DRAFT RED HERRING PROSPECTUS
Dated: May 25 , 2011
Please read section 60 B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated and become Red Herring Prospectus upon ROC filing)
100% Book Building Issue

OGI OSTWAL

MADHYA BHARAT AGRO PRODUCTS LIMITED

Our Company was incorporated on Oct. 22, 1997, as "Madhya Bharat Agro Products Private Limited" under the provisions of the Companies Act, 1956 with Registrar of Companies, Madhya Pradesh and subsequently, the name of our Company changed to ""Madhya Bharat Agro Products Limited" on June 11, 1999. vide a fresh certificate of incorporation on becoming a public limited company. For details of changes in our registered office, see the section titled "History and Certain Corporate Matters" beginning on page no 157 of this Draft Red Herring Prospectus) Our Corporate Identity No. is U24121RJ1997PLC029126.

REGISTERED OFFICE: 5-O-1, Basement, R.C. Vyas Colony, Bhilwara-311 001 (Rajasthan), India.
Tel.No. + 91 -1482-237104, **Fax No.** + 91 -01482-239638, Website: www.mbapl.com Email : ipo@mbapl.com
Company Secretary & Compliance Officer: Mr Nitin Mehta. **[•]** Email: ipo@mbapl.com

PROMOTERS OF THE COMPANY : SEASONS AGRO CHEM INDIA PRIVATE LIMITED, MR. PANKAJ OSTWAL, MR. PRAVEEN OSTWAL AND MRS. EKTA JAIN
PUBLIC ISSUE OF 81,00,000 EQUITY SHARES OF FACE VALUE ₹.10/- ("EQUITY SHARES) EACH OF MADHYA BHARAT AGRO PRODUCTS LIMITED ("MADHYA BHARAT:" OR THE "COMPANY", OR THE "ISSUER") FOR CASH AT A PRICE OF ₹. [•] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹. [•] PER EQUITY SHARE), AGGREGATING UPTO ₹. [•] LAKHS BY THE COMPANY ("FRESH ISSUE"). THE ISSUE WILL CONSTITUTE [•] % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE NET ISSUE TO PUBLIC WILL CONSTITUTE [•] % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.
THE FACE VALUE OF THE EQUITY SHARES IS ₹. 10 EACH
PRICE BAND: ₹. [•] TO ₹. [•] PER EQUITY SHARE OF FACE VALUE ₹. 10 EACH. **THE ISSUE PRICE IS [•] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [•] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND**
The Price Band and the minimum bid lot size will be decided by our Company, in consultation with the Book Running Lead Manager and advertised at least two working days prior to the bid/issue opening date..
In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding / Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding / Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Ltd. ("BSE"), the National Stock Exchange of India ("NSE") and Self Certified Syndicate Banks ("SCSBs"), by issuing a press release and also by indicating the change on the website of the Company, Book Running Lead Managers ("BRLM") and the terminals of the 'Syndicate member(s)'. The issue is being made under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and through the Book Building Process wherein at least 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIB"), of which 5% shall be available for Allocation on a proportionate basis to Mutual Funds Only. The remaining QIB portion ("Net QIB') shall be available for allocation to Qualified Institutional Buyers ("QIB") including Mutual Funds on a proportionate basis subject to valid bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above issue price. Any bidder may participate in this offer through ASBA Process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by Self Certified Syndicate Banks ("SCSBs"). For details in this regard, specific attention is invited to "Issue Procedure" on page 265.
RISKS 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. **The face value of the Equity Shares is ₹.10/- each and the Issue Price of ₹.[•]/- per share is [•] times of the face value at the lower end of the Price Band and [•] times of the face value at the higher end of the Price Band.** The Issue Price (as determined and justified by the BRLM and our Company on basis of assessment of market demand for the Equity Shares by way of Book Building as stated in 'Basis for Issue Price' on page 91) 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 RISK
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 document. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 13 of this Draft Red Herring Prospectus.**
ISSUER'S ABSOLUTE RESPONSIBILITY
Issuer, having made all reