-
Oils	-	-	-	-	-	-
<b>Unallocable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,00,00,000</b>	<b>3,60,00,000</b>	<b>5,85,00,000</b>	<b>4,25,00,000</b>	<b>1,60,00,000</b>	<b>51,00,000</b>
<b>Deferred Tax</b>						
Seed Extraction	-	-	-	-	-	-
Oils	-	-	-	-	-	-
<b>Unallocable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-38,47,843</b>	<b>-29,88,897</b>	<b>-20,11,485</b>	<b>2,78,84,383</b>	<b>23,14,068</b>	<b>80,92,648</b>



**Avi Agri Business Limited**

<b>Tax adjustment</b>						
Seed Extraction						
Oils						
Unallocable	-	-	-	-	-	-
<b>Total</b>		<b>4,465,511</b>	<b>43,7542</b>			
<b>MAT Credit Entitlement</b>						
Seed Extraction						
Oils						
<b>Unallocable</b>	-	-	-	-	-	-
<b>Total</b>	-	-	<b>3121048</b>	<b>-3121048</b>	<b>4651252</b>	<b>-4651252</b>
<b>Profit after tax</b>						
Seed Extraction	-	-	-	-	-	-
Oils	-	-	-	-	-	-
Unallocable	1,34,91,898	6,79,66,266	9,62,23,981	14,54,09,750	3,02,04,882	1,65,46,264
<b>Total</b>	<b>1,34,91,898</b>	<b>6,79,66,266</b>	<b>9,62,23,981</b>	<b>14,54,09,750</b>	<b>3,02,04,882</b>	<b>1,65,46,264</b>
<b>Segment Assets</b>						
Seed Extraction	1,22,76,19,104	1,47,41,55,681	1,61,25,73,373	2,16,66,74,230	1,16,07,32,615	80,60,13,356
Oils	76,61,92,950	85,87,64,286	73,02,74,673	46,73,66,659	38,25,67,402	35,06,92,851
Unallocable	33,72,04,024	25,59,02,300	45,77,89,764	14,47,76,852	37,24,15,138	10,69,27,078
<b>Total</b>	<b>2,33,10,16,078</b>	<b>2,58,88,22,267</b>	<b>2,80,16,37,810</b>	<b>2,77,88,17,741</b>	<b>1,91,57,15,155</b>	<b>1,26,36,33,285</b>
<b>Segment Liabilities</b>						
Seed Extraction	2,03,62,122	7,69,01,356	1,43,09,743	3,01,25,712	11,15,27,880	72,65,357
Oils	3,52,65,631	1,45,03,286	3,65,74,627	3,69,31,621	1,22,85,203	75,21,131
Unallocable	75,45,39,288	5,25,03,257	5,22,20,644	27,95,18,470	11,43,64,002	106,876,497
<b>Total</b>	<b>81,01,67,041</b>	<b>14,39,07,899</b>	<b>10,31,05,014</b>	<b>34,65,75,803</b>	<b>23,81,77,085</b>	<b>12,63,14,237</b>
<b>Segment Depreciation</b>						
Seed Extraction	2,72,35,761	5,04,11,724	5,67,31,055	24972238	1,48,56,318	3,06,69,750
Oils	1,22,42,070	2,77,31,616	3,11,25,957	18377540	1,15,53,577	1,16,63,318
Unallocable	1,22,48,719	2,26,59,671	1,23,36,050	36538100	2,32,07,314	54,31,518
<b>Total</b>	<b>5,17,26,550</b>	<b>10,08,03,011</b>	<b>10,01,93,062</b>	<b>7,98,87,878</b>	<b>4,96,17,209</b>	<b>4,77,64,586</b>



**B. Secondary Segment: Geographical Segment**

The Company's operating facilities are located in India

Particulars	Apr.'15 - Sep. '15	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Segment Revenue</b>						
Domestic Revenue	1,42,65,71,357	2,22,68,40,761	4,09,80,91,102	4,23,19,50,217	2,63,18,74,164	2,77,59,00,372
Export Revenue	33,15,82,768	6,26,64,37,764	5,15,70,97,213	4,15,96,54,397	1,40,57,49,588	59,74,91,776
<b>Total</b>	<b>1,75,81,54,125</b>	<b>8,49,32,78,525</b>	<b>9,25,51,88,315</b>	<b>8,39,16,04,614</b>	<b>4,03,76,23,752</b>	<b>3,37,33,92,148</b>

**C. Unallocable segment assets exclude the following:**

Particulars	Apr.'15 - Sep. '15	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Non Current Investments</b>	10,05,500	10,05,500	10,05,500	5,500	5,500	5,500
<b>Miscellaneous Expenses (To the extent not written off or adjusted)</b>	0	0	0	0	0	3,74,400
<b>MAT Credit Entitlement</b>	0	0	0	31,21,048	0	46,51,252



**Avi Agri Business Limited**

<b>Total</b>	<b>10,05,500</b>	<b>10,05,500</b>	<b>10,05,500</b>	<b>31,26,548</b>	<b>5,500</b>	<b>50,31,152</b>
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D. Unallocable segment liabilities exclude the following:

<b>Particulars</b>	<b>Apr.'15 - Sep. '15</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Secured Loans</b>	83,13,88,784	1,76,82,04,326	2,06,51,90,704	1,90,58,60,648	1,32,47,59,649	91,78,58,635
<b>Deferred Tax Liability/Asset</b>	3,37,41,526	3,75,89,369	4,05,94,149	4,26,05,634	1,47,21,251	1,24,07,183
<b>Provision for Tax</b>	67,83,050	36,76,893	2,42,40,417	1,46,13,159	1,21,83,375	24,09,969
<b>Total</b>	<b>87,19,13,360</b>	<b>1,80,94,70,588</b>	<b>2,13,00,25,270</b>	<b>1,96,30,79,441</b>	<b>1,35,16,64,275</b>	<b>93,26,75,787</b>



**7. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for) - As per information and explanation given to us there are no contingent liabilities as on September 30, 2015 except as disclosed in Annexure U, for any of the years covered by the statements.

**8. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006 read with rule 7 of Companies (Accounts) Rule 2014, as per the information and explanation provided to us the same has been disclosed in the financial statements.

**9. Accounting For Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as per Annexure C.

**10. Earnings Per Share (AS 20):**

Earnings per Share have been calculated is already reported in the Annexure –Q of the enclosed financial statements.

**11. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01<sup>st</sup> April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) and assets and liabilities of the Company is as under.

**Statement of adjustments in the Financial Statements**

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

**1. Statement of Profit and Loss after Tax**

**Table -1**

**(Amount in Rs.)**

Particulars	Apr.'15 – Sept-15	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Net Profit After Tax as per audited accounts but before adjustments for restated accounts:</b>	10,710,918	67,950,103	101,900,724	139,624,763	39,439,072	5,904,968
Add (a) Depreciation pertaining to earlier years, charged in F.Y. 2010-11 as extra-ordinary item due to change in method of depreciation.						1,724,357
Add/(Less) (b): Excess / (short) Provision for Income Taxes - Current	-	-	1,000,000	-	-	400,000
Add/(Less):(c) Excess/ (short) Provision for Deferred tax Liability (Assets)	2,780,980	16,163	(3,167,125)	2,663,939	(4,582,938)	3,865,687





## **Avi Agri Business Limited**

(d) Add/(Less): Adjustment for provision for Income Taxes - Earlier Years		0	(388,570)			
(e) Add/(Less): MAT Credit Entitlements			(3,121,048)	3,121,048	(4,651,252)	4,651,252
<b>Net Increase/ (Decrease)</b>	<b>2,780,980</b>	<b>16,163</b>	<b>(5,676,743)</b>	<b>5,784,987</b>	<b>(9,234,190)</b>	<b>10,641,296</b>
<b>Net Profit After Tax as per Restated Accounts:</b>	<b>13,491,898</b>	<b>6,79,66,266</b>	<b>9,62,23,981</b>	<b>14,54,09,750</b>	<b>3,02,04,882</b>	<b>1,65,46,264</b>

### **12. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

### **13. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### **14. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupee. Figures in brackets indicate negative values.

**For Ashok Khasgiwala & Co.**  
**Chartered Accountants**  
**Firm Reg. No. - 0743C**

**AVINASH BAXI**  
**Partner**  
**Membership No. 79722**  
**Place: Indore**  
**Date: 25.02.2016**



**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL RESERVES AND SURPLUS**

(Amt. in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
<b>Authorised Share Capital (20,000,000 Equity shares of Rs.10 each)</b>	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	100,000,000
<b>Issued, Subscribed and Paid up Share Capital (17,369,625 Equity Shares of Rs. 10 each fully paid up)</b>	173,696,250	173,696,250	173,696,250	173,696,250	173,696,250	92,597,500
<b>Reserves and Surplus</b>						
A) Securities Premium Account						
Opening Balance	98,398,750	98,398,750	98,398,750	98,398,750	92,497,500	92,497,500
Add: Addition during the year	-	-	-	-	52,200,000	-
Less: Utilised for issuing bonus shares	-	-	-	-	46,298,750	-
<b>Total(A)</b>	<b>98,398,750</b>	<b>98,398,750</b>	<b>98,398,750</b>	<b>98,398,750</b>	<b>98,398,750</b>	<b>92,497,500</b>
B) Surplus in Profit and Loss account						
Opening Balance	364,354,280	296,418,026	200,194,045	54,784,295	24,579,413	8,033,149
Add: Profit for the year	13,491,898	67,966,266	96,223,981	145,409,750	30,204,882	16,546,264
Less: Adjustment on Account of Dep. As per Co.s Act, 2013	-	30,012	-	-	-	-
<b>Total (B)</b>	<b>377,846,177</b>	<b>364,354,280</b>	<b>296,418,026</b>	<b>200,194,045</b>	<b>54,784,295</b>	<b>24,579,413</b>
<b>Total (A+B)</b>	<b>476,244,927</b>	<b>462,753,030</b>	<b>394,816,776</b>	<b>298,592,795</b>	<b>153,183,045</b>	<b>117,076,913</b>

**Notes:-**

1. Terms/rights attached to equity shares:
  - i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-each holder of equity shares is entitled to one vote per share.
  - ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. Effective April 01, 2010, the Company has with retrospective effect changed its method of providing depreciation on fixed assets from the 'Straight Line' method to the 'Written Down Value' method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. Accordingly, the Company has recognized an additional depreciation charge of Rs. 17.24 Lakhs as an exceptional item in the statement of profit and loss for the year ended March 31, 2011. However, while preparing restated financial statements, the same has been adjusted with the opening reserves & surplus as on 31.03.2010.
4. Income tax provision and advance tax related to the financial year 2009-2010 were adjusted with opening balance of reserve for 2010-11.
5. Company does not have any Revaluation Reserve.



## Avi Agri Business Limited

6. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures Annexures I, II, III and IV.
7. The reconciliation of the number of shares outstanding as at: -

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Number of shares at the beginning	17,369,625	17,369,625	17,369,625	17,369,625	9,259,750	9,259,750
Add: Shares issued during the year		-	-	-	3480000	-
Add: Issue of Bonus shares					4,629,875	
Less: Shares bought back during the Year		-	-	-	-	-
Number of shares at the end	<b>17,369,625</b>	<b>17,369,625</b>	<b>17,369,625</b>	<b>17,369,625</b>	<b>17,369,625</b>	<b>9,259,750</b>

7. The detail of shareholders holding more than 5% of Shares as at:

Name of Share Holder	As at ( No of Shares)					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Koyna Enterprises Pvt Ltd	2,137,500	2,137,500	2,137,500	2,137,500	5,227,500	-
Suraj Agri-Business Pte. Ltd	3,741,495	3,741,495	3,741,495	3,741,495	3,741,495	2,494,330
Excel Agri Business Private Limited	7,984,380	7,984,380	7,984,380	7,984,380	7,984,380	4,362,920
V K JAIN (HUF)	2,650,000	2,650,000	2,650,000	2,650,000	-	-
Navlakha Agrex Private Ltd.(Formerly known as Olympus Vision Private Limited )		-	-	-	-	2,000,000

### **ANNEXURE – B** **STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt. in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
<b>Long Term Borrowings</b>						
<b>From Banks/Financial Institutions (Secured)</b>						
Term Loans	337,870,140	410,584,454	516,262,005	604,476,405	524,844,668	250,441,738
Less: Current Maturities (Refer Annexure F)	52,857,200	105,714,400	105,714,400	105,714,400	35,714,400	24,404,840
	285,012,940	304,870,054	410,547,605	498,762,005	489,130,268	226,036,898
<b>Loans and advances (Unsecured)</b>						
From Promoters/Directors/Related Parties	5,226,370	5,001,370				
From others	70,000,000	40,009,863	-	-	-	-
<b>Total</b>	<b>360,239,310</b>	<b>349,881,287</b>	<b>410,547,605</b>	<b>498,762,005</b>	<b>489,130,268</b>	<b>226,036,898</b>
<b>Short Term Borrowings</b>						
<b>From Banks (Secured)</b>						



**Avi Agri Business Limited**

Working Capital Loan from Bank	899,822,400	1,330,627,521	1,543,129,364	1,294,635,582	799,914,981	667,416,897
Bank overddraft	265,894,042	23,181,522	47,057,959	268,875,865	113,996,594	58,450,402
<b>Loans and advances (Unsecured)</b>						
Intercompany Deposits						41,000,000
From Promoters/Directors/Related Parties	-	-	-	-	-	-
<b>Total</b>	<b>1,165,716,442</b>	<b>1,353,809,043</b>	<b>1,590,187,324</b>	<b>1,563,511,447</b>	<b>913,911,575</b>	<b>766,867,299</b>
The above amount includes:						
Secured Borrowings	<b>1,503,586,582</b>	<b>1,764,393,497</b>	<b>2,106,449,329</b>	<b>2,167,987,852</b>	<b>1,438,756,243</b>	<b>976,309,037</b>
Unsecured Borrowings	<b>75,226,370</b>	<b>45,011,233</b>	-	-	-	<b>41,000,000</b>
<b>Total</b>	<b>1,578,812,952</b>	<b>1,809,404,730</b>	<b>2,106,449,329</b>	<b>2,167,987,852</b>	<b>1,438,756,243</b>	<b>1,017,309,037</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures Annexures I, II, III and IV.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A)
5. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B).



**ANNEXURE - B (A)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Amount in Rs. Lacs

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary Security	Collateral/Other Security	Re-Payment Schedule	Month or annum	Outstanding amount as on 30.09.2015 as per Books	Outstanding amount as on 31.03.2015 as per Books
Union Bank of India	To meet Export Packing Credit requirements	378,000,000	10.15 %	Hypothecation of stock and Book Debts	Second Pari Passu charge on entire fixed assets of the Company including:-Land situated at Survey no.365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2, 367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/2,366/3,384,364/2,364/3,365/1,365/2 Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore. Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Lien on Deposit in the name of AVI Agri Business Pvt. Ltd. Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Private Limited	N.A.	NIL	336,970,780	93,900,001
Union Bank of India	To meet Working capital requirements.	72,000,000	12.15 %	Hypothecation of stock and Book Debts	Second Pari Passu charge on entire fixed assets of the Company including:-Land situated at Survey no.365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2, 367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/2,366/3,384,364/2,364/3,365/1,365/2 Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore.	N.A.	NIL	39,998,781	-



**Avi Agri Business Limited**

					Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Lien on Deposit in the name of AVI Agri Business Pvt. Ltd. Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Private Limited				
Punjab National Bank	To meet Export Packing Credit requirements	1,070,000,000.00	10.35 %	1st pari-passu charge on all current assets of the company. Hypothecation of stock of soybean seed, edible oil, soya meal (DOC), packing material and all other current assets of the company. Deposit of original/xerox copy of foreign letter of credit approved Bank opened in favour of the Company and/or original/Xerox copy of confirmed orders for supply of DOC and any other item.	EM/Hypothecation of following properties:- Land situated at Survey no. 365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2,367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/2,366/3,384,364/2,364/3,365/1,365/2 Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore. Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore. Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Private Limited	N.A.	NIL	371,124,113	1,108,735,997
Punjab National Bank	To meet Working capital requirement	180,000,000	11.85 %	First pari-passu charge with other consortium member by way of hypothecation on Raw materials, Stock-in-process, Finished goods, Stores and Spares etc.	EM/Hypothecation of following properties:- Land situated at Survey no. 365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2,367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/2,366/3,384,364/2,364/3,365/1,365/2 Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore.	N.A.	NIL	225,895,261	23,181,522



***Avi Agri Business Limited***

				<p>along with other current assets lying in the factory premises or other place approved by the Bank from time to time including goods in transit/shipment.</p>	<p>Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore</p> <p>Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore.</p> <p>Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Private Limited</p>				
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Central Bank of India	To meet Working Capital Requirements	236,000,000	10.45 %	1st pari-passu charge on all current assets of the company. Hypothecation of stock of soybean seed, edible oil, soya meal (DOC), packing material and all other current assets of the company.	Land situated at Survey no. 365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2,367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/2,366/3,384,364/2,364/3,365/1,365/2 Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore. Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore FDR with PNB on behalf of consortium would continue till diversion of 0.56 hectare of land is obtained. Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Private Limited	N.A.		191,727,507	127,991,523
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**Avi Agri Business Limited**

Central Bank of India	To meet Working Capital Requirements	64,000,000	11.95%	1st pari-passu charge on all current assets of the company. Hypothecation of stock of soybean seed, edible oil, soya meal (DOC), packing material and all other current assets of the company.	<p>Land situated at Survey no. 365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2,367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/2,366/3,384,364/2,364/3,365/1,365/2</p> <p>Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore. Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore</p> <p>Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore</p> <p>FDR with PNB on behalf of consortium would continue till diversion of 0.56 hectare of land is obtained. Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori and Corporate Guarantee of Suraj Impex (India) Pvt. Ltd. and Excel Agri Business Pvt. Ltd.</p>	N.A.	-	Nil	Nil
Punjab National Bank	For setting up 600	200,000,000	12.35%	Secured by 1st pari passu charge on entire fixed assets with other	Land situated at Survey no. 365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2,367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/	The term loan is repayabl			



**Avi Agri Business Limited**

	TPD Soya Extraction Plant and 100 TPD Refinery plant at Village Chandukhedi, Ujjain.			member banks.	2,366/3,384,364/2,364/3,365/1,365/2 Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore. Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore. Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori	e in 84 equal monthly installments which commenced from June 2011 and last installment is due in May 2018.		73,822,620	90,463,672
IDBI Bank	For setting up 600 TPD Soya Extraction Plant and 100 TPD Refinery plant at Village Chandukhedi, Ujjain.	50,000,000	13 %	Secured by pari passu charge with PNB on entire block of assets including land situated at Village Chandukhedi, Tehsil. & Dist Ujjain	House no.58 BG, Sector B, Sch. no. 74-C, Indore. Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore. Pari Passu charge on FDR of Rs 20 lakhs along with PNB. Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas, M.L. Jalori, Mr. Shanti Lal Vaid. Corporate Guarantee of Suraj Impex (India) Pvt. Ltd.	The term loan is repayable in 84 equal monthly installments which commenced from June 2011 and last installment is due in May 2018.		19047520	22,618,960
Punjab National Bank	For Expansion of Solvent Extraction Plant	420,000,000	12.35 %	Secured by exclusive 1st charge on the Plant & Machinery and miscellaneous fixed assets	Land situated at Survey no. 365/3,365/4/2,367/1/1,367/1/2,367/2/1,367/2/2,367/3/1,367/3/2,364/4,364/5,365/4/1,366/1,364/1,366/2,366/3,384,364/2,364/3,365/1,365/2 Vill. Chandukhedi, Tehsil and Distt. Ujjain (M.P.). House no.58 BG, Sector B, Sch. no. 74-C, Indore.	The term loan is repayable in 24 equal quarterly		245000000	297,501,823



	from 600 TPD to 1400 TPD and Refinery from 100 TPD to 300 TPD.			Flat no. 401-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore Flat no. 402-A, 4th Floor, Shopping cum Residential Complex at MR-10, Scheme no. 54 Indore.  Personal Guarantee of Mr. Vinod Kumar Jain, Mr. Praveen Kumar Vyas and Mr. M.L. Jalori	intallmen t which commen ced from June 2013 and last installme nt is due in March 2019.			
<b>Total</b>							<b>1,503,586, 582</b>	<b>1,764,393,4 98</b>



**ANNEXURE - B (B)**  
**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

**Details of Unsecured Loans outstanding as on 30.09.2015 and 31.03.2015**

**MAHAVEER TRADING PVT. LTD.**

**Rate of Interest: 10%**

**(Amount in Rs.)**

Particulars	30/09/2015	31/03/2015
Opening Balance Cr/(Dr)	5001370.00	-
Amount Received/credited	250000.00	5001370.00
Amount repaid/adjusted	(25000.00)	-
Outstanding Amount	5226370.00	5001370.00

**ANANT COMMODITIES PVT. LTD.**

**Rate of Interest: 10%**

**(Amount in Rs.)**

Particulars	30.09.2015	31/03/2015
Opening Balance	40,009,863.0	-
Amount Received/credited	32,000,000.0	-
Amount repaid/adjusted	(2,009,863.0)	-
Outstanding Amount	70,000,000.0	40,009,863.0

**ANNEXURE - C**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

**(Amt. inRs.)**

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
<b>Opening Balance (A)</b>						
Opening Balance of Deferred Tax (Asset) / Liability	37,589,369	40,594,149	42,605,634	14,721,251	12,407,183	4,314,535
<b>Current Year Provision (B)</b>						
(DTA) / DTL on Depreciation	(3,752,884)	(2,691,189)	(1,454,177)	27,781,664	(1,252,067)	11,999,776
(DTA) / DTL on other	(94,959)	(313,591)	(557,307)	102,719	3,566,135	(3,907,128)
<b>Closing Balance of Deferred Tax (Asset) / Liability (A+B)</b>	<b>33,741,526</b>	<b>37,589,369</b>	<b>40,594,149</b>	<b>42,605,634</b>	<b>14,721,251</b>	<b>12,407,183</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures I, II, III and IV.

**ANNEXURE - D**  
**STATEMENT OF LONG TERM PROVISIONS**

**(Amt. in Rs.)**

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Provision for Employee Benefits						
Gratuity Provision					-	



## Avi Agri Business Limited

	1,862,522	1,599,867	1,051,671	730,686		-
Other Provision	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,862,522</b>	<b>1,599,867</b>	<b>1,051,671</b>	<b>730,686</b>	<b>-</b>	<b>-</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures I, II, III and IV.

### **ANNEXURE – E** **STATEMENT OF TRADE PAYABLES**

(Amt. in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
<u>Trade Payables</u>						
For Goods & Services:-						
Micro, Small and Medium Enterprises	-	-	15,250	15,750	-	-
Others	10,194,193	72,847,464	14,320,141	25,519,661	5,134,296	12,840,102
<b>Total</b>	<b>10,194,193</b>	<b>72,847,464</b>	<b>14,335,391</b>	<b>25,535,411</b>	<b>5,134,296</b>	<b>12,840,102</b>

#### **Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.



**ANNEXURE – F**  
**STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**

(Amt. in Rs.)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>Other Current Liabilities</b>						
Statutory dues	6,153,774	2,783,619	2,123,261	3,640,884	2,231,983	1,458,610
Creditor for Capital Expenditure	12,847,558	7,847,009	7,384,254	13,071,336	10,566,974	3,238,041
Current maturity of Long term debt	52,857,200	105,714,400	105,714,400	105,714,400	35,714,400	24,404,840
Interest accrued and due on borrowings	3,542,483	3,810,827	5,799,335	6,748,661	-	-
Advance from customers	14,582,692	7,430,486	24,762,462	24,038,916	101,715,081	2,756,726
Liabilities for Expenses	13,123,066	6,069,997	6,076,891	10,678,998	4,164,749	6,398,736
<b>Total</b>	<b>103,106,773</b>	<b>133,656,338</b>	<b>151,860,603</b>	<b>163,893,195</b>	<b>154,393,187</b>	<b>38,256,953</b>
<b>Short-Term Provisions</b>						
Provision for Income Tax (Net of Advance Tax and TDS)	6,783,050	3,676,893	24,240,417	14,613,159	12,183,375	2,409,969
Provision for Employee Benefits	436,581	318,224	13,125	3,708	367,409	171,620
<b>Total</b>	<b>7,219,631</b>	<b>3,995,117</b>	<b>24,253,542</b>	<b>14,616,867</b>	<b>12,550,784</b>	<b>2,581,589</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – G**  
**STATEMENT OF FIXED ASSETS**

(Amt. in Rs.)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>(i) Tangible Assets</b>						
Land	32,872,152	32,872,152	29,740,752	25,480,902	14,325,241	14,325,241
Building	193,151,739	206,063,667	197,598,115	206,699,732	105,237,880	74,585,750
Plant and Machinery	446,165,319	479,524,252	468,406,405	530,579,129	250,855,792	282,514,605
Vehicles	4,797,349	5,724,160	7,684,826	8,586,242	5,885,803	3,443,746
Furniture and Fixtures	15,987,704	18,258,288	3,891,752	4,622,308	4,838,717	643,358
Computers	1,182,107	1,514,594	2,401,071	771,548	418,993	405,176
Office Equipment	2,228,194	2,867,445	4,322,247	1,197,754	452,926	219,160
<b>Total Tangible Assets</b>	<b>696,384,564</b>	<b>746,824,558</b>	<b>714,045,168</b>	<b>777,937,615</b>	<b>382,015,352</b>	<b>376,137,036</b>
<b>Intangible Assets</b>						
Softwares	4,566,773	5,708,466	549,377			
Capital Work-in-	371,212,031	304,456,283	169,181,233	92,173,902	304,704,235	30,830,489





## Avi Agri Business Limited

Progress						
Intangible assets under development	727,000		3,234,170			
<b>Grand Total</b>	<b>1,072,890,368</b>	<b>1,056,989,307</b>	<b>887,009,948</b>	<b>870,111,517</b>	<b>686,719,587</b>	<b>406,967,525</b>

### Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.

### **ANNEXURE – H** **STATEMENT OF NON-CURRENT INVESTMENTS**

(Amt. in Rs.)

Particulars	As at											
	30.09.2015		31.03.2015		31.03.2014		31.03.2013		31.03.2012		31.03.2011	
	No. of Shares /Units	Amount	No. of Shares /Units	Amount	No. of Shares /Units	Amount	No. of Shares/ Units	Amount	No. of Shares /Units	Amount	No. of Shares /Units	Amount
Non Current Investment (Other Than Trade, at Cost)												
Investments in Mutual Fund (Unquoted)	(99,990)	1,000,000	(99,990)	1,000,000	(99,990)	1,000,000	-		-	-		-
N.S.C.		5,500		5,500		5,500	-	5,500	-	5,500		5,500
<b>Total</b>	<b>(99,990)</b>	<b>1,005,500</b>	<b>(99,990)</b>	<b>1,005,500</b>	<b>(99,990)</b>	<b>1,005,500</b>	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>5,500</b>
Aggregate Value of Quoted Investment												
Aggregate Value of Un Quoted Investment	<b>(99,990)</b>	<b>1,005,500</b>	<b>(99,990)</b>	<b>1,005,500</b>	<b>(99,990)</b>	<b>1,005,500</b>	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>5,500</b>	<b>-</b>	<b>5,500</b>

### Notes:

1. The figures mentioned in the bracket represent absolute number of shares/units.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.



**ANNEXURE – I**  
**STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. in Rs.)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>Unsecured, Considered Good unless otherwise stated</b>						
Capital Advances	55,637,841.00	13,373,615.00	35,311,491.00	13,803,349.00	17,203,180.00	5,256,016.00
Security Deposit to related Party	2,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	3,000,000.00	-
Security Deposit	8,531,864.00	9,899,657.00	9,261,457.00	8,902,807.00	4,830,749.00	9,825,024.00
<b>Total</b>	<b>66,669,705.00</b>	<b>24,773,272.00</b>	<b>46,072,948.00</b>	<b>24,206,156.00</b>	<b>25,033,929.00</b>	<b>15,081,040.00</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.
3. List of persons/entities classified as 'Related Party' has been determined by the Management and relied upon by us.

**ANNEXURE – I(A)**  
**STATEMENT OF OTHER NON CURRENT ASSETS**

(Amt. in Rs.)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>Balance with Bank in Deposit Account</b> having maturity more than 12 months (earmarked against credit facility)	2,466,800.00	2,466,800.00	2,690,800.00	660,800.00	6,802,000.00	-
Interest accrued on deposits	1,045,073.00	907,338.00	703,716.00	95,010.00	969,355.00	-
<b>Total</b>	<b>3,511,873.00</b>	<b>3,374,138.00</b>	<b>3,394,516.00</b>	<b>755,810.00</b>	<b>7,771,355.00</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV



**ANNEXURE – J**  
**STATEMENT OF INVENTORIES**

(Amt. in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Raw Material	43,419,014	22,132,540	31,617,945	647,937,654	569,985,516	205,974,026
Packing Material	23,037,769	19,297,194	18,662,279	20,989,838	13,374,047	5,563,992
Finished Goods	781,053,764	1,127,166,052	960,242,330	395,820,877	109,056,958	410,140,467
Consumable items, Stores & Spares Parts	24,758,434	30,789,667	27,198,878	24,059,840	13,999,777	14,025,136
Inventory of Trading Goods	-	-	-	-	-	-
<b>Total</b>	<b>872,268,981</b>	<b>1,199,385,453</b>	<b>1,037,721,432</b>	<b>1,088,808,209</b>	<b>706,416,298</b>	<b>635,703,621</b>

**Note:**

Inventory has been physically verified by the management of the Company at the end of respective year.

**ANNEXURE – K**  
**STATEMENT OF TRADE RECEIVABLES**

(Amt. in Rs.)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>						
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies						
Others	560	560	-	2,446	-	-
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>						
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.						
Others	58,644,717	157,717,019	481,708,238	562,664,113	189,190,138	112,868,484
<b>Total</b>	<b>58,645,277</b>	<b>157,717,579</b>	<b>481,708,238</b>	<b>562,666,559</b>	<b>189,190,138</b>	<b>112,868,484</b>

**Notes:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



**ANNEXURE – L**  
**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. in Rs.)

Particulars	As on					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Cash in Hand (As Certified by Management)	29,048,620	22,417,772	9,482,046	8,384,662	4,175,774	5,119,828
Balances with Banks						
- In Current Accounts	159,940,449	52,089,037	111,968,110	100,529,043	208,675,730	1,170,621
- In Bank Deposits	2,028,000	2,028,000	119,900,000	2,000,000	43,928,000	6,517,200
<b>Total</b>	<b>191,017,069</b>	<b>76,534,809</b>	<b>241,350,156</b>	<b>110,913,705</b>	<b>256,779,504</b>	<b>12,807,649</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – M**  
**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. in Rs.)

Particulars	As On					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Unsecured, Considered Good unless otherwise stated						
Loans & Advances to Employees	481,028	481,350	416,688	515,535	1,030,323	202,287
Balance with Revenue Authorities	-	509,639	144,786	1,402	50,831	-
MAT Credit Entitlement				3,121,048		4,651,252
Prepaid Expenses	448,209	4,410,126	3,610,620	2,746,157	1,107,328	1,411,415
Advance to Suppliers	17,582,975	5,258,904	28,126,053	49,142,733	1,159,629	41,337,719
Other Advances recoverable in cash or in kind	6,865,749	908,324	1,802,734	999,135	1,529,664	1,655,366
<b>Total</b>	<b>25,377,961</b>	<b>11,568,343</b>	<b>34,100,881</b>	<b>56,526,010</b>	<b>4,877,775</b>	<b>49,258,039</b>

**Notes:**

1. None of the Short term loans and advances are recoverable from Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV.
4. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



**ANNEXURE – N**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. inRs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Interest Accrued on Deposits	280,508	190,921	3,264,980	358,079	119,651	465,480
Export Incentive and others Receivable	40,354,335	58,288,445	66,014,711	67,592,744	39,806,920	35,132,699
Misc Expenses not W/Off						374,400
<b>Total</b>	<b>40,634,843</b>	<b>58,479,366</b>	<b>69,279,691</b>	<b>67,950,823</b>	<b>39,926,571</b>	<b>35,972,579</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV..

**ANNEXURE – O**  
**STATEMENT OF OTHER INCOME**

(Amt. in Rs.)

Particulars	For the year ended					
	30.09.2015	2014-15	2013-14	2012-13	2011-12	2010-11
Related and Recurring Income:						
Interest Income	959,256	4,571,222	4,726,709	913,952	935,800	481,517
Profit on Sales of long term investments	-	292,858	-	-	-	-
Profit on sale of fixed asstes	-	13,798	-	-	-	-
Insurance claim received	2,387,857	694,182	6,993,365	870,497	-	-
Net gain on foreign currency translations and transactions	2,355,979	-	-	-	5,944,804	2,817,160
Misc. Receipts	17,600	37,953	91,166	109,376	92,987	235,780
Rate Difference	36,219	453,906	-	342,022	33,522	
Service Tax Refund	1,519,199	4,088,003	4,620,378	2,188,559	1,129,014	
Excise Claim Refund	-	192,110	902,388	1,342,855	433,937	
Misc. Exp. Written Off/Back A/C	-	462,905	294,865	752,296	6,733	
Notic Pay/Receipt - Salary	13,451	28,971	26,789	31,556	-	
Nominal Balance Written Off	-	63,309	802	21,127	16,774	
Lease Rental Income			15,000			
Rebate & Other Quality Deduction				1,090		
<b>Total</b>	<b>7,289,561</b>	<b>10,899,217</b>	<b>17,671,462</b>	<b>6,573,331</b>	<b>8,593,572</b>	<b>3,534,457</b>



## Avi Agri Business Limited

<b>Notes:</b>
1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV..

### **ANNEXURE – P** **STATEMENT OF TURNOVER**

(Amt. in Rs.)

Particulars	For the year ended					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
(i) Turnover in respect of products	1,754,787,584	8,433,311,821	9,206,379,870	8,353,351,950	4,029,724,122	3,373,766,116
(ii) Turnover in respect of sale of services		-	-	-	-	-
*(iii) Turnover in respect of Products not Normally dealt in by the Issuer Company but included in (ii) above		-	-	-	-	-
(iv) other operating revenue	3,674,889	61,913,504	51,591,185	40,529,836	8,907,043	-
<b>Total</b>	<b>1,758,462,473</b>	<b>8,495,225,325</b>	<b>9,257,971,055</b>	<b>8,393,881,786</b>	<b>4,038,631,165</b>	<b>3,373,766,116</b>

\*As per information provided to us by the Issuer, there is no such item.

### **ANNEXURE – Q** **STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Amt. in Rs.)

Particulars	For the year ended					
	30.09.2015	2014-15	2013-14	2012-13	2011-12	2010-11
Net Worth (A)	649,941,177	636,449,280	568,513,026	472,289,045	326,879,295	209,300,013
Restated Profit after tax	13,491,898	67,966,266	96,223,981	145,409,750	30,204,882	16,546,264
Less: Prior Period Item	-	-	-	-	-	-
Adjusted Profit after Tax (B)	13,491,898	67,966,266	96,223,981	145,409,750	30,204,882	16,546,264
Number of Equity Share outstanding as on the End of Year/Period ( C )	17,369,625	17,369,625	17,369,625	17,369,625	17,369,625	9,259,750
Weighted average no of Equity shares at the time of end of the year after considering bonus issue and fresh issue of shares(D)	17,369,625	17,369,625	17,369,625	17,369,625	13,899,159	13,889,625



## Avi Agri Business Limited

Current Assets (G)	1,187,944,132	1,503,685,550	1,864,160,397	1,886,865,304	1,197,190,284	846,610,371
Current Liabilities (H)	1,286,237,038	1,564,307,962	1,780,636,860	1,767,556,920	1,085,989,842	820,545,943
Face Value per Share (in Rs.)	10	10	10	10	10	10
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) Refer Note 1 given below	0.78	3.91	5.54	8.37	2.17	1.19
Return on Net worth (%) (B/A)	2.08	10.68	16.93	30.79	9.24	7.91
Net asset value per share (A/C)	37.42	36.64	32.73	27.19	18.82	22.60
Adjusted Net asset value per share based on Weighted average number of share (A/D)	37.42	36.64	32.73	27.19	23.52	15.07
Current Ratio (G/H)	0.92	0.96	1.05	1.07	1.10	1.03

### Notes:

- Earnings per share = Profit available to equity shareholders/ weighted average number of outstanding of equity shares during the year. For the purpose of calculating of weighted average number of shares outstanding prior to Bonus Shares, for the earlier year (F.Y. 2010-11), Ratio of bonus is applied on closing number of share outstanding as on the end of respective years.
- Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year.
- Weighted Average number of outstanding Equity Shares has been calculated in terms of the requirement of Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.
- Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
- Current Ratio= Current Assets/ Current Liabilities.
- The company does not have any revaluation reserves or extraordinary items
- As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- Net Profit, before extra ordinary items as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.
- Net asset value per share (Face value of Rs. 10 Each) has been computed considering the outstanding number of share as at the end of year.
- Net worth for ratios mentioned represent equity share capital and reserves and surplus. Refer Annexure A for components of Reserves and Surplus.
- The Company has allotted bonus shares in the ratio 1:2 in March 2012, effect thereof has been taken in earlier year (F.Y. 2010-11), as required by the Accounting Standard.

### **ANNEXURE – R** **STATEMENT OF RELATED PARTY TRANSACTION**

(Amt. in Rs.)

a)	Names of the related parties with whom transaction were carried out during the years and description of relationship:	
1)	Company/entity owned or significantly influenced by directors/ KMP	1. Suraj Impex (India) Private Limited
		2. Suresh D. Punj Salt And Storage Private Limited
		3. Tejas P. Sheth Rice Mill And Storage Private Limited
		4. Suraj Agri-Business Pte Ltd.





## Avi Agri Business Limited

		5. Mahaveer Trading Private Limited
		6. Excel Agri Business Private Limited
2)	<b>Key Management Personnels</b>	1. Mr. Vinod Kumar Jain (Promoter) 2. Mr. Mahendra Lakhichand Jalori (Managing Director) 3. Mr. Praveen Kumar Vyas (Chairman and Non Executive Director)
3)	<b>Relative of Key Management Personnels:</b>	1. Mrs. Anita Jain (wife of Mr. Vinod Kumar Jain) 2. Mr. Avi Jain (son of Mr. Vinod Kumar Jain)
4)	<b>Directors:</b>	1. Mr. Mahendra Lakhichand Jalori (Managing Director) 2. Mr. Praveen Kumar Vyas (Chairman and Non Executive Director)

<b>1. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP</b>							
<b>S r. N o.</b>	<b>Nature of Transaction</b>	<b>Year ended on</b>					
		<b>30-09-2015</b>	<b>31-03-2015</b>	<b>31-03-2014</b>	<b>31-03-2013</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
<b>A</b>	<b>SURAJ IMPEX (INDIA) PVT. LTD.</b>						
	Purchases		-	-	224,849,987	-	673,200
	Land Purchased				7,710,000	-	
	Sales			206,445,557	377,653,729	-	
<b>B</b>	<b>EXCEL AGRI BUSINESS PRIVATE LIMITED</b>						
	Rent Paid	447,947	912,735	928,155	839,660	273,906.00	-
	Security Deposit	500,000	500,000	500,000	500,000	1,000,000	1,000,000
	Sales					21,799,068	22,518,000
	Shares Issued					36,000,000	
<b>C</b>	<b>SURESH D PUNJ SALT &amp; STORAGE PVT. LTD.</b>						
	Rent Paid	167,655	-	-	-	-	-
	Security Deposit	1,000,000	-	-	-	2,000,000	2,000,000
<b>D</b>	<b>TEJAS P SHETH RICE MILL AND STORAGE PVT. LTD.</b>						
	Rent Paid	688,232	2,346,078	1,955,064	1,792,142	-	-
	Security Deposit	1,000,000	1,000,000	1,000,000	1,000,000	-	-
<b>E</b>	<b>SURAJ AGRI-BUSINEESS PTE. LTD.</b>						
	Sales				266,938,586	177,295,007	-



## Avi Agri Business Limited

F	MAHAVEER TRADING PVT. LTD.						
	Loan Taken	5,000,000	5,000,000	-	-	-	-
	Interest Payment	225,000	1,370		-	-	-

### 2. Transaction with Directors of the Company/ KMP / Relatives of KMP

Sr No	Nature of Transaction	Year ended on					
		30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
<b>A</b>	<b>MR. MAHENDRA LAKHICHAND JALORI</b>						
	Director Remuneration paid	831,012	1,705,300	1,510,008	1,249,008	657,000	636,508
<b>B</b>	<b>MR. VINOD KUMAR JAIN</b>						
	Rent Paid		160,000.00	480,000.00	-	-	-
	Purchases - Land		-	-	2,220,000.00	-	-
	Travelling Exp. Reimbursed					45,447.00	
<b>C</b>	<b>MRS. ANITA JAIN</b>						
	Rent Paid	-	-	-	341,417.00	300,000.00	300,000.00
<b>D</b>	<b>MR. AVI JAIN</b>						
	Salary Paid	348,006.00	716,004.00	590,671.00	301,663.00	239,950.00	178,840.00

#### Notes:

1. List of Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnels, and Relative of Key Management Personnels have been determined by the Management and relied upon by us. We have not performed any procedure to determine whether the list is accurate and complete.

### **ANNEXURE – S** **STATEMENT OF CAPITALISATION** (Amt. in Rs.)

Particulars	Pre-Issue 30-09-2015	Post -Issue
Debt		
Short Term Debt	1,233,379,838	1,233,379,838
Long Term Debt	448,700,558	448,700,558
Total Debt	1,682,080,397	1,682,080,397



## Avi Agri Business Limited

Shareholders' Fund (Equity)		
Share Capital	173,696,250	236,736,250
Reserves & Surplus	476,244,927	504,289,927
Less: Miscellaneous Expenses not w/off	-	
Total Shareholders' Fund (Equity)	649,941,177	741,026,177
Long Term Debt/Equity	0.69	0.61
Total Debt/Equity	2.59	2.27

### Notes:

1. Short term Debts represent which are expected to be paid/ payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/09/2015.
4. For calculation of post issue Capitalization Statement, the figure of Short term/long term debt as appearing on 30/09/2015 has only been considered. Based on the information provided by the management Issue Related Expenses of Rs. 34.75 Lacs approx has been deducted from Security premium Account as shown in post issue capital. No verification of accounts post 30/09/2015 has been done by us.

### **ANNEXURE - T** **STATEMENT OF TAX SHELTER**

(Amt. in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Net Profit/(Loss) before taxes (A)	19,644,055	96,511,858	155,396,002	212,673,085	53,170,202	25,087,660
MAT Adjustments						
Less: Extraordinary items	-	-	-	-	-	1,724,357
Net Profit/(Loss) before taxes (A) after MAT adjustments :-	19,644,055	96,511,858	155,396,002	212,673,085	53,170,202	23,363,303
Tax Rate Applicable %	33.06%	33.99%	33.99%	32.45%	32.45%	33.22%
Minimum Alternate Taxes (MAT)	20.39%	20.01%	20.96%	20.01%	20.01%	19.93%
Adjustments						
Add: Depreciation as per companies act, 1956	51,726,550	100,803,011	100,193,062	79,887,878	49,617,209	47,764,586
Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS	-	3,557	23,228	21,098	-	-
Add: Donation Paid not Allowed Under Income Tax (Net of Deduction Available	51,000	218,000	463,600	232,500	57,500	25,146



## Avi Agri Business Limited

if any)						
Add: Expenses on Which TDS not Deducted		-			-	-
Add: Expenditure by way of penalty		5,050				
Add: Disallowance Under section 14A		5,000				
Add: Wealth tax 40(a)(ia)		23,210	41,795	12,154		
Add: Extraordinary items					22,225	1,724,357
Add: Amount disallowable under section 43B		1,345,140	1,275,838		683,580	-
Add: Amount disallowable under section 40A					6,389	-
Add: ROC Fee for increase in Share capital		-	-	-	658,500	-
Add: Provision for Gratuity - Disallowed u/s 40A(7)	436,581	874,064	330,402	366,985	195,789	171,620
Less: Depreciation as per Income Tax Act, 1961	43,567,977	92,917,517	89,912,499	165,677,235	46,949,766	84,639,650
Less: Bonus paid of last year disallowed		1,245,132	-	683,580		
Less: Gratuity Paid	55,569	20,796				
Less: Profit on sale of investment		292,857				
Less: Profit on sale of fixed asset		13,798				
Less: Dividend Income (Exempt)	-	-	-	-	-	-
Net Adjustments (B)	8,590,585	8,786,932	12,415,426	(85,840,200)	4,291,426	(34,953,941)
<b>Business Income (A+B)</b>	<b>28,234,640</b>	<b>105,298,790</b>	<b>167,811,428</b>	<b>126,832,885</b>	<b>57,461,628</b>	<b>(11,590,638)</b>
<b>Total Taxable Income</b>	<b>28,234,640</b>	<b>105,298,790</b>	<b>167,811,428</b>	<b>126,832,885</b>	<b>57,461,628</b>	<b>(11,590,638)</b>
Carry forward lossess/Unabsorbed depreciation					11,590,639	
Tax Payable as per Normal Rate	9,335,219	35,791,059	57,039,104	41,150,929	14,882,842	(3,850,120)
Tax Payable as per Special Rate	-	49,772	-	-	-	-
<b>Tax as per Income Tax (C)</b>	<b>9,335,219</b>	<b>35,840,831</b>	<b>57,039,104</b>	<b>41,150,929</b>	<b>14,882,842</b>	<b>(3,850,120)</b>
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D)	4,005,226	19,309,127	32,571,779	42,551,099	10,638,161	4,656,423
<b>Net Tax (Higher of C &amp; D)</b>	<b>9,335,219</b>	<b>35,840,831</b>	<b>57,039,104</b>	<b>42,551,099</b>	<b>14,882,842</b>	<b>4,656,423</b>
Add: Interest u/s 234A						
Add: Interest u/s 234B			1,076,952	473,486	464,382	243,498
Add: Interest u/s 234C		83,223	553,349	986,291	426,440	232,716
<b>Tax Liability</b>	<b>9,335,219</b>	<b>35,924,054</b>	<b>58,669,405</b>	<b>44,010,876</b>	<b>15,773,664</b>	<b>5,132,637</b>
Current tax as per restated Statement of Profit & Loss	10,000,000	36,000,000	58,500,000	42,500,000	16,000,000	5,100,000

**Notes:**



## Avi Agri Business Limited

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company, Income Tax Depreciation was recalculated due to regrouping of Assets and capitalization of few payment expenses from Revenue to Fixed Assets, due to which depreciation was recalculated and revised depreciation considered for above calculation.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III and IV .

### **ANNEXURE – U** **RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Amt. in Rs.)

Particulars	As at					
	30-09-2015	31-03-2015	31-03-2014	31-03-2013	31-03-2012	31-03-2011
Contingent liabilities in respect of:						
EPCG Licence benefit in event of default of export obligation	103,232,043					
Other moneys for which the company is contingently liable	-	1,380,996				
Commitments (to the extent not provided for)	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	94,648,066	74,772,815	213,660,436	30,895,429	125,879,989	29,555,672
Uncalled liability on shares and other investments partly paid	-	-	-	-	-	-
Other commitments	-	-	-	-	-	-
<b>Total</b>	<b>197,880,109</b>	<b>76,153,811</b>	<b>213,660,436</b>	<b>30,895,429</b>	<b>125,879,989</b>	<b>29,555,672</b>

#### **Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
The Board of Directors,  
Avi Agri Business Limited  
Saket Tower, 4th Floor, 3A Ratlam Kothi,  
Indore – 452001 Madhya Pradesh

Dear Sirs,

The principal terms of loans and assets charged as security as on 31<sup>st</sup> JAN'16 is as given below:

**A. Secured Loan**

(Rs In Lakhs)

**CONSOLIDATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Sanction Amount /Takeover amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount as on 31-01-16 as per Books
<b>Term Loan I</b>  Punjab National Bank:	For Setting up of 600 TPD Solvent Extraction Plant and 100 TPD Refinery	2000.00	12.35%	Secured by 1 <sup>st</sup> pari pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. & Dist Ujjain and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others.	The term loan is repayable in 84 equal monthly installments which commenced from June 2011 and last installment is due in May 2018.	-	673.79
Term Loan I IDBI Bank:	For Setting up of 600 TPD Solvent Extraction Plant and 100 TPD Refinery	500.00	13%	Secured by 1 <sup>st</sup> pari pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. & Dist Ujjain and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others	The term loan is Repayable in 84 equal monthly installments which commenced from June 2011 and last installment is due in May 2018	-	166.66



## Avi Agri Business Limited

Term Loan II Punjab National Bank:	For Expansion Solvent Extraction Plant from 600 TPD to 1400 TPD and Refinery from 100 TPD to 300 TPD	4200.00	12.35%	Secured by exclusive 1 <sup>st</sup> charge on existing fixed assets by way of mortgage of land building and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others.	The term loan is repayable in 24 equal Quarterly installments which commenced from June 2013 and last installment is due in March 2019.	-	2298.86
EPC/CC						-	
Punjab National Bank	EPC	10700	10.35%	Secured by 1 <sup>st</sup> pari-passu charge on all current assets of the company. Hypothecation of stocks of Soyabean seed, edible oil, soya meal (DOC), packing material and all other current assets of the company. Secured by 2 <sup>nd</sup> pari- pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. & Dist Ujjain and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others ,and corporate guarantee of M/s Suraj Impex (I) Pvt. Ltd and M/s Excel Agri Business Priavte Limited	NA	-	9733.68
Punjab National Bank	CC	1800	11.85%	Secured by 1 <sup>st</sup> pari-passu charge on all current assets of the company. Hypothecation of stocks of Soyabean seed, edible oil, soya meal (DOC), packing material and all other current assets of the company. Secured by 2 <sup>nd</sup> pari- pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. & Dist. Ujjain and hypothecation of all plant and machinery and other movable assets of the company	NA	-	1675.19





## Avi Agri Business Limited

				acquired out of the said term loan and personal guarantee of the two directors and others, and corporate guarantee of M/s Suraj Impex (I) Pvt. Ltd and M/s Excel Agri Business Priavte Limited			
Union Bank of India	EPC	3780	10.15%	<p>Secured by 1st pari- passu charge on hypothecation of stocks and book debts.</p> <p>Secured by 2nd pari- pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. &amp; Dist. Ujjain and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others, and corporate guarantee of M/s Suraj Impex (I) Pvt. Ltd and M/s Excel Agri BusinessPriavte Limited</p>	NA	-	2540.10
Union Bank of India	CC	720	12.15%	<p>Secured by 1st pari- passu charge on hypothecation of stocks and book debts.</p> <p>Secured by 2nd pari- pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. &amp; Dist. Ujjain and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others, and corporate guarantee of M/s Suraj Impex (I) Pvt. Ltd and M/s Excel Agri Business Private Limited</p>	NA	-	694.91
Central Bank of India	EPC	2360	10.45%	Secured by 1st pari-passu charge on entire current assets of the Company: Hypothecation of stocks of Soyabean Seed, Edible oil, Soya meal (DOC), packing material and all other current assets of the company.	NA	-	672.77



**Avi Agri Business Limited**

				Secured by 2nd pari- pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. & Dist. Ujjain and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others, and corporate guarantee of M/s Suraj Impex (I) Pvt. Ltd and M/s Excel Agri Business Priavte Limited			
Central Bank of India	CC	640	11.95%	Secured by 1st pari-passu charge on entire current assets of the Company: Hypothecation of stocks of Soyabean Seed, Edible oil, Soya meal (DOC), packing material and all other current assets of the company. Secured by 2nd pari- pasu charge on entire fixed assets by way of mortgage of land building situated at Village Chandukhedi, Teh. & Dist. Ujjain and hypothecation of all plant and machinery and other movable assets of the company acquired out of the said term loan and personal guarantee of the two directors and others, and corporate guarantee of M/s Suraj Impex (I) Pvt. Ltd and M/s Excel Agri Business Private Limited	NA	-	254.06
<b>Total</b>							<b>18710.02</b>



***Avi Agri Business Limited***

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**B. Un Secured Loan**

Name and Relationship of Lender	Purpose	Rate of Interest	Repayment	Outstanding Amount in Lacs as per Books as on 31-01-2016
ANANT COMMODITIES PVT. LTD.	WORKING CAPITAL	10%	ON DEMAND	700.00
MAHAVEER TRADING COMPANY	WORKING CAPITAL	10%	ON DEMAND	52.26
<b>Total</b>				<b>752.26</b>

**For Ashok Khasgiwala & Co.  
Chartered Accountants  
Firm Reg. No. 00743C**

**Date: 25/02/2016  
Place: Indore**

**CA Avinash Baxi  
Partner  
Membership No. 79722**



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “**Risk Factors**” beginning on page 15 and “**Forward Looking Statements**” beginning on page 14, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the stub period ending on 30 September 2015 and fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015, including the schedules and notes thereto and the reports thereto, which appear in the section titled “**Financial Information of the Company**” on Page No. 179 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### **Overview**

Our Company was started with the potential of soyabean processing by carrying out solvent extraction activities in year 2010 at Chandukhedi, Ujjain, Madhya Pradesh catering to the requirement of Solvent Extraction & Edible oil industry. Since then we added many more range of soyabean products such as refined Soyabean oil, Indian soyabean meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins in our portfolio.

In 2010, our Company succeeded in setting - up of manufacturing plant for carrying out solvent extraction and oil refining activities, with solvent extraction capacity of 600 MT per day and oil refining capacity of 100 MT per day and within a short span of time of around 2 years we enhanced our solvent extract plant to 1400 MT per day and oil refining capacity to 300 MT per day by installing additional solvent extraction plant and oil refining plant.

Our Company has received ISO Certifications from United Kingdom Accreditation Service Management System (UKAS) certifying that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 and ISO 22000:2005 in regards to manufacture and supply of our soyabean products. We have established a well-equipped round the clock laboratory having modern/latest technology and testing equipment with supporting environment and facilities has been established in the plant, to ensure product quality and to meet pre-determined food standards. Our wide range of Soyabean products includes Refined Soyabean Oil, Indian Soyabean Meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised Vegetable Proteins. Soyabean Meal (Hipro & FAQ) produced is meant for cattle feed as well as food grade for human consumption and soya crude oil also sold to industrial food handlers. Our Company is in process of installing Lecithin plant which will produce Soya Lecithin Powder in dry form.

The location of our factory gives us the competitive edge over other players in terms of procurement and availability of raw material. At present, our Company has an Authorized collection centre located at our factory to source soyabean seeds from local farmers, which serves as the major raw material in production of soyabean products.

As of January 31, 2016, our work force consisted of approximately 178 full time employees. We adhere to international best practices standards and are committed in developing products and services where quality assurance is systematic process of checking to see whether a product or service being developed is meeting specified requirements. We have a separate department devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology.



## ***Avi Agri Business Limited***

Our total revenue (as restated) increased from Rs. 337.69 crores in F.Y 2010-11 to Rs. 850.42 crores in F.Y. 2014-15, representing a CAGR of 20.29%. Our Profit before tax (as restated) increased from Rs. 2.50 crores in F.Y. 2010-11 to Rs. 9.65 crores in F.Y. 2014-15, representing a CAGR of 31.01%.

### **Our Location:**

<b>Registered Office</b>	Saket Tower, 4 <sup>th</sup> Floor, 3A Ratlam Kothi, Indore, Madhya Pradesh – 452-001.
<b>Factory &amp; Warehouse</b>	Village Chandukhedi, 11 <sup>th</sup> Km, Ujjain-Badnagar Road, Tehsil & Dist. Ujjain, Madhya Pradesh- 456222

### **Our Competitive Strengths**

We believe that the following are our primary competitive strength:

#### **1. Well qualified and experienced Management team:**

Our Promoter, Mr. Vinod Kumar Jain has been actively involved in the business since 1986 and has around 29 years of experience in the agri-commodities industry. He founded Suraj Impex (India) Pvt. Ltd. in 1997 for exporting agriculture products mainly soyabean meal, Grains and Sugar to Asian Countries, which has now built its name in international market, and also holds status of star trading house accredited by Government of India. Also, our Managing Director Mr. Mahendra Lakhichand Jalori has more than 30 years of experience in solvent extraction and edible oil refinery industry at various levels. Also, our Chairman and Non-Executive Director, Mr. Praveen Kumar Vyas is a Fellow Company Secretary and has overall 30 years of experience in accounts, finance and legal matters. We are also supported with adequate technical and commercial team having relevant experience of the industry and who along with the experience of our promoter help us to achieve the organizational goals. We believe that our management team's experience and their understanding of this industry will enable us to continue to take advantage of both current and future market opportunities.

#### **2. In-house Manufacturing capabilities:**

At present, our Company has an in house installed capacity of 1400 TPD for carrying out solvent extraction activities and 300 TPD for refining activities, which enables us to stream line inventory management and production process resulting into maintenance of high quality production standards, minimizing production time and bringing cost effectiveness. We believe that our well established in-house integrated manufacturing unit would help us in achieving a high sales growth and an improvement in operating margins.

#### **3. Consistent and Standardised product quality:**

Our Company has received ISO Certifications from United Kingdom Accreditation Service Management System (UKAS) certifying that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 and ISO 22000:2005 in regards to manufacture and supply of our soyabean products. This certification provides assurance to our domestic as well as overseas customers for the quality and durability of our products. We believe that investment in technology will allow us to provide a higher quality to our customers demanding bulk quantities, allowing us to attract new customers and differentiate ourselves from other competitors.

#### **4. Wide Range of Products:**

Our Company has wide range of soyabean products, offering refined Soyabean oil, Indian soyabean meal (Hipro & FAQ), Soya Lecithin, Soya Grits, Soya Flour, Soya Flakes, Soyabean Deodorizer Distillate, White Soya Flour/Flakes and Texturised



## ***Avi Agri Business Limited***

Vegetable Proteins (Soya Bari/Granules). We believe that our product portfolio allow our customers to source all soyabean related products under one roof, which helps us to expand our business to existing customers as well as to potential new customers.

### **5. Existing customer relationship:**

We believe that we constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business. Our Sales from Top 5 Customers for the year ended on March 31, 2015 and half year ended September 30, 2015 were Rs. 470.29 crores and Rs. 74.43 crores respectively.

### **Our Business Strategy**

#### **1. Improving operational efficiency and product quality**

Apart from expanding business and revenues, we look forward for areas to improve operational efficiencies so as to achieve cost reduction and gain competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development. Also, we believe that quality products and service of global standards are of utmost importance for customer retention and repeat – order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them, which also aid us in enhancing our brand value.

#### **2. Optimal utilization of resources**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and take corrective measure wherever possible. This helps us in improving efficiency and putting resources to optimal use.

#### **3. To build-up a professional organization**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

#### **4. Focus on cordial relationship with our Suppliers, Customer and employees**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

### **Our Products and its Features**

<b>S. No.</b>	<b>Products</b>	<b>Features</b>
<b>1</b>	<b>Refined Soyabean Oil</b>	<ul style="list-style-type: none"> <li>Refined Soyabean Oil is sold by us in Bulk as well as in consumer packs with</li> </ul>



		<p>our own brand name of AVI.</p> <ul style="list-style-type: none"> <li>• It is used as cooking oil, since it is free from Cholesterol, low in Saturated Fat and rich in natural Tocopherol (Vitamin-E).</li> <li>• Colour &amp; Appearance: Light Yellowish Liquid</li> <li>• Odor/Taste: Odorless and Tasteless</li> <li>• Packaging:- Available in following packing sizes:- 500 ml &amp; 1 ltr. Pouch, 500 ml &amp; 1 ltr. Bottle, 2 ltr. Jar, 5 ltr. Jar, 15 kg tin/jar, 15 ltr. Tin/jar and tanks.</li> </ul>
2	<b>Indian Soyabean Meal (Hipro &amp; FAQ)</b>	<ul style="list-style-type: none"> <li>• Indian Soyabean Meal (also known as Soya deoiled cake) is produced only from cleaned Non GMO (Non Genetically Modified) Soyabean seeds.</li> <li>• Our Soyabean Meal/ White Flake is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• It contains healthful balanced nutrients hence mainly used in making nutritious food like 'Soya- Bari' 'Soya- Chunks' 'Soya-Granules' 'Soya – Flour'</li> <li>• Due to higher protein, energy and lower fiber content, soybean meal is also used as feed ingredient to livestock (e.g. poultry feed, pet foods etc), and white flakes as soya protein ingredients for the food industry. Also, soya bean white flake meal finds its application in pharmaceutical industry.</li> <li>• Soyabean Meal (FAQ - Fair Average Quality) is lower in protein compared to Hi – pro Soyabean meal.</li> <li>• Colour : Pale Yellow to light tan</li> <li>• Packaging: - Available in 50 kg HDPE Bags.</li> </ul>
3	<b>Soya Lecithin</b>	<ul style="list-style-type: none"> <li>• Soya Lecithin is made by drying fresh gums, produced during degumming of Soya bean Oil obtained from Non-GMO soya bean seeds.</li> </ul>





		<ul style="list-style-type: none"> <li>• Our Soya Lecithin is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Soya Lecithin is used as emulsifier, it disperses readily in oil &amp; forms hydrates/emulsions in water. It is used in milk powders, ice creams, noodles, candy based products, medical, instant food etc.</li> <li>• Colour &amp; Appearance: Pale brown viscous homogenous liquid ,clear , and pourable</li> <li>• Taste: Characteristic taste of soya bean</li> <li>• Packaging: Available in ISO tanks.</li> </ul>
4	<b>Soya Grits</b>	<ul style="list-style-type: none"> <li>• Soya Grits are made from Soyabeans de-oiled cake (Food Grade Soya Flakes). They are available in two varieties: Soya Grits (Full Fatted) and Soya Grits (Defatted)</li> <li>• Our Soya Grit is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Soyabean grits are used for making untoasted Soya Flour, soya milk, tofu, soya bean powder, soya bean sauce, soya bean bari, Isolated Soya bean Protein. It is used in Dietetic Foods, Baby Foods / Drink mixes. Soya bean grits can also be used in conjunction with other foods to add protein and texture to food items such as breads, cookies, and cereals.</li> <li>• Colour: Pale yellow</li> <li>• Texture: Uniform, free from extraneous matter</li> <li>• Packaging: Soya Grits is available in 50 kg HDPE bags or bulk in jumbo bag.</li> </ul>
5	<b>Soya Flour</b>	<ul style="list-style-type: none"> <li>• Soya Flour are available in two varieties:- Soya Flour (Full Fatted) and Soya Flour (Defatted).</li> <li>• Soya Flour (Full Fatted) is manufactured using enzyme active Non GMO soya-bean seed. However, Soya Flour (Defatted) is manufactured using enzyme inactive Non GMO soya- bean</li> </ul>



		<p>seed.</p> <ul style="list-style-type: none"> <li>• Our Soya Flour is Non GMO certified by CERT-ID and is also Kosher certified</li> <li>• Colour:- Light Yellow</li> <li>• Texture:- Fine Powder , free from extraneous matter</li> <li>• Packaging: Soya Flour is available in 50 Kg plastic/paper bags or in Bulk in jumbo Bags as per Customer's requirement.</li> </ul>
6	<b>Soya Deodorizer Distillate(SODD)</b>	<ul style="list-style-type: none"> <li>• SODD is a by-product produced in the refining process of soybean oil.</li> <li>• SODD consists of mixture of tocopherols (Vitamin-E), sterols, fatty acids, glycerides and hydrocarbons.</li> <li>• Our SODD is Non GMO certified by CERT-ID and is also Kosher certified.</li> <li>• It is used in manufacturing progesterone, corticoids, estrogens, contraceptives, diuretics, male hormones and vitamin D. They are, also, used in cosmetics, food like margarine, salad oils and dressings.</li> <li>• Color &amp; Appearance: Pale brown viscous homogenous liquid ,clear , and pourable</li> </ul>
7	<b>White Soya Flour/Flakes</b>	<ul style="list-style-type: none"> <li>• White Soya Flour/Flakes is obtained from Soya beans seeds, by processing it through various stages of cracking, de hulling, flaking, extracting, and de solventizing, to get flakes of white to creamy color.</li> <li>• White Flake Food-Grade Soy Meal is a fat-free protein product, which is the source material for production of food-grade fat-free soy flour, soy grits and textured, concentrated and isolated soya proteins.</li> <li>• It is used in making bakery products, concentrated foods, meat and fish products</li> </ul>



		<ul style="list-style-type: none"> <li>• Colour:- Light yellow to cream colour</li> <li>• Texture:- Uniform free from extraneous matter</li> </ul>
8	<b>Texturised Vegetable Proteins (Soya Bari)</b>	<ul style="list-style-type: none"> <li>• Texturised Vegetable Proteins “Soya Bari” is prepared from defatted (DOC) soya flour by the process of extrusion cooking. During the process, the protein in the flour undergoes structural changes and forms a fiber like network.</li> <li>• Soya Nuggets (Bari) are a rich source of proteins that contribute a maximum level of protein of approx 50%</li> <li>• Soya Bari with their hydration properties can be used in a wide range of food applications.</li> <li>• Colour: Light Yellow</li> <li>• Texture: Hard and porous, becomes soft and spongy when water is added</li> </ul>

**INSTALLED CAPACITY AND CAPACITY UTILISATION (product wise):-**

**Indian Soyabean Meal (Hipro & FAO), Soya Grits, Soya Flour, Soya Flakes, White Soya Flour & Texturised Vegetable Protein (Soya Bari)**

Particulars	Unit	Existing				Proposed			
		2012-2013	2013-2014	2014-2015	Apr'15 – Nov'15	Dec'15 – Mar.'16	2016-2017	2017-2018	2018-2019
Installed Capacity	Tonne per annum	2,46,000	3,44,400	3,44,400	2,29,600	1,14,800	3,44,400	3,44,400	3,44,400
Actual Production	Tonne per annum	1,69,355	1,81,271	1,05,401	38,335	34,440	172,200	2,58,300	2,58,300
Capacity Utilization (in %)		68.84%	52.63%	30.60%	16.70%	30.00%	50.00%	75.00%	75.00%

**Refined Soyabean Oil**

Particulars	Unit	Existing				Proposed			
		2012-2013	2013-2014	2014-2015	Apr'15 – Nov'15	Dec'15 – Mar.'16	2016-2017	2017-2018	2018-2019



## Avi Agri Business Limited

Installed Capacity	Tonne per annum	60,000	90,000	90,000	60,000	30,000	90,000	90,000	90,000
Actual Production	Tonne per annum	39,404	35,782	25,756	11,277	9,000	45,000	67,500	67,500
Capacity Utilization (in %)		65.67%	39.76%	28.62%	18.80%	30.00%	50.00%	75.00%	75.00%

### Soya Lecithin

Particulars	Unit	Existing				Proposed			
		2012-2013	2013-2014	2014-2015	Apr'15 – Nov'15	Dec'15 – Mar.'16	2016-2017	2017-2018	2018-2019
Installed Capacity	Tonne per annum	2,063	3,263	3,263	2,175	1,088	3,263	3,263	3,263
Actual Production	Tonne per annum	1,692	1,500	1,044	586	326	1,632	2,610	2,610
Capacity Utilization (in %)		82.04%	45.97%	32.00%	26.93%	30.00%	50.00%	80.00%	80.00%

Capacity Utilization of Soya Deodorizer Distillate (SODD) cannot be determined as it is a by-product produced in the refining process of soybean oil, so its production depends on soyabean oil production.

### SALES AND MARKETING:-

The efficiency of the marketing and sales network is critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

### COMPETITION:-

Our Industry is fragmented consisting of large established players and small niche players. We face substantial competition for our products from other manufacturers in domestic market. Many of our competitors have substantially large capital base and resources than us and offer broader range products. We compete with other manufacturers on the basis of product range, product quality, product price including factors, based on reputation, regional needs, and customer convenience. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. Some of our Major Competitors are:-



- Ruchi Soya Industries Limited
- Gujarat Ambuja Exports Limited
- Sanwaria Agro Oils Limited
- Gokul Refoils & Solvent Limited

**Key factors affecting our results of Operation:** Following are the key factors affecting our results of operations:

19. Disruption in our manufacturing facilities.
20. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
21. Changes in laws and regulations relating to the industries in which we operate;
22. Exchange rate fluctuations;
23. Loss of one or more significant customers
24. Disruption in supply of Raw Materials.
25. Increased in prices of Raw Material
26. Occurrence of Environmental Problems & Uninsured Losses.
27. Increased competition in industries/sector in which we operate
28. Our ability to successfully implement our growth strategy and expansion plans;
29. Our ability to meet our capital expenditure requirements;
30. Fluctuations in operating costs;
31. Our ability to attract and retain qualified personnel;
32. Changes in technology;
33. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
34. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
35. Conflicts of interest with affiliated companies, the promoter group and other related parties; and
36. The performance of the financial markets in India and globally; and
37. Any adverse outcome in the legal proceedings in which we are involved.

**Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled “*Financial Information of the Company*” on page 179 of this Draft Prospectus.

**Change in accounting policies in previous 3 (three) years**

Except as mentioned in chapter “*Financial Information of the Company*” on page 179 of this Draft Prospectus, there has been no change in accounting policies in last 3 (three) years.

**Significant developments subsequent to the last financial year**

1. The authorized capital of the Company was increased from ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹ 10/- each to ₹ 25,00,00,000/- divided into 2,50,00,000 Equity Shares of ₹ 10/- each vide shareholder Resolution dated December 04, 2015.
2. Company was converted from Private Limited to Public Limited Company vide shareholder Resolution dated January 23, 2016 and further received the fresh Certificate of Incorporation dated February 10, 2016 upon conversion to Public Limited Company.
3. We have passed a special resolution in shareholders meeting dated February 16, 2016 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs. 1300 lacs.



## ***Avi Agri Business Limited***

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4. We have appointed Mr. Hari Prasad Sarda as Non Executive Independent Directors of the company with effect January 23, 2016 and Mrs. Dipika Kataria as Non Executive Independent Directors of the company with effect February 16, 2016.
5. We have appointed Mr. Mahendra Lakhichand Jalori as Managing Director of the Company with effect from February 16, 2016 for a period of five years.

### **Summary of the Results of Operations**

The following table sets forth financial data from restated profit and loss account for the period April 1, 2015 to September 30, 2015 and Financial Year ended on March 31, 2015, 2014, 2013 and 2012 the components of which are also expressed as a percentage of total income for such periods.



**Avi Agri Business Limited**

(Amt. in Rs.)

Particulars (For the Year ended)	30 <sup>th</sup> September 2015	% of Total Income	31 <sup>st</sup> March 2015	% of Total Income	31 <sup>st</sup> March 2014	% of Total Income	31 <sup>st</sup> March 2013	% of Total Income	31 <sup>st</sup> March 2012	% of Total Income
<b>Revenue from Operation</b>										
From Sale of Product	1,758,462,473	99.60%	8,495,225,325	99.89%	9,257,971,055	99.84%	8,393,881,786	99.95%	4,038,631,165	99.81%
Less: Excise Duty	308,348	0.02%	1,946,800	0.02%	2,782,740	0.03%	2,277,172	0.03%	1,007,413	0.02%
Other Operating Revenues	1,758,154,125	99.59%	8,493,278,525	99.87%	9,255,188,315	99.81%	8,391,604,614	99.92%	4,037,623,752	99.79%
Other Income	7,289,561	0.41%	10,899,217	0.13%	17,671,462	0.19%	6,573,331	0.08%	8,593,572	0.21%
<b>Total Income</b>	<b>1,765,443,686</b>	<b>100%</b>	<b>8,504,177,742</b>	<b>100%</b>	<b>9,272,859,778</b>	<b>100%</b>	<b>8,398,177,944</b>	<b>100%</b>	<b>4,046,217,324</b>	<b>100%</b>
<b>Expenditure:</b>										
Cost of Material consumed	1,072,694,758	60.76%	4,410,325,330	51.86%	8,393,120,700	90.51%	6,886,621,649	82.00%	2,973,415,711	73.49%
Purchases of Stock in Trade	31,020,245	1.76%	3,054,022,728	35.91%	207,638,358	2.24%	637,494,829	7.59%	182,126,197	4.50%
Changes in inventories of finished goods and Work-in-progress	346,112,288	19.60%	(166,923,722)	(1.96)%	(564,421,453)	(6.09)%	(286,763,919)	(3.41)%	301,083,509	7.44%
Employee benefits expense	19,322,962	1.09%	42,546,305	0.50%	41,088,647	0.44%	32,300,100	0.38%	22,445,816	0.55%
Finance costs	92,478,643	5.24%	221,649,930	2.61%	215,900,245	2.33%	156,998,802	1.87%	123,454,972	3.05%
Depreciation and amortization expense	51,726,550	2.93%	100,803,011	1.19%	100,193,062	1.08%	79,887,878	0.95%	49,617,209	1.23%
Other expenses (Administrative & Selling Expenses)	132,444,185	7.50%	745,242,302	8.76%	723,944,217	7.81%	678,965,520	8.08%	340,881,483	8.42%
<b>Total Expense</b>	<b>1,745,799,631</b>	<b>98.89%</b>	<b>8,407,665,884</b>	<b>98.87%</b>	<b>9,117,463,776</b>	<b>98.32%</b>	<b>8,185,504,859</b>	<b>97.47%</b>	<b>3,993,024,897</b>	<b>98.69%</b>
Net Profit before tax, exceptional & extra-ordinary	19,644,055	1.11%	96,511,858	1.13%	155,396,002	1.68%	212,673,085	2.53%	53,192,427	1.31%



***Avi Agri Business Limited***

items:										
Exceptional items:	-		-		-		-		-	
Extra-ordinary items:									22,225	
<b>Net Profit before tax</b>	<b>19,644,055</b>	<b>1.11%</b>	<b>96,511,858</b>	<b>1.13%</b>	<b>155,396,002</b>	<b>1.68%</b>	<b>212,673,085</b>	<b>2.53%</b>	<b>53,170,202</b>	<b>1.31%</b>
<b>Provision for Tax:</b>										
Current Tax	10,000,000	0.57%	36,000,000	0.42%	58,500,000	0.63%	42,500,000	0.51%	16,000,000	0.40%
Earlier Tax										
Deferred Tax	(3,847,843)	(0.22)%	(2,988,897)	(0.04%)	(2,011,484)	0.02%	27,884,383	0.33%	2,314,068	0.06%
Tax Adjustment (earlier years)			4,465,511	0.05%	437,542	0.00%				
MAT Credit Entitlement					3,121,048	0.03%	(3,121,048)	(0.04)%	4,651,252	0.11%
<b>Total tax Expenses</b>	<b>6,152,157</b>	<b>0.35%</b>	<b>37,476,614</b>	<b>0.44%</b>	<b>60,047,106</b>	<b>0.65%</b>	<b>67,263,335</b>	<b>0.80%</b>	<b>22,965,320</b>	<b>0.57%</b>
Restated profit after tax from continuing operations	13,491,898	0.76%	67,966,266	0.80%	96,223,981	1.04%	145,409,750	1.73%	30,204,882	0.75%
<b>Restated profit after year for the year</b>	<b>13,491,898</b>	<b>0.76%</b>	<b>67,966,266</b>	<b>0.75%</b>	<b>96,223,981</b>	<b>1.03%</b>	<b>145,409,750</b>	<b>1.73%</b>	<b>30,204,882</b>	<b>0.75%</b>





## **KEY COMPONENTS OF OUR PROFIT AND LOSS STATEMENT**

**Revenue from Sale of Products:** Revenue from operations mainly consist of manufacturing and sale of Soya Bean products.

**Other Income:** Other income primarily comprises of interest income, tax refunds, profit on sale of long term investments, profit on commodity dealing and foreign exchange gain.

**Expenses:** Our expenses majorly consist of cost of material consumed, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

**Changes in inventories of Finished Goods, WIP and Stock-in-Trade:** It includes inventory, WIP & finished goods of Soya products (Soya DOC, Acid Oil, Lecithin, refined Oil etc.), packing materials and stores and spares.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages, Staff Welfare Expenses and Contribution to Provident Fund.

**Finance Costs:** Finance cost comprises of interest on Indebtedness and other borrowing costs.

**Depreciation and Amortization Expense:** In the restated financial statements, we have recognized depreciation and amortization expenses as per the method set forth in the Companies Act 2013 effective from April 01, 2014.

**Other Expenses:** Other expenses include consumption of stores, spare and consumables, power & fuel, rent, freight, export expenses, bank charges and commission etc.

## **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

### **Total Income:**

Our total income for the period ended September 30, 2015 was ₹ 1,765,443,686. The revenue from manufacturing and operating activities was ₹ 1,758,154,125 which comprised of 99.59% our total income for the period ended September 30, 2015.

### **Total Expenses:**

The total expenditure for the period ended September, 2015 was ₹ 1,745,799,631. The total expenditure represents 98.89% of the total revenue. The total expenses is represented by Cost of Raw Material Consumed, purchase of stock in trade, Changes in Inventories of Finished goods, WIP and Stock in Trade, Employee Benefits Expense, Finance Costs, Depreciation and Amortization Expense and Other Expenses. The main constituent of total expenditure is Cost of Material consumed, which is ₹ 1,072,694,758.

### **Profit/(Loss) after tax:**

Our restated net profit for the period ended September 30, 2015 was ₹ 13,491,898 representing 0.76% of the total revenue of our Company.

## **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2015**

### **Total Income:**

Our total income during the period ended March 31, 2015 was ₹ 8,504,177,742. The revenue from manufacturing and operating activities was ₹ 8,493,278,525 which comprised 99.87% of our total income for the period ended March 31, 2015.

### **Total Expenses:**



## ***Avi Agri Business Limited***

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The total expenditure during the period ended March 31, 2015 was ₹ 8,407,665,884. The total expenditure represents 98.87% of the total revenue. The total expenses are represented by Cost of Material Consumed, purchase of stock in trade, Employee Benefits Expense, Finance Costs, Depreciation and Amortization Expense and Other Expenses. The main constituent of total expenditure is Cost of Raw Material Consumed, which is ₹ 441,03,25,330.

### **Profit/(Loss) after tax:**

Our restated net profit during the period ended March 31, 2015 was ₹ 67,966,266 representing 0.80% of the total revenue of our Company.

## **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014**

### **Total Income:**

During the year 2014-15 the total revenue of our Company was ₹ 8,504,177,742 as against ₹ 9,272,859,778 in the year 2013-14, representing a decrease of 8.29% in comparison to previous year. This decrease was mainly due to decrease of operations.

### **Other Income:**

Other income of the Company for the year 2014-15 was ₹ 10,889,217 in comparison with ₹ 17,671,462 for F.Y. 2013-14.

### **Total Expenses:**

The total expenditure for the year 2014-15 was ₹ 8,407,665,884 as compared to ₹ 9,117,463,776 representing a decrease of 7.79% to the previous year. This was due to decrease in the material consumed during the year.

### **Cost of Material consumed:**

The Cost of Material consumed for the year 2014-15 was ₹ 4,410,325,330 as compared to ₹ 8,393,120,700 representing a decrease of 47.45% from the previous year 2013-14.

### **Changes in inventories of Finished goods, WIP and Stock-in-Trade:**

The value of change in inventory was ₹ (166,923,722) in 2014-15 as compared ₹ (564,421,453) in 2013-14.

### **Employee Benefits Expense:**

Employee Benefit Expenses for the year 2014-15 increased to ₹ 42,546,305 as against ₹ 41,088,647 of the previous year, representing an increase of 3.55% to the previous year 2013-14.

### **Finance Costs:**

Finance cost for the year 2014-15 increased to ₹ 221,649,930 as against ₹ 215,900,245 of the previous year. The increase is 2.66%.

### **Depreciation and Amortization Expense:**

Depreciation for the year 2014-15 stood at ₹ 100,803,011 calculated as per companies Act. For the year 2013-14 the same was ₹ 100,193,062.

### **Other Expenses:**



## ***Avi Agri Business Limited***

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Other expenses include consumption of stores, spare and consumables, power & fuel, rent, freight, export expenses, bank charges and commission etc. These expenses were for the year 2014-15 at ₹ 745,242,302 as against ₹ 723,944,217 during the previous financial year.

### **Profit/(Loss) Before Tax**

Primarily due to the reasons described above, our profit before tax for F.Y. 2014-15 decreased to Rs 96,511,858 from ₹ 15,53,96,002 in fiscal year 2013-14 represents a decrease of 37.89% to the previous year.

### **Restated Profit/(Loss) After Tax**

For the year 2014-15 the profit stood at Rs 67,966,266 as against the profit of ₹ 96,223,981 for the previous year 2013-14 representing a decrease of 29.37% to the previous year.

## **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013**

### **Total Income:**

During the F.Y. 2013-14 the total income of the Company increased to ₹ 927,28,59,778 as against previous financial year of ₹ 839,81,77,944 Lacs representing an increase of 10.42%. This increase was mainly due to increase in operations.

### **Other Income:**

Other income of the Company for the year 2013-14 was ₹ 17,671,462 in comparison with ₹ 6,573,331 for F.Y. 2012-13.

### **Total Expenses:**

Total expenditure for the F.Y. 2014 increased to ₹ 911,74,63,776 from ₹ 818,55,04,859 in FY 2013 an increase of 11.39%. This was due to increase in cost of material consumed, finance cost and other expenses.

### **Employee benefits expense:**

The Employee Benefit Expenses comprises of salaries and wages, staff welfare expenses and contribution to Provident Fund. The said expense increased to ₹ 4,10,88,647 in the year F.Y 2014 from ₹ 3,23,00,100 in its previous year, i.e. an increase of 27.21%.

### **Finance Costs:**

Finance costs increased to ₹ 21,59,00,245 in F.Y 2014 as compared to F.Y 2013 in which it was ₹ 15,69,98,802.

### **Depreciation and amortization expense:**

Depreciation and amortization expense for the FY 2014 stood at ₹ 10,01,93,062 against ₹ 7,98,87,878 compare to previous year FY 2013.

### **Other expenses:**

Other expenses for the F.Y 2014 increased to ₹ 72,39,44,217 whereas it was ₹ 67,89,65,520 in previous financial year.

### **Net Profit before tax:**

Net Profit before tax for the F.Y 2014 increases to ₹ 15,53,96,002 as against ₹ 21,26,73,085 of the previous year. The decrease in profit was 26.93 % due to the increase in total expenses during the year.



## ***Avi Agri Business Limited***

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### **Restated profit after tax:**

The Restated profit after tax for the F.Y 2014 decrease to ₹ 96,223,981 as against ₹ 145,409,750 in the previous year, representing decrease of 33.83%

### **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2013 WITH FISCAL 2012**

#### **Total Income:**

During the F.Y. 2013 the total income of the Company increased to ₹8,398,177,944 as against previous financial year of ₹ 4,046,217,324 representing an increase of 107.56%. This increase was mainly due to increase in revenue from sale of products.

#### **Total Expenses:**

Total expenditure for the F.Y. 2013 increase to ₹ 8,185,504,859 from ₹ 3,993,024,897 in FY 2012 an increase of 105.00%. This was due to surge in volume of business, which resulted in increase in expenses viz. Cost of material sold, employees benefit expenses, changes in inventory of Finished Goods and other expenses.

#### **Employee benefits expense:**

Employee benefits expense increased to ₹ 32,300,100 in the year F.Y 2013 from ₹ 22,445,816 in its previous year, i.e. an increase of 43.90%.

#### **Finance Costs:**

Finance costs increases to ₹ 15,69,98,802 in F.Y 2013 as compared to F.Y 2012 in which it was ₹ 12,34,54,972, representing increase of 27.17%

#### **Depreciation and amortization expense:**

Depreciation and amortization expense increased in FY 2013 to ₹ 7,98,87,878 from ₹ 4,96,17,209 compare to previous year FY 2012.

#### **Other expenses:**

Other expenses for the F.Y 2013 increases to ₹ 67,89,65,620 in comparison to ₹ 34,08,81,483 in previous financial year.

#### **Net Profit before tax:**

Net Profit before tax for the F.Y 2013 increases to ₹ 21,26,73,085 as against ₹ 5,31,70,202 of the previous year. The increase in profit was 299.99% due to the increased sales during the year.

#### **Restated profit after tax:**

The Restated profit after tax for the F.Y 2013 increases to ₹ 145,409,750 as against ₹ 30,204,882 in the previous year, and increase of 381.41%

### **Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

#### ***1. Unusual or infrequent events or transactions***



## Avi Agri Business Limited

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 15 in the Draft Prospectus, in our opinion, there has not been any unusual trend on account of our business activity. There are no unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

### 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 of the Company**”, and chapter titled “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Conditions and Results of Operations**”, beginning on pages 179, 97 and 235 respectively of this Draft Prospectus, 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 sales, revenue or income from continuing operations.*

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 15 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### 4. *Future changes in relationship between costs and revenues*

Our Company’s future costs and revenues will be determined by demand/supply situation in Soyabean Market, government policies, foreign exchange rates, and prices quoted by our suppliers.

### 5. *Total turnover of each major industry segment in which our Company operates*

The Company operates in two business segment in context of accounting standards 17 on Segment Reporting issued by ICAI i.e. Solvent Extraction and Oil Refining. The turnover of each business segment for the year ended March 31 2015 and half year ended September 30, 2015 stood to be :-

Business Segment	F.Y. 2014-15	Half year ended Sept. 30, 2015
Solvent Extraction	6,508,190,037	1,139,470,683
Oil Refining	1,989,368,602	620,202,641

### 6. *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

### 7. *Status of any publicly announced New Products or Business Segment*

Our Company has not announced any new product

### 8. *Seasonality of business*

Our Company’s business is not seasonal in nature.

### 9. *Dependence on few customers/ clients*

The percentage of contribution of our Company’s Top Customers/Clients & Top Suppliers for the period ended September 30, 2015 is as follows:

#### Our Major Customers/ Clients for the period ended September 30, 2015

Sr No	Customer Name	Revenue ( in ₹ )	As a % of Total Turnover
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## Avi Agri Business Limited

1.	Cargill India Pvt. Ltd.	200,096,189	11.38
2.	Poddar Business Pvt. Ltd.	194,672,415	11.07
3.	Pratishtha Commercial Pvt. Ltd.	194,672,415	11.07
4.	Sumati Shipping & Chartering Pte. Ltd.	81,938,488	4.66
5.	Chalimeda Feeds Pvt. Ltd.	72,935,927	4.15
6.	Cargill Texturizing Solutions Netherland	61,675,888	3.51
7.	S. R. Traders	49,048,743	2.79
8.	Ilwonhibrand Co. Ltd.	46,806,884	2.66
9.	Invictus Trading Fze	45,635,659	2.6
10.	Dammani Brothers	44,078,252	2.51
	<b>TOTAL</b>	<b>991,560,859</b>	<b>56.40</b>

### Our Major Suppliers of raw materials for the period ended September 30, 2015

Sr No	Name	Value (in ₹ )	As % of total
1.	Khandelwal Industries & Exports	123,590,962	11.8
2.	Surendrakumar Shaitanmal Moonat	103,585,528	9.89
3.	Goutam Foods	98,698,642	9.42
4.	Rajendrakumar Shaitanmal Moonat	82,715,650	7.9
5.	Nirmalkumar Navinkumar	50,385,976	4.81
6.	Godha Traders	48,503,127	4.63
7.	Shree Mahadev Traders	42,202,591	4.03
8.	Lalaji Tolaram	41,451,032	3.96
9.	Akash Trading Company	36,177,674	3.45
10.	Vinod Traders, Ashta	29,588,819	2.82
	<b>Total</b>	<b>656,900,001</b>	<b>62.7</b>

### 10. Competitive conditions

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on pages 97 and 109 , respectively of the Draft Prospectus.

### 11. Details of material developments after the date of last balance sheet i.e. September 30, 2015

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor’s Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

Significant developments since the last audited balance sheet as on September 30, 2015 till the date of the Draft Prospectus:-

The authorized capital of the Company was increased from ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹ 10/- each to ₹ 25,00,00,000/- divided into 2,50,00,000 Equity Shares of ₹ 10/- each vide shareholder Resolution dated December 04, 2015.



## SECTION VI - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except 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, Subsidiaries, Promoter, Group Companies and Directors as of the date of this Red Herring Prospectus 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.*

*Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 5% of our Company's consolidate trade payables as per the last audited financial statements as material dues for our Company. Further, our Board of Directors considers litigations involving amount to the extent quantifiable, exceeding 1% of the profit after tax of our Company as per the last audited financial statement as material litigation. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on February 19, 2016.*

#### **PART 1: CONTINGENT LIABILITIES OF OUR COMPANY**

Particulars	Amount (in Rs.)
<b>Contingent Liabilities:</b>	
EPCG Licence benefit in the event of default of Export Obligation	103,232,043/-
<b>Commitments</b>	
Estimated amount of contract remaining to be executed on Capital account (Net of Advance of Rs. 5,55,14,835)	9,46,48,066/-
Total	

#### **PART 2: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

##### **1. Litigation Involving Criminal Laws**

##### **Criminal Case No. 3477/2013 in the matter State of Madhya Pradesh through Factory Inspector v. Mahendra Jalori (Factory Occupier) and Mahesh Chowdhury (Factory Manager)**

The Factory Officer has filed a criminal case bearing number 3477/2013 dated July 2, 2013 against the Company before the District Court, Ujjain on ground of non compliance of Section 7A of the Factories Act, 1948 and Rule 73-I of the Madhya Pradesh Factory Rules, 1962. The roof of the third floor of Company's Factory situated at Ujjain had fallen down on April 5, 2013 and 11 workers suffered minor injuries. However, no monetary compensation has been claimed by the workers in the instant case. The matter is pending as on date.

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

##### **Compounding Order dated December 20, 2010 bearing CA. No. 1259/2010 passed by Reserve Bank of India**

Reserve Bank of India ("RBI") has passed Compounding Order dated December 20, 2010 bearing CA. No. 1259/2010 against the Company for compounding of following contraventions of the provisions of Foreign Exchange Management Act, 1999 ("FEMA") with respect to remittances made under the automatic route:



- i. the equity instruments were not issued to the foreign investor, Suraj Agri-Business Pte. Ltd., a person resident outside India within 180 days of the receipt of the inward remittance and the instruments were issued after 180 days from the date of receipt of inward remittance without approval of RBI; and
- ii. delay in reporting receipt of foreign inward remittance towards subscription to equity.

Accordingly, RBI had compounded the admitted contraventions on payment of Rs. 1,00,000/- (Rupees One Lakh only) (“**Compound Amount**”). Vide Demand Draft dated December 21, 2010 bearing no. 570612, the Company has paid the Compound Amount to RBI.

### **3. Litigation involving Tax Liabilities**

#### **(i) Direct Tax Liabilities:**

Sr. No.	Type of Direct Tax	No. Of cases	Amount in dispute* (in Rs.)
1.	Income-tax	3	12,22,260

*\*To the extent quantifiable.*

#### **Assessment Year 2014-15:**

The Company has received a notice dated August 31, 2015 under Section 143(2) of the Income-tax Act, 1961 issued by the Assessing Officer, Indore for providing further information on the return of income submitted by the Company for the Assessment Year 2014- 2015. The matter is pending before the assessing officer for further proceedings.

#### **Assessment Year 2013-2014:**

The Company has received a notice dated May 19, 2015 under Section 143(2) and a notice for assessment proceedings dated November 05, 2015 under Section 142(1) of the Income Tax Act for the assessment year 2013-2014 wherein the Deputy Commissioner of Income Tax has directed the Company to produce/furnish certain information and documentation pertaining to the activities of the Company for the said assessment year. One Ashok Khasgiwala & Co., Chartered Accountants has replied to the Notice vide its letter on December 11, 2015. As on date the assessment is pending before the Deputy Commissioner of Income Tax.

#### **Assessment Year 2012-2013 and 2011-2012:**

The Company has received a demand notice dated March 20, 2015 under Section 156 of the Income Tax Act demanding an amount of Rs. 12,22,260 towards income tax for the assessment year 2012-2013 within 30 days from the receipt of the notice. The Company has filed a rectification application before the Assistant Commissioner of Income Tax, Circle – 1 Indore providing a computation in lieu of the rectification demand and requesting for a fresh demand order showing a refund of Rs. 13,780 instead of a demand of Rs. 12,22,260. Though there is no demand for the assessment year 2011-2012, the Company has made the rectification application for the said assessment year also as changes resulted in to loss/refund for the assessment year 2011-2012 which also effect the income for the assessment year 2012-2013. As on the date of this Draft Prospectus, the said refund is still pending.





**(ii) Indirect Taxes Liabilities**

**NIL**

**4. Other Pending Litigations**

**Intellectual Property Related Matters:**

AAA Exim Private Limited (“**Opponent**”) has filed an opposition bearing number 826020 against the application number 2162164 filed by the Company before the Trade Marks Registry (“**Registry**”) for registration of the trademark “AVI” in class 29. The Opponent has filed the opposition on the grounds that they have been using the said trademark since April 01, 2007 and that they are the registered proprietor of the trademark since December 27, 2010 and that registration of the said trademark in the name of the Company would be contrary to Section 11(3)(a) of the Trade Mark Act, 1999. The Opponent has prayed that the application for registration be refused.

Our Company has filed a reply to the said opposition wherein all the allegations raised by the Opponent have been denied and has requested the Registry to reject the opposition raised by the Opponent. The matter is pending for disposal.

**Case No. 06/2015 in the matter State of Madhya Pradesh through Ms. Mina Kumre, Food Safety Officer v. Mr. Deepak Agrawal and Avi Agri Business Private Limited**

The Food Safety Officer has issued a letter alleging that the soyabean oil manufactured by our Company has been found to be of substandard quality pursuant to which a summon dated June 23, 2015 by the Hon’ble Court of Additional District Magistrate, Chindwara (“**Hon’ble Court**”) has been issued to our Company to appear before the Hon’ble Court on July 23, 2015. The Company has been alleged having produced and supplied substandard soya bean oil to one Mr. Deepak Agrawal of Deepak Industries, who repacked the oil under the brand “Nano Gold” Refined Soyabean Oil. The Company and one Mr. Deepak Agrawal has been charged under Section 26(2)(ii) and 27(2) read with Section 51 of the Food Safety and Standards Act, 2006. Vide its reply dated August 13, 2015 the Company has refuted all the allegations against it and *inter-alia* stated that it had supplied a tanker of refined soya bean oil to one Deepak Industries and had raised an invoice dated March 8, 2014 bearing Bill No. AVI/SRO/13-14/636 for the same, however, the sample of Nano Gold Refined Soya Bean Oil obtained by the Food Safety Officer for the purpose of testing the FSSAI standard has not been supplied by the Company. The Company has further stated that the refined soya bean oil supplied to one Deepak Industries vide aforesaid Invoice was tested in the Company’s Laboratory and was found to be as per the prescribed standard under the law. The matter is pending as on date.

**Show Cause Notice dated January 23, 2016 bearing number 4/B-121/2015-16 issued by the Additional Collector and Additional District Magistrate, Agar, Malwa, Madhya Pradesh.**

The Food Safety Officer had issued a letter dated September 16, 2014 *inter-alia* stating that a sample of the Company’s product Avi Refined Soyabean Oil, measuring 1 litre, batch number B-09, packed on January 2014 (“**Soyabean Oil**”), was tested in State Laboratory situated in Bhopal and was found to be of substandard quality in accordance with Section 3(zx) of Food Safety and Standards Act, 2006 (“**FSS Act**”). The Food Safety Officer also attached the inspection report of the Bhopal State Laboratory dated July 9, 2014 bearing number FTL/CM/R2519/2613 Bhopal (“**Bhopal Inspection Report**”). Aggrieved by the findings in Bhopal Inspection Report our Company filed a reply dated September 29, 2014 and opted to conduct a second inspection of the sample of Soyabean Oil and the sample for the second inspection of the Soyabean Oil was sent to Central Food Laboratory situated in Mysore (“**Mysore Laboratory**”). Vide report dated December 16, 2014 bearing number FT/AQCL/FSSA(208F)/2014, the Mysore Laboratory also concluded that the Soyabean Oil is of substandard quality in accordance with Section 3(zx) of FSS Act. Subsequently, vide its letter dated January 23, 2016 bearing number 4/B-121/2015-16, the Additional Collector and Additional District Magistrate, Agar,



Malwa, Madhya Pradesh (“**Additional District Magistrate**”) issued a show cause notice seeking reason why the Company should not be punished in accordance with Sections 3(1)(zx), 26(1), (2)(ii)(iii)(v) and 27(1)(3)(b) read with Section 51 FSS Act. The matter is pending as on date.

**Appeal No. 03/2014 in the matter Mahesh Gaur v. Avi Agri Business Private Limited and Appeal no. 2/2014 in the matter Avi Agri Business Private Limited v. Mahesh Gaur.**

Mahesh Gaur and the Company have filed cross appeals bearing number 03/2014 and 2/2014 respectively before the Industrial Court, Indore against the impugned order dated December 18, 2013 (“**Impugned Order**”) passed by the Hon’ble Labour Court, Ujjain (“**Labour Court**”). One Mr. Mahesh Gaur, who worked as a mechanical engineer in the Company’s factory, had filed a case in the Labour Court *inter-alia* stating that he was wrongfully terminated from the Company from August 23, 2011 on the ground that he was absent from work between the period August 7, 2011 and August 17, 2011. The Company had filed reply dated January 30, 2012 *inter-alia* denying all the charges alleged by Mr. Mahesh Gaur stating that his work in the Company’s factory was of the nature of supervisor and his monthly remuneration was Rs. 6800/- and thus, the Labour Court did not have jurisdiction to try the matter. Vide the Impugned Order, the Labour Court directed the Company to reinstate Mr. Mahesh Gaur, without any direction regarding reimbursement of the monthly remuneration for the interim period. Aggrieved by the Impugned Order, both Mr. Mahesh Gaur and the Company made an appeal to the Industrial Court, Indore. In the appeal filed by the Company, the Company has inter alia pleaded to set aside the Impugned Order. In the appeal file by Mr. Mahesh Gaur he has inter alia pleaded that he be reinstated along with grant of past dues. The matter is pending as on date.

**CASES FILED BY OUR COMPANY**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. Of cases	Amount in dispute* (in Rs.)
1.	Central Excise & Customs	1	416,948/-

*\*To the extent quantifiable*

**Appeal against Order in Original No.05/AC/ UJN/2014-15 dated June 24, 2014**

The Company filed an appeal against Order in Original No.05/AC/UJN/2014-15 dated June 24, 2014 (“**OIO**”) before Commissioner (Appeals), Central Excise & Customs, Indore challenging the impugned OIO passed by Assistant Commissioner (CE&C), Division Ujjain, wherein the Company has been asked to pay a sum of Rs. 2,08,474 (Rupees Two Lakhs Eight Thousand Four Hundred Seventy Four) towards short duty paid on coal ash for the period from Jan 2012 to Nov 2012, along with penalty of Rs. 2,08,474 (Rupees Two Lakhs Eight Thousand Four Hundred Seventy Four) and interest as per applicable rate. The Appeal has been filed *inter-alia* praying that (i) OIO be set aside and the demand of duty together with interest and penalty be quashed; (ii) the Company be allowed full exemption from excise duty on coal



ash being a waste product pursuant to notification no. 89/95 – CE dated May 18, 1995; (iii) failing relief in prayer (ii) above the Company be allowed concessional duty on coal ash under Notification No. 1/2011-CE dated March 1, 2011 as amended, for impugned period January 2012 – November, 2012 as no CENVAT credit was actually taken or availed by the Company and (iv) the remaining demand under dispute after pre-deposit of Rs. 15,640 (Rupees Fifteen Thousand Six Hundred Forty only) made by Company under protest vide challan No. 50059 dated August 27, 2014 be stayed till final decision of the appeal. The matter is still pending for disposal.

**4. Other Pending Litigations**

NIL

**PART 3: LITIGATION RELATING TO OUR DIRECTORS**

**A. LITIGATION AGAINST OUR DIRECTORS**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL



## ***Avi Agri Business Limited***

### **(ii) Indirect Taxes Liabilities**

Please refer to the Part 5(B)(3)(ii) of this Chapter for litigation involving Mr. Praveen Kumar Vyas in the *Review petition bearing number 1/2015 arising out of WP no. 2576/2012 filed by Suraj Impex (India) Private Limited (“SIPL”)*.

### **4. Other Pending Litigations**

NIL

## **PART 4: LITIGATION RELATING TO OUR PROMOTERS**

### **A. LITIGATION AGAINST OUR PROMOTERS**

#### **1. Litigation Involving Criminal Laws**

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* (in Rs.)
1.	Income-tax	2	Unascertainable

*\*To the extent quantifiable*

#### **Notice dated September 18, 2015 issued to Excel Agri Business Private Limited (“EABPL”) for Assessment Year 2014-15**

EABPL has received a notice dated September 18, 2015 under Section 143(2) of the Income-tax Act, 1961 issued by the Assessing Officer, Indore for providing further information on the return of income submitted by the Company for the Assessment Year 2014- 2015. The matter is pending before the assessing officer for further proceeding.

#### **Notice bearing F.No. ACIT-2(1)/Ind/2015-16 dated February 2, 2016 issued to Excel Agri Business Private Limited (“EABPL”) for Assessment Year 2013-14.**

A notice bearing F.No. ACIT-2(1)/Ind/2015-16 dated February 2, 2016 (“**Notice**”) has been issued by Assistant Commissioner of Income Tax, Indore under Section 271(1)(b) of the Income-tax Act, 1961, to EABPL with regard to Assessment Year 2013-14, *inter-alia* seeking explanation for non-compliance of the questionnaire issued to EABPL vide notice dated November 24, 2015 issued under Section 142(1) of the Income-tax Act, 1961 and why the Assessing Officer should not levy the penalty for non compliance of Section 271(1)(b) of the Income-tax Act, 1961. EABPL has been asked to file a reply to the Notice by February 8, 2016. Vide its letter dated February 3, 2016, EABPL has filed its reply to the letter dated November 24, 2015.



**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR PROMOTERS**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**PART 5: LITIGATION RELATING TO OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1. Litigation involving Criminal Laws**

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* (in Rs.)
1.	Income-tax	3	Unascertainable

*\*To the extent quantifiable.*



**Notice dated September 18, 2015 issued to M/s Suresh D. Punj Salt and Storage Private Limited (“SDPSSPL”) for Assessment Year 2014-15**

A notice dated September 18, 2015 has been issued by the Assessing Officer, Gandhidham, under Section 143(2) of the Income-tax Act, 1961, to SDPSSPL with regard to Assessment Year 2014-15 for which additional information has been sought by the Income-tax department. The matter is still pending as on date.

**Notice dated August 31, 2015 issued to M/s Mahavir Trading Private Limited (“MTPL”) for Assessment Year 2014-15**

A notice dated August 31, 2015 has been issued by the Income-tax officer, Mumbai, under Section 143(2) of the Income-tax Act, 1961, to MTPL with regard to Assessment Year 2014-15 for which additional information has been sought by the Income-tax department. The matter is still pending as on date.

**Notice bearing number NoITO1(2)(3)/Notice u/s, 142(1) r.w.s129/2015-16 dated August 31, 2015 issued to M/s Mahavir Trading Private Limited (“MTPL”) for Assessment Year 2013-14**

A notice bearing number NoITO1(2)(3)/Notice u/s, 142(1) r.w.s129/2015-16 dated August 31, 2015 has been issued by the Income-tax officer, Mumbai under Section 143(2) and Section 142(1) of the Income-tax Act, 1961, to MTPL with regard to scrutiny assessment for Assessment Year 2013-14. The matter is still pending as on date.

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1. Litigation involving Criminal Laws**

NIL

**Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**2. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

Sr. No.	Type of Direct Tax	No. Of cases	Amount in dispute* (in Rs.)
1.	Income-tax	3	2,57,28,311

*\*To the extent quantifiable*

**I.T.A No. 24 of 2013 and 25 of 2013, being an appeal against the Order dated January 24, 2013 passed by the Income Tax Appellate Tribunal, Indore Bench in I.T.A No. 312 and 313/Ind/2012 for Assessment Years 2008-09 and 2007-08 respectively.**



SIPL has made appeals bearing number I.T.A No. 24 of 2013 and I.T.A number 25 of 2013 to the High Court of Madhya Pradesh (“**Hon’ble High Court**”), against the Order dated January 24, 2013 passed by the Income Tax Appellate Tribunal, Indore Bench (“**ITAT**”) in I.T.A No. 312 and 313/Ind/2012 (“**ITAT Orders**”) *inter-alia* pleading to set aside the impugned ITAT Orders . SIPL had obtained unsecured loans amounting to Rs. 2,82,00,000 (Rupees Two Crores Eighty Two Lakhs only) from 5 different entities in the Assessment Year 2007-08. The said loans were fully repaid by part prepayment in Assessment Year 2007-08 and partly in Assessment Year 2008-09 and balance in Assessment Year 2009-10. The Assessing Officer (“**AO**”) vide its order dated December 30, 2009 has made an addition/disallowed amount aggregating to Rs. 2,19,01,821/- on the ground that SIPL had obtained certain unsecured loans for which SIPL failed to discharge credit worthiness of all the parties from whom such loans were availed. Aggrieved by the order of the AO, SIPL preferred appeal to the Commissioner (Appeals) Income Tax, Indore. Vide an order dated March 30, 2012 bearing number IT-278/09-10/508 for the Assessment Year 2007-08 the Commissioner (Appeals) upheld the order of the AO and directed the AO to enhance the income of SIPL for unexplained and ingenuine loan of Rs. 55,00,000/- from Sundrop Securities Private Limited and further increase the income by interest paid/ payable on the same at Rs. 30,520/-. Being aggrieved by the order of the Commissioner (Appeals), SIPL filed an appeal before the ITAT. Subsequently, vide an order dated January 24, 2013 bearing number no. ITA 312 & 313/Ind/2012 for Assessment Year 2007-08 and 2008-09 the Income Tax Appellate Tribunal (“**ITAT**”) dismissed the appeals of SIPL. Aggrieved by the order of the ITAT, SIPL has preferred appeals to the Hon’ble High Court.

**Appeal dated September 16, 2013 before the Commissioner of Income Tax (Appeals).**

SIPL has filed an appeal dated September 16, 2013 (“**the said Appeal**”) before the Commissioner of Income Tax (Appeals), against the impugned order dated August 28, 2013 of Assistant Commissioner of Income Tax, Indore (“**AO**”) regarding Assessment Year 2008-09, wherein the AO has levied a penalty of Rs. 15,00,000/- on the ground that SIPL had deliberately furnished inaccurate particulars with the intention to evade tax.

**Appeal dated April 17, 2015 against the order dated March 20, 2015 of Assistant Commissioner of Income Tax, Indore regarding Assessment Year 2012-13, filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated April 17, 2015 (“**the said Appeal**”) before the Commissioner of Income Tax (Appeals), against the impugned order dated March 20, 2015 of Assistant Commissioner of Income Tax, Indore (“**AO**”) regarding Assessment Year 2012-13, wherein the AO has disallowed expenses amounting to Rs. 23,26,490/- (Rupees Twenty Three Lakhs Twenty Six Thousand Four Hundred Ninety only) (“**the Disputed Amount**”) comprising of brokerage expense of Rs. 11,82,040/- (Rupees Eleven Lakhs Eighty Two Thousand Forty only) and various expenses of Rs. 11,44,450/- (Rupees Eleven Lakhs Forty Four Thousand Four Hundred Fifty only). SIPL has filed the said Appeal *inter-alia* stating that the order passed by the AO is unjustified and the Disputed Amount should be allowed. The matter is pending as on date.

**(ii) Indirect Taxes Liabilities**

Sr. No.	Type of Indirect Tax	No. Of cases	Amount in dispute* (in Rs.)
1.	Central Excise, Customs and Service Tax	10	50,99,071/-

*\*To the extent quantifiable*

**Revision Application against Order in Appeal dated August 28, 2013 bearing No. NSK-EXCUS-000-APP-247-13-14 passed by the Learned Commissioner (Appeals) of Central Excise & Customs, Nashik**





SIPL has made a revision application dated November 29, 2013 bearing No. SIPL/DBK/APPEAL/001 (“**Revision Application**”) against Order in Appeal dated August 28, 2013 (“**Revised OIA**”) bearing No. NSK-EXCUS-000-APP-247-13-14 passed by the Learned Commissioner (Appeals) of Central Excise & Customs, Nashik *inter-alia* praying that the Drawback Claim of Rs. 14,44,484/- (Rupees Fourteen Lakhs Forty Four Thousand Four Hundred Eighty Four) (“**Claim Amount**”) may be granted to SIPL and the Impugned OIA may be reviewed and set aside.

SIPL received a Show Cause Notice dated July 20, 2010 bearing F. No. VIII(CUS) 159/DBK-148/2009 (“**SCN**”) *inter-alia* asking SIPL as to why SIPL’s application for grant of Drawback under Rule 6(1) of the Customs Central Excise Duties & Service Tax Drawback Rules, 1995 vide letter dated April 20, 2009 bearing no. SIPL/DBK/09-10/001 and letter dated April 8, 2009 bearing no. SIPL/DBK/08-09/020 for the Claim Amount should not be rejected. SIPL submitted their reply to the SCN. The Additional Commissioner of Central Excise & Customs passed the Order-in Original dated July 30, 2010 bearing No. 48/Addl./Tech/2010 (“**OIO**”) rejecting the SIPL’s claim. Aggrieved by the OIO, SIPL preferred an appeal before the Commissioner (Appeals). Vide an Order in Appeal dated December 16, 2010 bearing number AKP/316/NSK/2010 (“**OIA**”), the Commissioner (Appeals) confirmed the OIO. Aggrieved by the OIA, SIPL filed a revision application to Department of Revenue, Ministry of Finance. Vide an Order dated August 13, 2012 bearing number 340/12-Cus (“**Revision Order**”), the Joint Secretary to Government of India set aside the OIA and remanded the matter back to the Original Authority for *Denovo* consideration. Thereafter, SIPL once again appeared before the Additional Commissioner as directed in the Revision Order. Vide Order-in Original dated March 28, 2013 bearing No. 23/Addl./Adj./2013 (“**Revised OIO**”) the Additional Commissioner rejected the claims of SIPL. Aggrieved by the Revised OIO, SIPL preferred an appeal before the Commissioner (Appeals). Vide the Revised OIA, the Commissioner (Appeals) confirmed the Revised OIO. Aggrieved by the Revised OIA the Company has made a Revision Application to the Under Secretary, Department of Revenue. The matter is pending as on date.

**Review petition bearing number 1/2015 arising out of WP no. 2576/2012 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed a review petition bearing number 1/2015 through its Director Mr. Praveen Kumar Vyas arising out of WP no. 2576/2012 before the High Court of Madhya Pradesh, bench at Indore against Union of India, Central Board of Excise and Customs, the Commissioner of Customs and the Directorate General of Central Excise Intelligence. The Review Petition has been filed challenging the order dated November 11, 2014 passed by the Court wherein the Court had held that the notification dated September 17, 2010 with respect to duty drawback of Customs, Central Excise and Service Tax cannot be given retrospective effect whereas the petition was in relation to a clarificatory circular of even date. As on date the Review Petition is pending.

**Appeal against Order in Appeal No. IND-I/ 383/ 2010 dated November 18, 2010 forming part of consolidated Order in Appeal No. IND-I/383-388/2010 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated May 26, 2011 (“**the said Appeal**”) against the impugned Order in Appeal No. Ind-I/ 383/ 2010 dated November 18, 2010 (“**OIA**”) which forms a part of consolidated Order in Appeal No. Ind-I/383-388/2010, before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi (“**CESTAT**”) *inter-alia* praying for refund of service tax amounting to Rs. 81,434 (Rupees Eighty One Thousand Four Hundred Thirty Four only) (“**the said Claim Amount**”) along with interest at applicable rates.

According to SIPL, it was entitled to receive refund of Service Tax in terms of Notification No. 17/2009 dated July 7, 2009 on the services utilized during the relevant period for export of soybean meal or de-oiled cakes and maize (“**the Goods**”). Accordingly, it filed Service Tax refund claim amounting to Rs. 7,63,479/- (Rupees Seven Lakhs Sixty Three Thousand Four Hundred Seventy Nine only) for the period from July, 2009 to September, 2009 on January 25, 2010 towards service tax paid on the service utilized in relation to export of the Goods. Subsequently, the Assistant Commissioner, Service Tax, Division Indore passed Order in Original No. 03/09-10/AC/R(ST) dated April 12, 2010 (“**OIO**”) allowing partial refund of Rs. 6,82,045/- (Rupees Six Lakhs Eighty Two Thousand Forty Five only) and





disallowing the said Claim Amount. Aggrieved by the impugned OIO, SIPL filed an appeal before the Commissioner (Appeals), Indore which was rejected vide the OIA. Thus, SIPL has filed the said Appeal before CESTAT for refund of the said Claim Amount which has been disallowed vide the OIO and confirmed by OIA. The matter is still pending before CESTAT.

**Appeal against Order in Appeal No. IND-I/ 384/ 2010 dated November 18, 2010 forming part of consolidated Order in Appeal No. IND-I/383-388/2010 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated May 26, 2011 (“**the said Appeal**”) against the impugned Order in Appeal No. Ind-I/ 384/ 2010 dated November 18, 2010 (“**OIA**”) which forms a part of consolidated Order in Appeal No. Ind-I/383-388/2010, before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi (“**CESTAT**”) *inter-alia* praying for refund of service tax amounting to Rs. 43,386/- (Rupees Forty Three Thousand Three Hundred Eighty Six only) (“**the said Claim Amount**”) along with interest at applicable rates.

According to SIPL, it was entitled to receive refund of Service Tax in terms of Notification No. 17/2009 dated July 7, 2009 on the services utilized during the relevant period for export of soybean meal or de-oiled cakes and maize (“**the Goods**”). Accordingly, it filed Service Tax refund claim amounting to Rs. 6,48,345/- (Rupees Six Lakhs Forty Eight Thousand Three Hundred Forty Five only) for the period from October, 2009 to December, 2009 on April 12, 2010 towards service tax paid on the service utilized in relation to export of the Goods. Subsequently, the Assistant Commissioner, Service Tax, Division Indore passed Order in Original No. 09/09-10/AC/R(ST) dated April 30, 2010 (“**OIO**”) allowing partial refund of Rs. 6,04,959/- (Rupees Six Lakhs Four Thousand Nine Hundred Fifty Nine only) and disallowing the said Claim Amount. Aggrieved by the impugned OIO, SIPL filed an appeal before the Commissioner (Appeals), Indore which was rejected vide the OIA. Thus, SIPL has filed the said Appeal before CESTAT for refund of the said Claim Amount which has been disallowed vide the OIO and confirmed by OIA. The matter is still pending before CESTAT.

**Appeal against Order in Appeal No. IND-I/ 385/ 2010 dated November 18, 2010 forming part of consolidated Order in Appeal No. IND-I/383-388/2010 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated May 26, 2011 (“**the said Appeal**”) against the impugned Order in Appeal No. Ind-I/ 385/ 2010 dated November 18, 2010 (“**OIA**”) which forms a part of consolidated Order in Appeal No. Ind-I/383-388/2010, before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi (“**CESTAT**”) *inter-alia* praying for refund of service tax amounting to Rs. 1,05,301/- (Rupees One Lakh Five Thousand Three Hundred One only) (“**the said Claim Amount**”) along with interest at applicable rates.

According to SIPL, it was entitled to receive refund of Service Tax in terms of Notification No. 41/2007 dated October 6, 2007 and Notification No. 17/2008 dated April 1, 2008 on the services utilized during the relevant period for export of soybean meal or de-oiled cakes and maize (“**the goods**”). Accordingly, it filed Service Tax refund claim amounting to Rs. 4,80,447/- (Rupees Four Lakhs Eighty Thousand Four Hundred Forty Seven only) for the period from October, 2008 to December, 2008 on June 26, 2009 towards service tax paid on the service utilized in relation to export of the goods. Subsequently, the Assistant Commissioner, Service Tax, Division Indore passed Order in Original No. 02/09-10/AC/R(ST) dated April 12, 2010 (“**OIO**”) allowing partial refund of Rs. 3,75,146/- (Rupees Three Lakhs Seventy Five Thousand One Hundred Forty Six only) and disallowing the said Claim Amount. Aggrieved by the impugned OIO, SIPL filed an appeal before the Commissioner (Appeals), Indore which was rejected vide the OIA. Thus, SIPL has filed the said Appeal before CESTAT for refund of the said Claim Amount which has been disallowed vide the OIO and confirmed by OIA. The matter is still pending before CESTAT.

**Appeal against Order in Appeal No. IND-I/ 386/ 2010 dated November 18, 2010 forming part of consolidated Order in Appeal No. IND-I/383-388/2010 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated May 26, 2011 (“**the said Appeal**”) against the impugned Order in Appeal No. Ind-I/ 386/ 2010 dated November 18, 2010 (“**OIA**”) which forms a part of consolidated Order in Appeal No. Ind-I/383-388/2010, before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi (“**CESTAT**”) *inter-alia* praying for refund of



service tax amounting to Rs. 18,67,432/- (Rupees Eighteen Lakhs Sixty seven Thousand Four Hundred Thirty Two only) (“**the said Claim Amount**”) along with interest at applicable rates.

According to SIPL, it was entitled to receive refund of Service Tax in terms of Notification No. 41/2007 dated October 6, 2007 on the services utilized during the relevant period for export of soybean meal or de-oiled cakes and maize (“**the goods**”). Accordingly, it filed Service Tax refund claim amounting to Rs. 21,98,812/- (Rupees Twenty One Lakhs Ninety Eight Thousand Eight Hundred Twelve only) for the period from October, 2008 to December, 2008 on June 26, 2009 towards service tax paid on the service utilized in relation to export of the goods. Subsequently, the Assistant Commissioner, Service Tax, Division Indore passed Order in Original No. 07/09-10/AC/R(ST) dated April 26, 2010 (“**OIO**”) allowing partial refund of Rs. 3,31,470/- (Rupees Three Lakhs Thirty One Thousand Four Hundred Seventy only) and disallowing the said Claim Amount. Aggrieved by the impugned OIO, SIPL filed an appeal before the Commissioner (Appeals), Indore which was rejected vide the OIA. Thus, SIPL has filed the said Appeal before CESTAT for refund of the said Claim Amount which has been disallowed vide the OIO and confirmed by OIA. The matter is still pending before CESTAT.

**Appeal against Order in Appeal No. IND-I/ 387/ 2010 dated November 18, 2010 forming part of consolidated Order in Appeal No. IND-I/383-388/2010 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated May 26, 2011 (“**the said Appeal**”) against the impugned Order in Appeal No. Ind-I/ 387/ 2010 dated November 18, 2010 (“**OIA**”) which forms a part of consolidated Order in Appeal No. Ind-I/383-388/2010, before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi (“**CESTAT**”) *inter-alia* praying for refund of service tax amounting to Rs. 6,18,118/- (Rupees Six Lakhs Eighteen Thousand One Hundred Eighteen only) (“**the said Claim Amount**”) along with interest at applicable rates.

According to SIPL, it was entitled to receive refund of Service Tax in terms of Notification No. 41/2007 dated October 6, 2007 on the services utilized during the relevant period for export of soybean meal or de-oiled cakes and maize (“**the goods**”). Accordingly, it filed Service Tax refund claim amounting to Rs. 11,40,741/- (Rupees Eleven Lakhs Forty Thousand Seven Hundred Forty One only) for the period from January, 2009 to March, 2009 on September 2, 2009, which was subsequently revised to Rs. 10,13,798/- (Rupees Ten Lakhs Thirteen Thousand Seven Hundred Ninety Eight only) towards service tax paid on the service utilized in relation to export of the goods. Subsequently, the Assistant Commissioner, Service Tax, Division Indore passed Order in Original No. 08/09-10/AC/R(ST) dated April 28, 2010 (“**OIO**”) allowing partial refund of Rs. 3,95,680/- (Rupees Three Lakhs Ninety Five Thousand Six Hundred Eighty only) and disallowing the said Claim Amount. Aggrieved by the impugned OIO, SIPL filed an appeal before the Commissioner (Appeals), Indore which was rejected vide the OIA. Thus, SIPL has filed the said Appeal before CESTAT for refund of the said Claim Amount which has been disallowed vide the OIO and confirmed by OIA. The matter is still pending before CESTAT.

**Appeal against Order in Appeal No. IND-I/ 388/ 2010 dated November 18, 2010 forming part of consolidated Order in Appeal No. IND-I/383-388/2010 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated May 26, 2011 (“**the said Appeal**”) against the impugned Order in Appeal No. Ind-I/ 388/ 2010 dated November 18, 2010 (“**OIA**”) which forms a part of consolidated Order in Appeal No. Ind-I/383-388/2010, before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi (“**CESTAT**”) *inter-alia* praying for refund of service tax amounting to Rs. 6,04,188/- (Rupees Six Lakhs Four Thousand One Hundred Eighty Eight only) (“**the said Claim Amount**”) along with interest at applicable rates.

According to SIPL, it was entitled to receive refund of Service Tax in terms of Notification No. 41/2007 dated October 6, 2007 on the services utilized during the relevant period for export of soybean meal or de-oiled cakes and maize (“**the goods**”). Accordingly, it filed Service Tax refund claim amounting to Rs. 8,62,394/- (Rupees Eight Lakhs Sixty Two Thousand Three Hundred Ninety Four only) for the period from April, 2009 to June, 2009 on November 23, 2009 towards service tax paid on the service utilized in relation to export of the goods. Subsequently, the Assistant Commissioner, Service Tax, Division Indore passed Order in Original No. 11/09-10/AC/R(ST) dated April 30, 2010 (“**OIO**”) allowing partial refund of Rs. 2,58,206/- (Rupees Two Lakhs Fifty Thousand Two Hundred Six only) and disallowing the said Claim Amount. Aggrieved by the impugned OIO, SIPL filed an appeal before the Commissioner (Appeals), Indore which



was rejected vide the OIA. Thus, SIPL has filed the said Appeal before CESTAT for refund of the said Claim Amount which has been disallowed vide the OIO and confirmed by OIA. The matter is still pending before CESTAT.

**Appeal against Order in Appeal No. IND-I/ 085/ 2010 dated March 30, 2010 filed by Suraj Impex (India) Private Limited (“SIPL”)**

SIPL has filed an appeal dated June 28, 2010 (“**the said Appeal**”) against the impugned Order in Appeal No. IND-I/ 085/ 2010 dated March 30, 2010 (“**OIA**”) before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi (“**CESTAT**”) *inter-alia* praying for refund of service tax amounting to Rs. 3,34,728 (Rupees Three Lakhs Thirty Four Thousand Seven Hundred Twenty Eight only), comprising of Rs. 3,21,964/- (Rupees Three Lakhs Twenty One Thousand Nine Hundred Sixty Four only) on commission paid to overseas agents and Rs. 12,764/- (Twelve Thousand Seven Hundred Sixty Four only) towards service tax on bank charges incurred on processing of export documents in relation to collection of export bills along with interest at applicable rates.

According to SIPL, it was entitled to receive refund of Service Tax in terms of Notification No. 41/2007 dated October 6, 2007 and Notification No. 17/2008 dated April 1, 2008 on the services utilized during the relevant period for export of soybean de-oiled cakes and other agricultural commodities (“**the Goods**”). Accordingly, it filed Service Tax refund claim amounting to Rs. 6,80,994/- (Rupees Six Lakhs Eighty Thousand Nine Hundred Ninety Four only) for the period from April 1, 2008 to September 30, 2008 on March 30, 2009 towards service tax paid on the service utilized in relation to export of the Goods. Subsequently, a Show Cause Notice dated May 21, 2009 bearing F. No. V(ST)18-90/08-09/C-I/5418 (“**the SCN**”) was issued by the Assistant Commissioner, Service Tax, Division Indore, (“**Assistant Commissioner**”) to SIPL, to show cause as to why the claim of refund of service tax amounting to Rs.6,80,994/- (Rupees Six Lakhs Eighty Thousand Nine Hundred Ninety Four only), on foreign agents commission under the Notification No. 17/2008 dated April 1, 2008 should not be rejected. Vide its letter dated June 16, 2009, SIPL replied to the SCN *inter-alia* denying all the allegations stated in the SCN. Subsequently, the Assistant Commissioner, passed Order in Original No. 69/09-10/AC/R(ST) dated November 11, 2009 (“**OIO**”) rejecting the entire claim of Rs.6,80,994/- (Rupees Six Lakhs Eighty Thousand Nine Hundred Ninety Four only). Aggrieved by the impugned OIO, SIPL filed an appeal before the Commissioner (Appeals), Indore for refund of service tax amounting to Rs.6,80,994/- (Rupees Six Lakhs Eighty Thousand Nine Hundred Ninety Four only), which was rejected vide the OIA. Thus, eventually SIPL revised its claim to Rs. 3,34,728 (Rupees Three Lakhs Thirty Four Thousand Seven Hundred Twenty Eight only) pursuant to Notification No. 17/2008 dated April 1, 2008 taking into account only the commission on exports made after April 1, 2008, and filed the said Appeal before CESTAT. As on date the Appeal is pending.

**Appeal No. 51 of 2014 (V)CH dated March 3, 2014 before the Commissioner (Appeals), Customs and Central Excise, Customs House, Visakhapatnam (“Appeal”) filed by Suraj Impex (India) Private Limited (“SIPL”)**

A Show Cause Notice dated November 11, 2011 (“**SCN**”) was issued by DGCEI, RU, Indore alleging that SIPL, being the Appellant in the instant case, had purchased SBM (DOC) for export from certain Madhya Pradesh based manufacturer who had claimed central excise rebate under Rule 18 or procured excise duty free inputs under Rule 19 (2) of Central Excise Rules, 2002 and therefore SIPL was not entitled to claim any AIR duty draw back from Visakhapatnam Customs even for Customs portion in relation to export of said SBM (DOC). The SCN was adjudicated by Addl. Commissioner of Customs, Visakhapatnam who found that the said SBM (DOC) exported by Suraj from Vizag port was in fact procured from Maharashtra-based manufacturer and not from Madhya Pradesh based manufacturers. The SBM (DOC) purchased from Madhya Pradesh based manufacturers was exported from Kandla port therefore question of availing Duty Drawback from Vizag Customs in relation thereto does not arise. The Adjudicating Authority *inter-alia* dropped the charges that SBM/DOC exported by SIPL *through Vizag Port was manufactured by availing the benefit under Rule 19(2) by the co-noticees in as much as the same was proved to have been exported through Kandla Port.*

Out of utmost precaution, the Appeal has been filed by Appellant SIPL challenging the Order in Original No. 01/2014 dated January 6, 2014 bearing Reference No. F.No.S23/DBK/363/2011-AP issued by the Additional Commissioner of Customs, Visakhapatnam to SIPL (“**OIO**”) wherein the Additional Commissioner of Customs, Visakhapatnam *inter-alia* made a finding that the benefit of AIR drawback to Soya Bean Meal (“**SBM**”) and De-Oiled Cake (“**DOC**”) is not



available if the same are manufactured availing the benefit under Rules 18 or 19(2) of the Central Excise Rules, 2002 and directed the AC (DBK) of Custom House, Vizag to initiate an inquiry into the supplies made by the manufacturers to verify whether SBM and DOC manufactured by them and exported by SIPL was manufactured by availing the benefit under Rules 18 or 19(2) of the Central Excise Rules, 2002 and to initiate suitable remedial action to recover the drawback amount with interest, if required. The Appeal has been filed by SIPL on the grounds *inter-alia* stating that the AIR drawback was towards the customs component whereas the benefit under Rules 18 or 19(2) of the Central Excise Rules, 2002 was towards the Central Excise component. The AIR duty drawback on export of SBM falling under Chapter 23 of the Central Excise Tariff Act, 1985 in terms of the Customs Notification No. 81/2006 dated July 13, 2007 and continued by yearly Notifications issued by the Central Board of Excise and Customs, Government of India (“CBEC”) thereafter pertain to the customs component only since the rate of drawback is uniform at 1% whether CENVAT has been availed of or not. As there is no excise duty payable on manufacture of SBM (DOC), question of claiming any CENVAT of Central Excise duty on such finished goods exported does not arise. Hence, the contention of the Adjudicating Authority in the OIO that Central Excise benefit under Rules 18 or 19(2) of the Central Excise Rules, 2002 on one hand and AIR drawback towards customs portion on the other hand in relation to the export of SBM( DOC) amounts to double benefit is incorrect and contrary to clarification issued by the CBEC vide Circular No. 35/2010 dated September 17, 2010 which provides that both the benefits namely AIR drawback @ 1% towards customs portion and central excise rebate / exemption under Rule 19(2) of Central Excise Rules, 2002 are simultaneously available. SIPL in the Appeal therefore *inter-alia* prayed that the OIO be set aside holding that there is no double benefit arising in the instant case and the initiation of inquiry by the AC (DBK) also be rejected. The matter is pending as on date. No cross objections have been filed by the Respondent so far.

Being partly aggrieved by the above OIO, a cross appeal has also been filed by Assistant Commissioner, Vizag, praying that the Commissioner Appeals be pleased to pass an order or such further orders as it may deem fit and proper against which the Appellant Suraj has already filed their cross objections. This appeal is also pending.

#### **Other Pending Litigations**

##### **Arbitral Award dated June 25, 2011 bearing Ref: SOPA/ARBIT/180/2005**

Vide an Arbitral Award dated June 25, 2011 bearing Ref: SOPA/ARBIT/180/2005 (“Award”) passed by the Arbitral Tribunal in accordance with the rules laid down by Arbitral Institution- The Soyabean Processors of India, Indore (“Arbitral Tribunal”), concluded that Betul, Oils & Flours Limited (“Betul”) (the Respondents in the instant case) had failed to re-tender 472 tons of cargo to SIPL (being the Claimants in the instant case) and as a consequence breached the contract dated June 26, 2004 bearing number VE/1026/2004-05 entered in to between SIPL and Betul. The Arbitral Tribunal awarded an amount of Rs. 5,19,200 (Rupees Five Lakhs Nineteen Thousand Two Hundred only) (“Gross Amount”) in favour of SIPL against Betul. The Arbitral Tribunal adjusted Rs. 3,70,376/- (Rupees Three Lakhs Seventy Thousand Three Hundred Seventy Six only) from the Gross Amount towards the supply of 27.640 tons of cargo under Invoice No. 4 dated July 6, 2004 raised by Betul and admitted by SIPL. Thus, after the due adjustment, the net amount of Rs. 1,48,824/- (Rupees One Lakh Forty Eight Thousand Eight Hundred Twenty Four only) (“Net Amount”) was payable by Betul to SIPL within 30 days from the date of award, failing which the simple interest at the rate of 10% shall also be payable on the Net Amount from the last day before which the payment must be made as per the Award till the date of payment. SIPL has filed an application dated April 25, 2012 before the Court of VIIth Additional District Judge, Indore for execution of Award *inter-alia* pleading that the total amount of Rs. 1,61,249/- (Rupees One Lakh Sixty One Thousand Two Hundred Forty Nine only) comprising of the Net Amount, interest on the Net Amount and other costs be granted to SIPL.



**PART 6: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding, 5% of our Company's consolidate trade payables as per the last audited financial statements, to small scale undertakings and other creditors as material dues for our Company.

As on September 30, 2015, there are 4 creditors to each of whom our Company owes amounts exceeding 5% of our Company's consolidate trade payables and the aggregate outstanding dues to them being approximately Rs. 47,82,421 (Rupees Forty Seven Lakhs Eighty Two Thousand Four Hundred Twenty).

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished.

Therefore, as on September 30, 2015, our Company owes amounts aggregating to Rs. 1,01,94,193/- (Rupees One Crore One Lakh Ninety Four Thousand One Hundred Ninety Three only) approximately towards 75 creditors, which may or may not include small scale undertakings.

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.avgroup.co](http://www.avgroup.co)

**PART 7: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*", there have been no material developments that have occurred after the Last Balance Sheet Date.





## **GOVERNMENT AND OTHER APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by us for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government 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 view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those 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 February 11, 2016 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on February 16, 2016 authorized the Issue.
3. In-principle approval dated [●] from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. The International Securities Identification Number (ISIN) is [●]

### **Approvals pertaining to Incorporation, name and constitution of the company**

1. Certificate of Incorporation dated March 23, 2009 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior, in the name of “Avi Agri Business Private Limited”.
2. A fresh Certificate of Incorporation consequent upon change of name from “Avi Agri Business Private Limited” to “Avi Agri Business Limited” was issued on February 10, 2016 by the Registrar of Companies, Madhya Pradesh, Gwalior.
3. The Fresh Corporate Identity Number (CIN) of the Company consequent upon conversion of the Company to a public Company is U15311MP2009PLC021753.

## **I. GENERAL APPROVALS**

The Company has obtained Certificate of Registration No. C/90296 under the Madhya Pradesh Shops and Establishments Act, 1958 for its corporate office located at 4<sup>th</sup> Floor Saket Tower, 3-A Ratlam Kothi, Indore, Madhya Pradesh, India. The Certificate was issued on July 22, 2014 and is valid until December 31, 2018.

## **II. TAX RELATED APPROVALS**

<b>i. General</b>					
<b>Sr. No.</b>	<b>Description</b>	<b>Issuing Authority</b>	<b>Registration Number</b>	<b>Date of Issue</b>	<b>Date of Expiry</b>
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India.	AAHCA6168M	-	Valid until cancelled



## Avi Agri Business Limited

2.	Tax Deduction Account Number (TAN).	Income Tax Department Government of India	BPLA04716F	-	Valid until cancelled
3.	Certificate of Registration issued under Service Tax Code under From ST-2	Central Board of Excise and Customs, Ministry of Finance – Department of Revenue	AAHCA6168MSD001	February 27, 2013 *	Till the business is discontinued

\* Amended Certificate Issued In Lieu of the Original Certificate Dated July 22, 2011.

ii. Value Added Tax					
Sr. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Certificate of Registration	Government of Madhya Pradesh, Commercial Tax Department	TIN – 23510905471	March 24, 2009	Valid until cancelled

iii. Central Excise					
Sr. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Central Excise Registration Certificate	Assistant Commissioner of Central Excise, Madhya Pradesh	AAHCA6168MXM001	December 31, 2009	Valid till registrant carries activity for which it has been issued or surrendered, revoked or suspended

iv. Professional Tax					
Sr. No.	Description	Authority	Registration Number	Registration Date	Date Expiry of
1.	Professional Tax Circle Indore	Commercial Tax Department	78490903847 (PPT for Company) 79980900845(EPT for Employee)	September 07, 2009	Valid until cancelled

*\*Our Company has made an application on February 16, 2016 to the Assistant Commissioner, Indore informing him about the change in name of the Company from Avi Agri Business Private Limited to Avi Agri Business Limited post conversion from public to private on February 10, 2016. Further, we have also requested him to provide us with a duplicate copy of the registration certificate as the original has been misplaced.*

### III. LABOUR RELATED APPROVALS/ REGISTRATIONS

The Company has obtained the following approvals related to Labour/employment related registrations:



Sr. No	Authority/ Description	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	License to work a Factory issued under Madhya Pradesh Factories Rules, 1962.	15/13960/UJN/2M(1)	Chief Inspector of Factories, Madhya Pradesh	November 26, 2014	Renewed upto December 31, 2016
2.	Certificate of registration under Contract Labour (Regulation and Abolition) Act, 1970	177-UJN-09	Registering Officer, Ujjain	July 04, 2009	Valid Until Cancelled
3.	Registration under Employees Provident Funds & Miscellaneous Provisions Act, 1952	Code:- MP/UJN/14989/ 317	Assistant Provident Fund Commissioner, Ujjain, Madhya Pradesh	May 12, 2010	Valid until cancelled

#### IV. PROJECT RELATED APPROVALS

The Company has obtained the following approvals for the purposes of its project:

Sr. No:	Description	Registration/Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate for use of Boiler No. MP/4895	PD/99/2015	Director of Boilers under Madhya Pradesh Boiler Inspection Department	July 15, 2015 <i>Effective Date:</i> July 14, 2015	July 09, 2016
2.	Licence to Import and Store Petroleum in Installation (Petroleum Class "A")	P/HQ/MP/15/2818(P236 836)	Joint Chief Controller of Explosives, Ministry of Commerce and Industry, Government of India	March 24, 2010 <i>Renewal Date:</i> May 02, 2012	December 31, 2017
3.	Licence to Import and Store Petroleum in Installation (Petroleum Class "B")	P/HQ/MP/15/2819(P236 834)	Joint Chief Controller of Explosives, Ministry of Commerce and Industry, Government of India	March 24, 2010 <i>Renewal Date:</i> May 02, 2012	December 31, 2017
4.	Kosher certificate under Kosher Inspection Service, India	Registration No.404	Kosher Inspection Service, India	September 01, 2015	August 31, 2016
5.	Licence under the Madhya Pradesh Krishi Upaj Mandi Adhiniyam, 1972	001133	Secretary, Agricultural Produce Market Committee, Ujjain, Madhya Pradesh	October 10, 2013	March 31, 2018
6.	Licence under the Madhya Pradesh Krishi Upaj Mandi Adhiniyam, 1972	000920	Secretary, Agricultural Produce Market	October 14, 2009	Renewed upto March 31, 2019





Sr. No:	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
			Committee, Ujjain, Madhya Pradesh	<i>Renewed Date:</i> March 31, 2014	
7.	Certificate of Registration under rule 27 the Legal Metrology (Packaged commodities) Rules, 2011	Ujjain/MP/01/12	Assistant Controller, Legal Metrology (Weights And Measures), Ujjain, Madhya Pradesh	April 28, 2012	Valid until cancelled
8.	Licence under the Madhya Pradesh Solvent, Raffinate Slop (Licensing and Control), Rules, 2000	01/2010	District Supply Controller	April 09, 2010	Renewed upto December 31, 2016
9.	Certificate of membership with the Madhya Pradesh Waste Management Project	Membership No. MPWMP-Hzw-UJN-385	Madhya Pradesh Waste Management Project (Division of Ramky Enviro Engineers Ltd.)	March 20, 2014	March 31, 2016
10.	Certificate of Registration as User of Solvent Extracted Oil under the Solvent extracted Oil, De-Oiled Meal and Edible Flour (Control) Order, 1967	RU/Edible/1308	Chief Director, Vegetable Oil Products Controller of India	February 19, 2010	N/A
11.	Certificate of Registration certifying compliance with ISO 9001:2008, in respect of Marketing of Solvent Extraction Oil, Refined Oil, De-Oiled Cakes, Lecithin, Soya Deodorizer Distillate, Soya Flour & Soya Grits.	IND15.4011U	General Manager, Certification South Asian Region, UKAS Management Systems	Certification Cycle start date : February 28, 2015  Original Certification date: February 28, 2012	February 27, 2018
12.	Certificate of Registration certifying compliance with ISO 22000:2005, in respect of manufacture of Soya Lecithin, Hipro Soya Meal, Soya Flour, Soya Grits, Soya De-oiled Cake, and Soya Refined Oil (Bulk and Consumer Packs)	IND13.9088U	Director, UKAS Management Systems	Certification Cycle start date : August 26, 2013  Original Certification date: August 26, 2013	August 25, 2016
13.	Registration certificate under Halal Committee, Jamiat Ulama-E-Maharashtra	18/10/0603/428/16/0911 /454/2	General Secretary, Halal Committee, Jamiat Ulama-E-Maharashtra Mumbai	September 05, 2015  <i>Effective date:</i> August 25,	August 24, 2016



## Avi Agri Business Limited

Sr. No:	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
				2015	
14.	License and Registration under Food Safety and Standards Act, 2006	10012026000206	Designated Officer, Food Safety & Standards Authority of India	September 05, 2014 <i>Date of Issue:</i> June 15, 2012	January 31, 2018
15.	Certificate under Non-GMO Standard for Traceability and Identity Preservation issued by CERT ID Europe Ltd.	2457084 950-4	Certification Manager, CERT ID Europe Ltd.	March 09, 2015	May 23, 2016
16.	Certificate of Verification	6582	Inspector, Weights and Measures Department	December 16, 2014	December 16, 2016, in respect of weights.
17.	Certificate of Verification	4431	Inspector, Weights and Measures Department	November 27, 2015	November 26, 2016
18.	Sanction for additional power to the extent of 1500KVA under Madhya Pradesh Pashchim Kshetra Vidhyut Vitaran Co. Ltd. (MPPKVVCL)	14351-52	Executive Engineer (O&M), MPPKVVCL, Ujjain	September 28, 2012	N/A
19.	No Objection Certificate (NOC) under Madhya Pradesh Land Revenue Code, 1959, granting permission for use of agricultural land for commercial purpose	42/A-2/2008-2009	Sub-divisional Officer, Ujjain	May 02, 2009	N/A
20.	No Objection Certificate (NOC) under Madhya Pradesh Land Revenue Code, 1959, granting permission for use of agricultural land for commercial purpose	41/A-2/2008-2009	Sub-divisional Officer, Ujjain	May 02, 2009	N/A



Sr. No:	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
21.	No Objection Certificate (NOC) under Madhya Pradesh Land Revenue Code, 1959, granting permission for use of agricultural land for commercial purpose	43/A-2/2008-2009	Sub-divisional Officer, Ujjain	May 02, 2009	N/A
22.	No Objection Certificate (NOC) under Madhya Pradesh Land Revenue Code, 1959, granting permission for use of agricultural land for commercial purpose	40/A-2/2008-2009	Sub-divisional Officer, Ujjain	May 02, 2009	N/A

#### **V. ENVIRONMENT RELATED APPROVALS**

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permission to establish under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	Superintending Engineer (III) and Member Secretary, Madhya Pradesh Control Board	6742/TS/MPPCB/2009	July 15, 2009	N/A
2.	Permission to establish for expansion under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	Executive Engineer and Member Secretary, Madhya Pradesh Pollution Control Board	8936/TS/MPPCB/2011	November 04, 2011	N/A
3.	Renewal of Consent and Authorisation under section 25 of Water (Prevention and Control of Pollution) Act, 1974, section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorisation under Hazardous Wastes (Management, Handling & Trans Boundary Movement) Rules, 2008	Member Secretary, Madhya Pradesh Pollution Control Board	8498/TS/MPPCB/2013	March 01, 2015	February 29, 2020
4.	Renewal of Consent and Authorisation under section 25 of Water (Prevention and Control of Pollution) Act, 1974, section 21 of the Air (Prevention and Control of Pollution) Act,	Member Secretary, Madhya Pradesh Pollution Control Board	AWH-44509	July 02, 2015	June 02, 2020



Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	1981 and Authorisation under Hazardous Wastes (Management, Handling & Trans Boundary Movement) Rules, 2008				

## **VI. IMPORT EXPORT RELATED APPROVAL**

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Govt. of India	IEC No.: 1109000588	April 29, 2009	NA

## **EPCG LICENCES**

	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
1.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000781/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 14,41,391.00/- iv. Export obligation worth US\$ 131,533.77/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 131,533.77/- Import items include various types of Control Valves of different sizes and specifications and Self Op. Pressure Controllers of different sizes and specifications.	September 23, 2015	September 22, 2021 (Export obligation period: 6 (six) years)
2.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000462/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 2,14,444.00/- Export obligation worth US\$ 20,455.70/- iv. Export obligation completed: NIL v. Balance export obligation to be completed: US\$ 20,455.70/-	January 31, 2014	January 30, 2020 (Export obligation period: 6 (six) years)



	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
		vi. Import items: Oil Seeds Dehulling Line along with its accessories		
3.	Office of Jt. Director General of Foreign Trade, Bhopal	i. Licence No.: 1130002301/3/11/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 21,26,716.00/- iv. Export obligation worth US\$ 254,950.96/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 254,950.96/- vii. Import items: Decanter along with its parts and accessories	November 9, 2011	November 8, 2023  Export obligation period: 12 (twelve) years
4.	Office of Jt. Director General of Foreign Trade, Bhopal	i. Licence No.: 1130002374/3/11/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 23,42,739.00/- iv. Export obligation worth US\$ 263,970.59/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 263,970.59/- vii. Import items: Decanter along with its parts and accessories	January 30, 2012	January 29, 2024  Export obligation period: 12 (twelve) years
5.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000732/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 19,04,712.00/- iv. Export obligation worth US\$ 177,733.62/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 177,733.62/- vii. Import items include various types of Single-Stage End-Suction Pumps, Single-Stage Pumping Units and Single-Resp. Double-Stage Pumping Units.	June 17, 2015	June 16, 2021  (Export obligation period: 6 (six) years)



	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
6.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000727/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 9,48,073/- iv. Export obligation worth US\$ 90,364.38/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 90,364.38/- vii. Import items: 3 Liquid distributors for distillation, along with accessories for Soya Lecithin Powder Factory (Semi Knocked Down Condition).	June 2, 2015	June 1, 2021  Export obligation period: 6 (six) years
7.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000743/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 6,40,908/- iv. Export obligation worth US\$ 59,573.16/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 59,573.16/- vii. Import items: Finned Tube Heat Exchanger with different specification.	July 8, 2015	July 7, 2021  Export obligation period: 6 (six) years
8.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000780/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 15,78,655/- iv. Export obligation worth US\$ 144,059.77/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 144,059.77/- vii. Import items inter-alia includes various types of Thermometers of different specifications, Head Transmitter of different specifications. Along with other items.	September 23, 2015	September 22, 2021  Export obligation period: 6 (six) years
9.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000782/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 839,452/- iv. FOB Value: Rs. 50,36,712/- v. Export obligation worth US\$ 76,603.98/-	September 23, 2015	September 22, 2021  Export obligation period: 6 (six) years



	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
		vi. Export obligation completed: NIL vii. Balance export obligation to be completed: US\$ 76,603.98/- viii. Import items: Atlas Copco Screw Air Compressor.		
10.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000783/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 9,07,544/- iv. Export obligation worth US\$ 82,817.70/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 82,817.70/- vii. Import items inter-alia includes LDA-WF(WF)-80-IIB3-IND, EF/V-50IIB3-IND, DA/E-50IIA-P1.2-IND, DR/ES-40-IIA-P1.2-IND, DV/ZW-80 and ZM-R-25S-FD-P1045/C of various sizes and description.	September 30, 2015	September 29, 2021  Export obligation period: 6 (six) years
11.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000788/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 1,64,028/ iv. Export obligation worth US\$ 14,678.12/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 14,678.12/- vii. Import items inter-alia includes 65I-30AB1AD2DAAACB –t-mass651, 65I-30AB1AD2DAAACB t-mass651, 65F50-AE4AG2BAAABB t-mass65F50, DN502”.	October 9, 2015	October 8, 2021  (Export obligation period: 6 (six) years)
12.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000789/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 3,61,039/- iv. Export obligation worth US\$ 32,307.74/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 32,307.74/- vii. Import items inter-alia includes machineries enlisted in the item list dated October, 10,	October 9, 2015	October 8, 2021 (Export obligation period: 6 (six) years)



	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
		2015 attached to the Income/ Export Licence.		
13.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000796/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 13,63,002/- iv. Export obligation worth US\$ 121,968.85/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 121,968.85/- vii. Import items inter-alia includes Filter, Connector and other items of various sizes and description.	October 19, 2015;  <i>The Licence has been amended to vide Licence Amendment Sheet dated November 6, 2015.</i>	October 18, 2021 (Export obligation period: 6 (six) years)
14.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000835/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 5,48,357/- iv. Export obligation completed: NIL v. Export obligation worth US\$ 49,327.46/- vi. Balance export obligation to be completed: US\$ 49,327.46/- vii. Import items include Pneumatic Diaphragm Valve with different sizes specifications and Manual Diaphragm Valve with different sizes specifications.	December 3, 2015	December 2, 2021  (Export obligation period: 6 (six) years)
15.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000177/3/11/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: NIL <i>Vide an Amendment Sheet No. 01 dated November 8, 2012 bearing File No. 56/21/021/00141/AM13 the licence has been amended to the effect that total duty saved has been reduced to NIL from Rs. 7,56,374</i> iv. Export obligation worth US\$ 114,493.69/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 114,493.69/-	November 8, 2012	November 7, 2020  (Export obligation period: 8 (eight) years)





	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
		vii. Import items include ACM-100 IN CI/MS CONSTRUCTION.		
16.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000145/3/11/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 1,29,22,733/- <i>Vide an Amendment Sheet No. 01 dated September 24, 2012 bearing File No. 56/21/021/00141/AM13 the licence has been amended to the effect that total duty saved has been reduced to NIL from Rs. 1,29,22,733/-</i> iv. Export obligation worth US\$ 1,839,534.94/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 1,839,534.94/- vii. Import items : Items listed in Item List dated September 24, 2012	September 24, 2012	September 23, 2020  (Export obligation period: 8 (eight) years)
17.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000730/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 3,57,573/- iv. Export obligation worth US\$ 33,366.06/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 33,366.06/- vii. Import items: Dynamic Shearpump Mixer along with accessories for Soya Lecithin Powder Factory.	June 16, 2015	June 15, 2021 (Export obligation period: 6 (six) years)
18.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000681/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 1,20,63,283/- iv. Export obligation worth US\$ 1,161,792.90/- \	April 9, 2015	April 8, 2021  (Export obligation period: 6 (six) years)



	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
		v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 1,161,792.90/- vii. Import items inter-alia includes Exhaust Air Scrubbers, Rectification Column, Stripping Column, Vessels, Reboiler, Condenser Distillation, Falling Film Evaporator of different specifications and sizes.		years)
19.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000601/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 439,040.00/- iv. Export obligation worth US\$ 21,226.75/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 21,226.75/- vii. Import items include Parts and Spares for Centrifuges (Separators) of different specifications.	December 1, 2014	November 30, 2020  (Export obligation period: 6 (six) years)
20.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000544/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 6,20,17,296.00/- iv. Export obligation worth US\$ 6,191,410.58/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 6,191,410.58/- vii. Import items include various Peroxide Treatment (Lecithin Storage) along with accessories, Granulator along with accessories, Desolventizing with Nitrogen along with accessories, Mill along with accessories, Packing Line along with accessories, and Refrigeration Plant along with accessories.	June 30, 2014  <i>Amendment to license dated: July 30, 2014</i>	June 29, 2020  (Export obligation period: 6 (six) years)



	Issuing Authority	Particulars	Date of Certificate	Date of Expiry
21.	Office of Jt. Director General of Foreign Trade, Indore	i. Licence No.: 5630000678/3/12/00 ii. Export product/ End Product/ Export Product Group: Food Products iii. Duty saved: Rs. 17,31,110.00/- iv. Export obligation worth US\$ 165,392.67/- v. Export obligation completed: NIL vi. Balance export obligation to be completed: US\$ 165,392.67/- vii. Import item includes Rectifying Equipment Structured Packings and Internals along with accessories.	April 8, 2015	April 7, 2021  (Export obligation period: 6 (six) years)

## VII. TRADE MARK

Our Company is presently using



trademark which is not registered and neither has our Company made an application for registration of the same.

Further, our Company has made an application for registration of



trademark which has been opposed by M/s. AAA

Exim Private Limited to as on date of this Draft Prospectus

## VIII. PENDING APPROVALS

The Company has filed applications in respect of the following approvals that are pending registration/receipt:

1. Application for renewal of Onsite Emergency Plan dated October 14, 2015 bearing No. AABPL/P&A/15-16/46 made to the Director of Industrial Health and Safety, Indore, Madhya Pradesh is pending.
2. Application for confirmation of inspection of Boiler No. MP/4754 dated February 27, 2015, due on February 18, 2016 is made to the Director of Boilers, 60, Baxi Bag, Indore, Madhya Pradesh-452002 is pending.

## IX. LICENSES THAT ARE YET TO BE APPLIED BY THE COMPANY:

1. Registration under Employee State Insurance Act, 1948 – We are yet to apply for registration under Employee State Insurance Act, 1948 for employees working at our Registered Office. Also, our factory premise which is situated at Chandukhedi, Ujjain does not fall within the ESI coverage, therefore ESI Act, is not applicable on the factory.



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

This Issue in terms of this Draft Prospectus has been proposed and authorized by the Board of Directors pursuant to a resolution adopted at its meeting held on February 11, 2016, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution under Section 62(1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on February 16, 2016 authorized the issue.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [●] BSE is the Designated Stock Exchange.

### **Prohibition by the SEBI**

Our Company, our Promoters, natural person in control of our Corporate Promoter, our Promoter Group, our Directors, Group Companies have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### **Prohibition by RBI or other Government Authorities**

Neither our Company, our Promoter, our Directors, Group Entities, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter ***“Outstanding Litigations And Material Development”*** beginning on page 253 of the Draft Prospectus.

### **Eligibility for the Issue**

Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than ₹ 10 Crores and upto ₹ 25 Crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the ***“SME Platform of BSE”***).

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue Shall underwrites minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled ***“General Information – Underwriting”*** beginning on page 56 of this Draft Prospectus.
2. In accordance with Regulation 106 (R) of the SEBI (ICDR) Regulations, 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 refunded forthwith.



## Avi Agri Business Limited

If such money is not repaid within fifteen (15) 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 fifteen (15) days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the LM and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled **"General Information – Details of the Market Making Arrangements for this Issue"** beginning on page 57 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue 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.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for listing on SME Exchange Platform BSE laid down under circular dated April 1, 2015 (<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>), which states as follows:

1. Net Tangible Assets of at least ₹ 3 Crore as per the latest audited financial results (as restated).
2. Net worth (excluding revaluation reserves) of at least ₹ 3 crore as per the latest audited financial results (as restated).
3. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 5 Crores.
4. Distributable Profit, Net Tangible Assets and Net worth of the Company as per the restated financial statements for the period ended April 1, 2015 to September 30, 2015 and for the year ended as at March 31, 2015, March 31, 2014, and March 31, 2013 is as set forth below:-

(Amt in ₹)

Particulars	As at			
	September 30, 2015	March 31, 2015	March 31, 2014	March 31, 2013
Distributable Profit*	13,491,898	67,966,266	96,223,981	145,409,750
Net Tangible Assets**	678,388,935	668,330,185	605,323,627	514,894,678
Net Worth***	649,941,177	636,449,280	568,513,026	472,289,045

\* Distributable Profit has been calculated as per Section 123 of Companies Act, 2013

\*\* Net Tangible Assets are defined as the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India. As is evident, our company has Net Tangible Assets of over ₹ 3 crore.

\*\*\* Net worth includes shares capital and Reserves( Excluding Revaluation Reserve ) Less Miscellaneous Expenditure not written off, if any, & Debit Balance of Profit and Loss Account not wrote off, if any. As is evident, our Company has a Net Worth of over ₹ 3 Crores.

5. The Post Issue paid up capital of our Company shall be at least ₹ 3 Crore. As detailed in chapter **"Capital Structure"** on page



## ***Avi Agri Business Limited***

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60 of this Draft Prospectus our Company will have a post issue capital of ₹ 23,67,36,250 ( Rupees Twenty Three Crores sixty seven lacs thirty six thousand two hundred fifty)

6. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and. National Securities Depository Limited (NSDL) dated [●] for establishing connectivity.
7. Our Company has a website i.e. [www.avgroup.co](http://www.avgroup.co)
8. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
11. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE 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, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**



1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL 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, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, 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 FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED





COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE 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
10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER- -NOTED FOR COMPLIANCE
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 ISSUE- NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE 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 "HEM SECURITIES LIMITED", BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.





17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS- TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD -18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION 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 DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN 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 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 – **NOTED FOR COMPLIANCE**.
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. - **NOT APPLICABLE**
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.

*The filing of this Draft Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) 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 LM any irregularities or lapses in the Draft Prospectus.*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Madhya Pradesh, Gwalior in terms of sections 26, 32 and 33 of the Companies Act,*

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	ADCC Infocad	9.60	40.00	October 22,	43.50	60.00%	40%	55%



## Avi Agri Business Limited

	Limited			2014		[4.65%]	[4.98%]	[4.10%]
2.	Captain Pipes Ltd.	4.40	40.00	December 11, 2014	41.90	2.5% [-2.23%]	-5.00% [4.50%]	0% [-1.50%]
3.	O.P. Chains Ltd.	2.035	11.00	April 22, 2015	11.25	40.91% [-2.29%]	38.63% [-0.39%]	36.36% [-1.88%]
4.	Junction Fabrics and Apparels Ltd	1.60	16.00	July 10, 2015	17.50	14.06% [-0.54%]	3.125% [-7.39%]	3.125% [-7.52%]
5.	Loyal Equipments Ltd.	3.24	18.00	July 16, 2015	20.05	5.56% [-3.28%]	-9.72 [-5.42%]	8.06% [-12.73%]
6.	Emkay Taps and Cutting Tools Limited	15.55	330.00	August 13, 2015	334.00	-1.21% [-5.79%]	-1.51% [6.35%]	0% [-9.48%]
7.	Universal Autofoundry Limited	3.24	15.00	September 04, 2015	16.00	5% [7.28%]	73.33% [3.74%]	100% [-1.50%]
8.	Bella Casa Fashion & Retail Limited	3.43	14.00	October 15, 2015	14.30	72.85% [-5.18%]	86.43% [-8.62%]	NA
9.	Vishal Bearing Limited	3.24	25.00	October 15, 2015	26.00	22.00% [-4.69%]	16.40% [-8.62%]	NA
10.	Cawasji Behramji Catering Services Limited	1.862	14.00	October 19, 2015	15.25	103.57% [-5.48%]	142.86% [-11.61%]	NA

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			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%
2013-14	3*	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7**	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8***	34.20	-	-	1	2	2	3	-	-	-	1	1	3



## **Avi Agri Business Limited**

*\* The scripts of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.*

*\*The scripts of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.*

*\*The scripts of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.*

*# Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited have not completed 90<sup>th</sup> days and 180<sup>th</sup> days from the listing day.*

### Note:

- a) BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- b) Prices on BSE/NSE are considered for all of the above calculations.
- c) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- e) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

### **Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.hemonline.com](http://www.hemonline.com)

### **Disclaimer from our Company and the Lead Manager**

Our Company, its 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 LM accept no responsibility, save to the limited extent as provided in the MOU entered between the LM (Hem securities Limited) and our Company on February 20, 2016 the Underwriting Agreement dated February 20, 2016 entered into between the Underwriters and our Company and the Market Making Agreement dated February 20, 2016 entered into among the Market Maker and our Company.

All information shall be made available by our Company 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, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

### **Note:**

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under**



**all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not 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 Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue**

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Indore, Madhya Pradesh, India.

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 hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of BSE**

BSE Ltd. ("BSE") has given vide its letter dated [●], permission to our Company to use its name in this offer document as one of the stock exchanges on which our Company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **Disclaimer Clause under Rule 144a of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (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



## ***Avi Agri Business Limited***

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account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, SEBI Head Office, SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, 3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior, Madhya Pradesh

### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009 there is no requirement of obtaining in- principle approval of the SME Platform of BSE. However, application shall been made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

The SME Platform of BSE has given its in-principal approval for using its name in our Draft Prospectus vide its letter dated [●].

BSE is Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within eight (8) 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) days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within six (6) Working Days of the Issue Closing Date.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,



Shall be liable to action under section 447 of the Companies, Act 2013

### Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Ashok Khasgiwala & Co., Chartered Accountants, Statutory Auditor and Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

### Experts Opinion

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 179 and page 89 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 34.75 Lacs, which is 3.68 % of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB’s commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company.

The Estimated Issue expenses are as under:-

No.	Particulars	Amount (₹ in Lacs)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc, advertisement expenses and other out of pocket expenses	29.00	83.45	3.07
2.	Printing and Stationery and expenses relating to Registrar	2.75	7.91	0.29
3.	Regulatory fees and other Statutory expenses	3.00	8.63	0.32
	<b>Total estimated Issue Expenses</b>	<b>34.75</b>	<b>100.00</b>	<b>3.68</b>

\*The amount of Public Issue Expenses is inclusive of applicable taxes.

^The above fees also include the commission paid to SCSB’s

### Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Memorandum of Understanding dated February 20, 2016 with the Lead Manager, (ii) the Underwriting Agreement dated February 20, 2016 with Underwriter and (iii) the Market Making Agreement dated February 20, 2016 with Market Maker, a copy of which is available for inspection at our Registered Office





## ***Avi Agri Business Limited***

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from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated February 12, 2016 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Draft Prospectus or send allotment advice by registered post/speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 60 of this Draft Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

### **Performance vis-à-vis objects - Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 60 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

### **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate are unlisted and have not made a public issue of shares.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

### **Outstanding Convertible Instruments**

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



### **Option to Subscribe**

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

### **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on February 19, 2016. For further details on the Stakeholders Relationship Committee, please refer to section titled "*Our Management*" beginning on page 147 of this Draft Prospectus.

**Our Company has appointed Mr. Vipul Goyal, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mr. Vipul Goyal**

**Avi Agri Business Limited**

Saket Tower, 4<sup>th</sup> Floor, 3A Ratlam Kothi,

Indore- 452001, Madhya Pradesh, India

E-mail: [cs@avgroup.co](mailto:cs@avgroup.co)

Website: [www.avgroup.co](http://www.avgroup.co).

**Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems**





**such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.**

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of 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 as our Company**

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

There are no changes in the Auditors of the company during the last three years.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled “*Capital Structure*” beginning on page 60 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Tax Benefits*” beginning on page 89 of this Draft Prospectus.

### **Purchase of Property**

Other than as disclosed in Section “*Our Business*” on page 109 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



**Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

**Except as disclosed in chapter titled “*Our Management*” beginning on page 147 and “*Annexure – R-Statement of Related Party Transactions*” beginning on page 224 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.**



## **SECTION VII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, 2009, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the FIPB, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*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 Present Issue**

The present Initial Public Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on February 11, 2016 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on February 16, 2016 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being offered/issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividends. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled "**Main Provisions of Articles of Association of the Company**" beginning on page 345 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends, in cash and as per provisions of Companies Act. For further details in relation to dividends, please refer to chapter titled "**Dividend Policy**" and "**Main Provisions of the Articles of Association**" on page 178 and 345 Respectively of this Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of this Draft Prospectus at the price of ₹ 15/- per Equity Share (including a premium of Rs. 5.00 per Equity Share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "**Basis for Issue Price**" on page 86 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 SEBI (ICDR) Regulations**



## ***Avi Agri Business Limited***

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Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations 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 refer to Section titled "***Main Provisions of Articles of Association of the Company***" beginning on page 345 of this Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in Dematerialized form. As per the SEBI ICDR Regulations, the trading of the equity shares shall only be in dematerialized form for all investors

The trading of the Equity Shares will happen in the minimum contract size of 8,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Draft Prospectus will be done in multiples of 8,000 Equity Shares subject to a minimum allotment of 8,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be



## Avi Agri Business Limited

entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of this section 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. 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.**

### Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

### Minimum Subscription

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations, the underwriting shall not be restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under section titled “**General Information**” on page 53 of this Draft Prospectus.

As per section 39 of the Companies Act, 2013 if the “**stated minimum amount**” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith unblocked the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 2013 and applicable law.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

*Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

*Further, in accordance with Regulation [106R] of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty). In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this issue and the amounts in the ASBA Account shall be unblocked forthwith.*



### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 8,000 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 60 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation / splitting except as provided in the Articles of Association. For further details please refer sub-heading "**Main Provisions of the Articles of Association of the Company**" on page 345 of this Draft Prospectus.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### **Application by Eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs/FIIs registered with SEBI or VCFs. Such Eligible NRIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (—FDII) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI ICDR Regulations, every company making public offer shall issue securities only in dematerialized form only. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, 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 dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants



## Avi Agri Business Limited

will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

### Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE 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 BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main Board of BSE 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 shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

**OR**

- If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 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 shareholders other than promoter shareholders against the proposal.

### Market Making

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), 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 3 (three) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to section titled "**General Information - Details of the Market Making Arrangements for this Issue**" beginning on page 57 of this Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹ 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language





## ***Avi Agri Business Limited***

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national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Indore, Madhya Pradesh, India.

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

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove . Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*





## **ISSUE STRUCTURE**

This Issue is being made in terms of Regulation 106(M)(2) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital exceeds ten crores rupees but do not exceed twenty five crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "**Terms of the Issue**" and "**Issue Procedure**" on page 297 and 306 respectively of this Draft Prospectus.

Following is the issue structure:

Public Issue of 63,04,000 Equity Shares of Face Value of Rs. 10/- each fully paid (The "Equity Shares") for cash at a price of Rs. 15/- per Equity Shares (including a premium of Rs. 5/- per equity share) aggregating to Rs. 945.60 Lakhs ( "the issue") by our Company.

The Issue comprises a Net Issue to public of 59,84,000 Equity Shares ( " the net issue"), a reservation of 3,20,000 Equity Shares for subscription by the designated Market Maker ( "the market maker reservation portion")

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	59,84,000 Equity Shares of Face Value ₹ 10/-	3,20,000 Equity Shares of Face Value ₹ 10/-
Percentage of Issue Size available for allocation	94.92 % of the Issue Size (Minimum 50% to Retail Individual Investors and the balance to other investors).	5.08 % of the Issue Size  Firm allotment
Basis of Allotment	Proportionate subject to minimum allotment of 8,000 Equity Shares and further allotment in multiples of 8,000 Equity Shares each.  For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on page 335 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<b><u>For Other than Retails Individual Investors:</u></b>  Such number of Equity Shares in multiples of 8,000 Equity Shares at an Issue price of ₹ 15 each, such that the Application Value exceeds ₹ 2,00,000/-  <b><u>For Retail Individuals Investors:</u></b>  8,000 Equity Shares at an Issue price of ₹ 15 Each	3,20,000 Equity Shares of Face Value ₹ 10/-
Maximum Application Size	<b><u>For Other than Retails Individual Investors:</u></b>  The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b>	3,20,000 Equity Shares of Face Value ₹ 10/-



Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-.	
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	8,000 Equity Shares	8,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

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 refer to “**Issue Structure**” on page 303 of this Draft Prospectus.

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

- Minimum fifty percent to retail individual investors; and
- Remaining to Investors other than retail Individual Investors; and
- 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.***

#### **Withdrawal of the Issue**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- The final RoC approval of this Prospectus after it is filed with the RoC.
- In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.



<b>ISSUE PROGRAMME</b>
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<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, .On the Issue Closing Date when applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. 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 this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)



## **ISSUE PROCEDURE**

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) included below under section “-PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.*

***Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.***

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.*

**Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.**

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### **Application Form**



## Avi Agri Business Limited

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue are as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called **“Designated Intermediaries”**):

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

### **Availability of Prospectus and Application Forms**



## ***Avi Agri Business Limited***

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The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue, Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE limited i.e. [www.bseindia.com](http://www.bseindia.com).

### **Who can apply?**

In addition to the category of Applicants as set forth under “Part B -General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue” on page 325 of this Draft Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 8000 Equity Shares and in multiples of 8000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

#### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of 8000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2, 00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM and Syndicate Members, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.



**Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

**Applications by eligible NRIs/ FPI's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office and at the office of the Lead Manager to the Issue.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30(thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

**As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.





3. In respect of investments in the secondary market, the following additional conditions shall apply:
- a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - ❖ Any transactions in derivatives on a recognized stock exchange;
    - ❖ Short selling transactions in accordance with the framework specified by the Board;
    - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - ❖ Any other transaction specified by the Board.
  - c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the Issue or subscribing to the unsubscribed portion of the Issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - viii. Any other transaction specified by Board.
  - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:





Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **Application by Mutual Funds**

As per the Current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **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 LLP 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 IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.



## ***Avi Agri Business Limited***

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The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof..

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

### **Information for the Applicants:**



1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange,
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

#### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 (ten) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 (ten) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.



4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Terms of payment**

The entire Issue price of 15.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of



## Avi Agri Business Limited

Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - (i) the applications accepted by them,
  - (ii) the applications uploaded by them
  - (iii) the applications accepted but not uploaded by them or
  - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) the applications accepted by any Designated Intermediaries
  - (ii) the applications uploaded by any Designated Intermediaries or
  - (iii) the applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Members, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount



*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.





**Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 3,20,000 Equity Shares shall be reserved for Market Maker. 59,84,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

**Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated February 20, 2016
- b) A copy of Prospectus will be filled with the RoC in terms of Section 26 of Companies Act, 2013.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National News paper and (iii) Regional Newspaper each with wide circulation.

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

**General Instructions**

**Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;



## ***Avi Agri Business Limited***

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- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker ('broker') network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com) With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.





## ***Avi Agri Business Limited***

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Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps 'for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,



## ***Avi Agri Business Limited***

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*shall be liable for action under Section 447."*

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) 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.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
  - b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;
- The Company's equity Shares bear an ISIN No. [●]



## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

#### **Section 1: Purpose of the General Information Document (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### **Section 2: Brief Introduction to IPOs on SME Exchange**

##### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M(1) : An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M(2) : An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation.

##### **2.2 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act”), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:



- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- e) The Issuer shall have Net Tangible Assets of atleastRs. 3 crore as per the latest audited financial result.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3crore as per the latest audited financial result.
- g) The issuer should have a tract record of distributable profits in terms of Section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of atleastRs. 5 crores.
- h) The post –issue paid up capital of the issuer shall be at least Rs. 3crore.
- i) The issuer shall mandatorily facilitate trading in demat securities
- j) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- k) No petition for winding up is admitted by a court of competent jurisdiction against the Issuer.
- l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- m) The company should have a website
- n) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed Rs.2500 Lacs. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 Issue Period**



The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

### **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

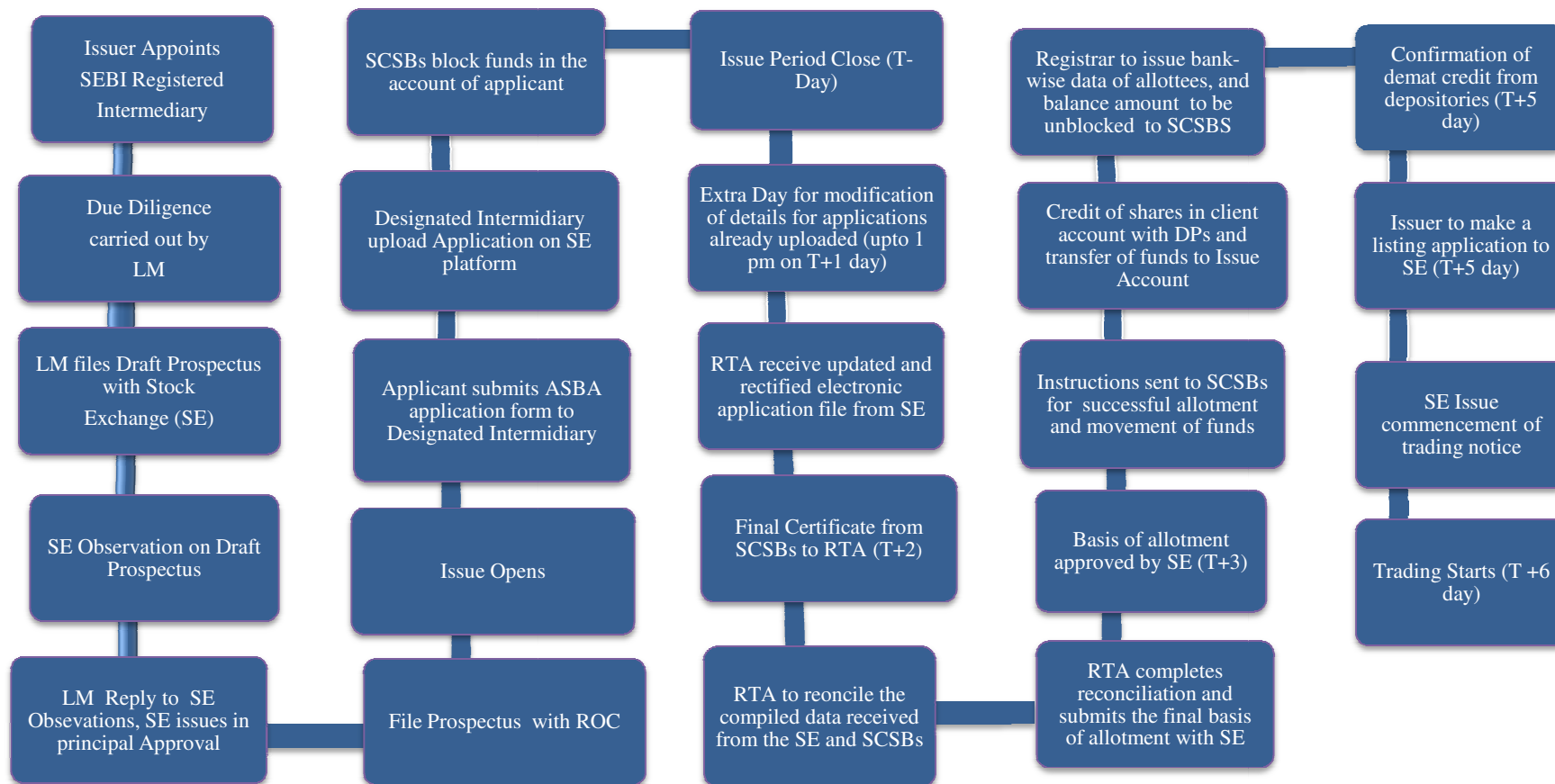
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **2.6 Flowchart Of Timelines**

A flow chart of process flow in Fixed Price Issues is as follows:





### **Section 3: Category of Investors Eligible to Participate in an Issue**

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

### **Section 4: Applying in the Issue**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue





## Avi Agri Business Limited

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

### 4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>	
Address : _____		Contact Details : _____		CTN No. _____	
TO, THE BOARD OF DIRECTORS, XYZ LIMITED		<b>FIXED PRICE SME ISSUE</b>		Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		SCSB/DP/RTA/STAMP & CODE		Mr. / Ms. _____	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		Address _____	
				Email _____	
				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					
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					
Bid Options:		No. of Equity Shares Bid (in figures) (Only must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1, only) (in figures)	
		Bid Price		Retail Discount	
		Net Price		"Cut-off" (Price) (tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB					
6. INVESTOR STATUS <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (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					
7. PAYMENT DETAILS <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT					
Amount paid (₹ in figures) _____ (₹ in words) _____					
ASBA Bank A/c No. _____ Bank Name & Branch _____					
8. SIGNATURE OF SOLE / FIRST BIDDER					
9. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (tick) (AS PER BANK RECORDS)					
10. SIGNATURE OF BROKER / SCSB / DP / RTA STAMP (Acknowledgement optional of Bid in Stock Exchange system)					
TEAR HERE					
LOGO		<b>XYZ LIMITED</b>		<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	
<b>INITIAL PUBLIC ISSUE - R</b>				Bid cum Application Form No. _____	
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.		Email			
Telephone / Mobile					
TEAR HERE					
NO. OF EQUITY SHARES		Option 1		Option 2	
Bid Price		Option 3		Stamp & Signature of Broker / SCSB / DP / RTA	
Amount Paid (₹)				Name of Sole / First Bidder _____	
ASBA Bank A/c No.				<b>Acknowledgement Slip for Bidder</b>	
Bank & Branch				Bid cum Application Form No. _____	



<p><b>COMMON BID CUM APPLICATION FORM</b></p>	<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></p> <p>Address : _____ Contact Details: _____ CIN No _____</p>	<p>For Eligible NRI, FI, FVCI, applying on Registration Basis</p>																															
<p>LOGO</p>	<p>TO, THE BOARD OF DIRECTORS XYZ LIMITED</p>	<p><b>FIXED PRICE DME ISSUE</b></p> <p><b>INE00000000000</b></p>																															
		<p>Bid cum Application Form No. _____</p>																															
<p>TEAR HERE</p>																																	
<p><b>1. SYNDICATE MEMBER'S STAMP &amp; CODE</b></p>	<p><b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b></p>	<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b></p> <p>Mr. / Ms. _____</p> <p>Address _____</p> <p>Email _____</p> <p>Tel. No (with STD code) / Mobile _____</p>																															
<p><b>SUB-BROKER 1 / SUB-AGENT'S STAMP &amp; CODE</b></p>	<p><b>ENROD/BANGS/CDI BRANCH STAMP &amp; CODE</b></p>	<p><b>2. PAN OF SOLE / FIRST BIDDER</b></p> <p>_____</p>																															
<p><b>BANK BRANCH SERIAL NO.</b></p>	<p><b>SCSB SERIAL NO.</b></p>																																
<p>TEAR HERE</p>																																	
<p><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>    <input type="checkbox"/> NSDL    <input type="checkbox"/> CDSL</p> <p>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</p>																																	
<p><b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b></p> <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) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> <th rowspan="2">5. CATEGORY</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Retail Investor Bidder</td> </tr> <tr> <td>OR: Option 2</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Non-Institutional Bidder</td> </tr> <tr> <td>(OR) Option 3</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> QIB</td> </tr> </tbody> </table>			Bid Options	No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)			"Cut-off" (Please tick)	5. CATEGORY	Bid Price	Retail Discount	Net Price	Option 1	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/> Retail Investor Bidder	OR: Option 2	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/> Non-Institutional Bidder	(OR) Option 3	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/> QIB
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<p><b>6. Investor Status</b></p> <p><input type="checkbox"/> Non-Resident Indians (Repatriation Basis)    <b>NR</b></p> <p><input type="checkbox"/> Foreign Institutional Investor    <b>FI</b></p> <p><input type="checkbox"/> Foreign Venture Capital Investor    <b>FVC</b></p> <p><input type="checkbox"/> FI Sub Account Corporate/Individual    <b>FI SA</b></p> <p><input type="checkbox"/> Others (Please Specify)    <b>OTH</b></p>																																	
<p><b>7. PAYMENT DETAILS</b>    <b>PAYMENT OPTION: FULL PAY</b></p> <p>Amount paid (₹ in figures) _____ (₹ in words) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name &amp; Branch _____</p>																																	
<p><small>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 ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE (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.</small></p>																																	
<p><b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b></p>	<p><b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> (AS PER BANK RECORDS)</p> <p>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</p> <p>1) _____</p> <p>2) _____</p> <p>3) _____</p>																																
<p>TEAR HERE</p>																																	
<p><b>9. ACKNOWLEDGEMENT SLIP FOR BROKER/SCSB/DP/RTA</b></p> <p>LOGO</p> <p><b>XYZ LIMITED</b></p> <p><b>INITIAL PUBLIC ISSUE - NR</b></p> <p>Bid cum Application Form No. _____</p> <p>PAN of Sole / First Bidder: _____</p> <p>DPID / CDSL ID: _____</p> <p>Amount paid (₹ in figures) _____ Bank &amp; Branch _____ Stamp &amp; Signature of SCSB Branch _____</p> <p>ASBA Bank A/c No. _____</p> <p>Received from Mr/Ms _____</p> <p>Telephone / Mobile _____ Email _____</p> <p>TEAR HERE</p>																																	
<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></p>	<p>Option 1    Option 2    Option 3</p> <p>No. of Equity Shares _____</p> <p>Bid Price _____</p> <p>Amount Paid (₹) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank &amp; Branch _____</p>	<p>Stamp &amp; Signature of Broker / SCSB / DP / RTA</p> <p>Name of Sole / First Bidder _____</p> <p><b>Acknowledgement Slip for Bidder</b></p> <p>Bid cum Application Form No. _____</p>																															



#### **4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including 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 Application Form may be used by the Issuer,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the 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.”**
- 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 Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. A Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.



- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for 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: APPLICATION DETAILS**

- a) The Issuer may mention Price in the Draft Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size
  - i. For Retails Individual Applicants  
The Application must be for a minimum of 8,000 equity shares. As the application price payable by the retail individual applicants cannot exceed Rs. 200000 they can make Application for only minimum Application size i.e for 8,000 equity shares.
  - ii. For Other Applicants (Non Institutional Applicants and QIBs):  
The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds Rs. 200000 and in multiples of 8,000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Draft Prospectus.
- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common





DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- e) The following applications may not be treated as multiple applications:
  - i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, 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 as 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. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount can not be paid in cash, through money order or through postal order or through stock invest.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The application form submitted by an applicant and which is accompanied by cash, demand 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) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- 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, if any, 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/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, 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.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

#### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries -
  - i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

### **4.2 INSTRUCTIONS FOR FILING THE REVISIONFORM**





## Avi Agri Business Limited

- During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS	
Address : _____		Contact Details: _____		CIN No. _____	
TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE ISIN : _____		Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCHROW BANK/SCSB BRANCH STAMP & CODE		Mr. / Ms. _____ Address _____ Tel. No. (with STD code) / Mobile _____ Email _____	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		2. PAN OF SOLE / FIRST BIDDER	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	
				For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (AS PER LAST BID OR REVISION)					
Bid Options:		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
				Bid Price Retain Discount Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")					
Bid Options:		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
				Bid Price Retain Discount Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS					
Additional Amount Paid (₹ in figures)				PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
(₹ in words)					
ASBA Bank A/c No.					
Bank Name & Branch					
7A. SIGNATURE OF SOLE / FIRST BIDDER					
Date : _____		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledgement received at Bid in Stock Exchange systems)	
		(1) _____			
		(2) _____			
TEAR HERE					
LOGO		XYZ LIMITED		Acknowledgement Slip for Broker/SCSB/DP/RTA	
BID REVISION FORM - INITIAL PUBLIC ISSUE - R				Bid cum Application Form No. _____	
EPID / CLID		PAN of Sole / First Bidder			
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder	
No. of Equity Shares		Option 1		Option 2	
Bid Price		Option 3			
Additional Amount Paid (₹)				Acknowledgement Slip for Bidder	
ASBA Bank A/c No.				Bid cum Application Form No. _____	
Bank & Branch					

### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.



#### **4.2.2 FIELD 4 & 5: 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 the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed Rs.2,00,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM**

Applicants may submit completed application form / Revision Form in the following manner:-

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode respectively

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### **5.2 GROUNDS FOR TECHNICAL REJECTIONS**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;



- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 8,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the Fixed Price Issue this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 Basis of Allotment**

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).



- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 8,000 Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 8,000 Equity Shares;
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 8,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 8,000 Equity Shares subject to a minimum allotment of 8,000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 8,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
  - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director/ Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date,



## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUNDS**

#### **8.2.1 Non Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

#### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations, the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

### **8.3 Mode of Unblocking of Funds**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### **8.3.1 Mode of making refunds for Applicants**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### **8.4 Interest In Case Of Delay in Allotment**





## Avi Agri Business Limited

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

### **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing 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 Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
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 offer during the Issue Period by a prospective Applicant pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if Applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Draft Prospectus, whether applying through the ASBA or otherwise.



Term	Description
Applicant	Any prospective investor (including an ASBA Applicant) who makes a Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
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 offer during the Issue Period by a prospective Applicant pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Draft Prospectus, whether applying through the ASBA or otherwise.
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited





Term	Description
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .
Designated CDP Locations	Such locations of the CDPs where Applicant 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 i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant 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 i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus of the Issuer
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
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	This Draft Prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the 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
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)



Term	Description
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the 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 corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the 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.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of 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
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion



<b>Term</b>	<b>Description</b>
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than Rs. 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs. 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 Applicant in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their 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	Refer to definition of Broker Centers
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 the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement 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.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by Consolidated FDI Policy Circular of 2015 with effect from May 12, 2015 ("Consolidated FDI Policy Circular of 2015") consolidates and subsumes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Consolidated FDI Policy Circular of 2015 will be valid until the DIPP issues an updated circular.

### **Subscription by foreign investors (NRIs/FPIs)**

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. , SEBI registered FPIs have been permitted to purchase shares of an Indian company through offer, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

### **Representation from the Applicants**

No person shall make an Application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make Application under the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, 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 Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

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 or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to,



## ***Avi Agri Business Limited***

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the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

However the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

***The above information is given for the benefit of the Applicants. The 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 the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***



## **SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

Pursuant to Schedule II of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

1	<b>INTERPRETATION</b> <b>In these Articles unless there be something in the subject matter or context inconsistent therewith:</b>	
	i. <b>"The Act"</b> means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>The Act</b>
	ii. <b>"Articles"</b> means Articles of Association of the Company as originally framed or altered from time to time	<b>Articles</b>
	iii. <b>"Beneficial Owner"</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	<b>Beneficial Owner</b>
	iv. <b>"Board or Board of Directors"</b> means the collective body of the Board of Directors of the Company.	<b>Board or Board of Directors</b>
	v. <b>"Chairman"</b> means the Chairman of the Board of the Directors of the Company.	<b>Chairman</b>
	vi. <b>"The Company"</b> means Avi Agri Business Limited.	<b>The Company</b>
	vii. <b>"Depositories Act, 1996"</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	<b>Depositories Act 1996</b>
	viii. <b>"Depository"</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	<b>Depository</b>
	ix. <b>"Directors"</b> means the Directors appointed to the board for the time being of the Company.	<b>Directors</b>
	x. <b>"Dividend"</b> includes any interim dividend.	<b>Dividend</b>
	xi. <b>"Document"</b> means a document as defined in Section 2 (36) of the Companies Act, 2013.	<b>Document</b>
	xii. <b>"Equity Share Capital"</b> , with reference to any Company limited by shares, means all share capital which is not preference share capital	<b>Equity Share Capital</b>
	xiii. <b>"KMP"</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	<b>KMP</b>
	xiv. <b>"Managing Director"</b> means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called	<b>Managing Director</b>
	xv. <b>"Month"</b> means Calendar month.	<b>Month</b>
	xvi. <b>"Office"</b> means the registered office for the time being of the Company.	<b>Office</b>
	xvii. <b>"Paid-up share capital"</b> or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called	<b>Paid-up share capital</b>
	xviii. <b>"Postal Ballot"</b> means voting by post or through any electronic mode	<b>Postal Ballot</b>
	xix. <b>"Proxy"</b> includes attorney duly constituted under the power of attorney to vote	<b>"Proxy"</b>



	for a member at a General Meeting of the Company on poll.	
	xx. " <b>Public Holiday</b> " means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.	<b>Public Holiday</b>
	xxi. " <b>Registrar</b> " means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.	<b>Registrar</b>
	xxii. " <b>Rules</b> " means the applicable rules as prescribed under the relevant sections of the Act for time being in force	<b>Rules</b>
	xxiii. " <b>SEBI</b> " means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	<b>SEBI</b>
	xxiv. " <b>Securities</b> " means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	<b>Securities</b>
	xxv. " <b>Share</b> " means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	<b>Share</b>
	xxvi. " <b>Seal</b> " means the common seal of the Company.	<b>Seal</b>
	xxvii. " <b>Preference Share Capital</b> ", with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;	<b>Preference Share Capital</b>
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.  Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.  'In writing' and 'written' includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	<b>Share Capital</b>





3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, and any other applicable provisions of the Act or any law for the time being in force, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	<b>Issue of Sweat Equity Shares</b>
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	<b>Issue of Debentures</b>
6.	<p>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 registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. 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.</p>	<b>Issue of Share Certificates</b>
7.	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.	<b>Issue of Share Certificates</b>



8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	
10.	<p>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 thereunder.</p> <p>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.</p> <p>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.</p>	<b>Power to pay Commission In connection with the Securities issued</b>
11.	<p>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.</p> <p>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.</p>	<b>Variations of Shareholder's rights</b>
12.	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.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of 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.	<b>Issue of Preference Shares</b>
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of</p>	<b>Further Issue of shares</b>



	<p>Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue for Clause (a) as mentioned above.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	
15.	<p>i. The Company shall have a first and paramount lien—</p> <p>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</p> <p style="text-align: center;">or</p> <p>Every fully paid shares shall be free from all lien and that in the case of partly Paid shares the Issuer's lien shall be restricted to moneys called or payable at Fixed time in respect of such shares; and</p> <p>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:</p> <p>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.</p> <p>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.</p>	<b>Lien</b>
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>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.</p>	
17.	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>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.</p>	



18.	<p>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.</p> <p>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.</p>	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	<b>Joint Holdings</b>
20.	<p>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:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the</p>	<b>Calls on shares</b>



	<p>payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
23.	<p>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.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	<p>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.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25.	<p>The Board—</p> <p>i. 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</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	



29.	<ul style="list-style-type: none"> <li>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</li> </ul>	<b>Transfer of shares</b>
30.	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>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.</li> </ul>	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares 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.</li> </ul>	
32.	<p>The Board shall decline to recognize any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>ii. 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 the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;</li> <li>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</li> </ul>	
33.	<p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.</p>	



34.	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.  Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.	
35.	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	<b>Register of Transfers</b>
37.	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:  Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-  <ul style="list-style-type: none"> <li>o All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>o Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul> </p> <p>d. Rights of Depositories &amp; Beneficial Owners:- Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. 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 the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a</p>	<b>Dematerialisation of Securities</b>





	<p>depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 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.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>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.</p> <p>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.</p>	<b>Transmission of shares</b>
39.	<p>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—</p> <p style="padding-left: 40px;">a. to be registered himself as holder of the share; or</p> <p style="padding-left: 40px;">b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>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.</p>	



40.	<p>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.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>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.</p>	
41.	<p>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:</p> <p>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.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>	
44.	<p>The notice aforesaid shall—</p> <p>i. 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</p> <p>ii. 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.</p>	
45.	<p>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.</p>	<b>Forfeiture of shares</b>
46.	<p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>	
47.	<p>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.</p> <p>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.</p>	



48.	<p>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;</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>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.</p>	
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share	
50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Initial payment not to preclude forfeiture</b>
56.	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.	<b>Alteration of capital</b>
57.	<p>Subject to the provisions of section 61, the Company may, by ordinary resolution,—</p> <p>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p>	



	<ul style="list-style-type: none"> <li>i. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>ii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iii. 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.</li> </ul>	
58.	<p>Where shares are converted into stock,—</p> <ul style="list-style-type: none"> <li>i. 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:</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>ii. 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.</li> <li>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </ul>	<b>Conversion of Shares into Stock</b>
59.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. Any share premium account.</li> </ul>	<b>Reduction of Capital</b>
60.	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share</p>	<b>Share Warrants</b>



	<p>warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
61.	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>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.</li> </ol> <p>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—</p> <ol style="list-style-type: none"> <li>paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>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;</li> <li>The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol>	<p><b>Capitalisation of profits</b></p>
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> <li>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</li> <li>generally to do all acts and things required to give effect thereto.</li> </ol> <p>ii. The Board shall have power—</p> <ol style="list-style-type: none"> <li>to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</li> <li>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</li> </ol>	



	<p>respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	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.	<b>Buy-back of shares</b>
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.	<b>General Meeting</b>
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. 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.</p>	
66.	<p>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.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	<b>Proceedings at general meetings</b>
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	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.	
69.	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.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	



71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>	<b>Demand for poll</b>
73.	<p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>	<b>Time of taking poll</b>
74.	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<b>Adjournment of meeting</b>
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p> <p>ii. 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.</p>	<b>Voting rights</b>
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<p>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.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	
78.	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.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting	





	or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	
81.	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.	
82.	<p>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.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive</p>	
83	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	<b>Casting Vote</b>
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	<b>Representation of Body Corporate</b>
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	<b>Circulation of member's resolution</b>
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	<b>Resolution requiring special notice</b>
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date	<b>Resolutions passed at adjourned meeting</b>
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	<b>Registration of resolutions and agreements</b>
90.	<p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated</p>	<b>Minutes of proceedings of general meeting and of Board and other meetings</b>



	<p>and signed :</p> <ul style="list-style-type: none"> <li>A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</li> <li>B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</li> <li>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</li> <li>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</li> <li>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</li> <li>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: <ul style="list-style-type: none"> <li>a. the names of the Directors present at the meetings, and</li> <li>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</li> </ul> </li> </ul> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <ul style="list-style-type: none"> <li>a. is or could reasonably be regarded, as defamatory of any person</li> <li>b. is irrelevant or immaterial to the proceedings; or</li> <li>c. in detrimental to the interests of the Company.</li> </ul> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	<b>Minutes to be considered to be evidence</b>
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	<b>Publication of reports of proceeding of general meetings</b>
93.	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.	<b>Proxy</b>
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	



95.	<p>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:</p> <p>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.</p>	
96.	<p>Subject to the provisions of Section 149 of the Companies Act, 2013 unless and until the Company in General Meeting shall otherwise determine, the number of Directors shall not be less than three nor more than fifteen. Provided that the Company may appoint more than fifteen directors after passing a special resolution of members. The first directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Shanti Lal Ved</li> <li>2. Praveen Kumar Vyas</li> </ol>	
97.	The Directors need not hold any “Qualification Share(s)”.	
98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	<b>Board of Directors</b>
99.	<ol style="list-style-type: none"> <li>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</li> <li>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— <ol style="list-style-type: none"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company</li> </ol> </li> </ol>	
100.	The Board may pay all expenses incurred in getting up and registering the company.	



101.	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.	
102.	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.	
103.	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.	
104.	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.	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	<b>Retirement and Rotation of Directors</b>
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as	<b>Nominee Director</b>



	<p>“the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.</p>	
112.	<p>The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.</p>	
113.	<p>The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.</p>	
114.	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Director/s is an Officer of the financial institution, the sitting fees in relation to such Nominee Directors shall accrue to such financial institution as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>	
115.	<p>Provided also that in the event of the Nominee Directors being appointed as Wholetime Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.</p>	
116.	<p>The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.</p>	<p><b>Removal of Directors</b></p>



117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	<p>If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.</p>	
123.	<p>Nothing in this section shall be taken-</p> <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>	
124.	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be</p>	<p><b>Remuneration and sitting fees to Directors including Managing and whole time</b></p>





	<p>paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>	<b>Directors</b>
125.	<p>Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 &amp; 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.</p>	
126.	<p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>a. The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>b. The Power to authorize buy-back of securities under Section 68 of the Act.</p> <p>c. Power to issue securities, including debenture, whether in or outside India</p> <p>d. The power to borrow moneys</p> <p>e. The power to invest the funds of the Company,</p> <p>f. Power to Grant loans or give guarantee or provide security in respect of loans</p> <p>g. Power to approve financial statements and the Board's Report</p> <p>h. Power to diversify the business of the Company</p> <p>i. Power to approve amalgamation, merger or reconstruction</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</p> <p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e)</p>	<p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting.</b></p>





	<p>and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions</p>	<p><b>Restriction on powers of Board</b></p>



	<p>regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	<b>General powers of the Company vested in Directors</b>
130.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p> <p>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p> <p>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such</p>	<b>Specific powers given to Directors</b>



	<p>amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise</p>	
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	<p>concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p>	
xiv.	<p>Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p>	
xv.	<p>Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p>	
xvi.	<p>To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p>	
xvii.	<p>To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p>	
xviii.	<p>To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p>	
xix.	<p>To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or</p>	



	<p>emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint Managing or Whole-time Directors</b></p>
132.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a</p>	<p><b>Proceedings of the Board</b></p>



	director shall, at any time, summon a meeting of the Board.	
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	
135.	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.	
136.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. b) 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.	
138.	a) 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. b) 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.	<b>Delegation of Powers of Board to Committee</b>
139.	a) A committee may elect a Chairperson of its meetings. b) 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.	
140.	a) A committee may meet and adjourn as it thinks fit. b) 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.	
141.	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.	
142.	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	



143.	Subject to the provisions of the Act,—  a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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.	
145.	a) The Board shall provide for the safe custody of the seal. b) 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.	<b>The Seal</b>
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
147.	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.	
148.	a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	<b>Dividends and Reserve</b>
149.	a) 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. b) 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. c) 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.	





150.	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.	
151.	<p>a) 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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
152.	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.	
153.	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.	
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	<p>a) 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.</p> <p>b) 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.</p>	<b>Accounts</b>



159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ol style="list-style-type: none"> <li>be kept at the registered office of the Company, and</li> <li>be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</li> </ol> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	<b>Inspection of Statutory Documents of the Company</b>
160.	<p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>by any member or creditor without any payment of fees; or</li> <li>by any other person on payment of such fees as may be prescribed,</li> </ol> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	<b>Register of charges</b>
161.	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy</p> <p>e) in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	<b>Audit</b>
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>	<b>Winding up</b>



	<p>division shall be carried out as between the members or different classes of members.</p> <p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	
163.	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 Subject to the provisions of Chapter XX of the Act and rules made there under—	<b>Indemnity</b>
164.	<p>a. Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>b. No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	<b>Secrecy</b>



## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Draft Prospectus, delivered to the Registrar of Companies, Madhya Pradesh, Gwalior or registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of the Company from 11.00 a.m. to 5.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Memorandum of Understanding dated February 20, 2016 between our Company and Hem Securities Limited as Lead Manager (LM) to the Issue.
2. Memorandum of Understanding dated February 12, 2016 executed between our Company and the Registrar to the Issue (Karvy Computershare Private Limited)
3. Market Making Agreement dated February 20, 2016 between our Company, the LM and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, the LM, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated February 20, 2016 between our Company, the LM and Underwriter.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certificate of Incorporation dated March 23, 2009 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior. Fresh Certificate of Incorporation dated February 10, 2016 issued by the Registrar of Companies, Madhya Pradesh, Gwalior, consequent upon Conversion of the Company to Public Company.
2. Certified copies of the Memorandum and Articles of Association of the Company as amended.
3. Copy of the Board Resolution dated February 11, 2016 authorizing the Issue and other related matters.
4. Copy of the Shareholders' Resolutions dated February 16, 2016 authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company for the for the period ended September 30, 2015 and years ended March 31, 2015, 2014, 2013, 2012 & 2011.
6. Peer Review Auditors Report dated February 25, 2016 on Restated Financial Statements of our Company for the half year ended September 30, 2015 and years ended March 31, 2011, 2012, 2013, 2014, 2015.
7. Copy of the Statement of Tax Benefits dated February 25, 2016 from the Statutory Auditor.
8. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Escrow Collection Bank(s) and Refund Bank(s), Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
9. Copy of Certificate from the Peer Review Auditors of our Company, Ashok Khasgiwala & Co., Chartered Accountants, February 25, 2016 regarding the Eligibility of the Issue.
10. Due Diligence Certificate from Lead Manager dated March 03, 2016 filed with BSE and dated [●] filed with SEBI.
11. Approval from BSE vide letter dated [●] to use the name of BSE in this Draft Prospectus for listing of Equity Shares on the SME Platform of the BSE.



**DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations 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 the Securities and Exchange Board of India Act, 1992, each as amended or the rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the statements in the Draft Prospectus are true and correct:

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

<b>Sd/-</b>  <b>Mr. Mahendra Lakhichand Jalori</b> <i>Managing Director</i> <i>DIN : 02592482</i>	<b>Sd/-</b>  <b>Mr. Praveen Kumar Vyas</b> <i>Chairman &amp; Non-Executive Director</i> <i>DIN : 00103686</i>
<b>Sd/-</b>  <b>Mr. Hari Prasad Sarda</b> <i>Non-Executive Independent Director</i> <i>DIN : 7410841</i>	<b>Sd/-</b>  <b>Mrs. Dipika Kataria</b> <i>Non-Executive Independent Director</i> <i>DIN: 06694868</i>

**SIGNED BY -**

<b>Sd/-</b>  <b>Mr. Dinesh Jain</b> <i>Chief Financial Officer</i>	<b>Sd/-</b>  <b>Mr. Vipul Goyal</b> <i>Company Secretary and Compliance Officer</i>
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**Place: Indore**

**Date: 03.03.2016**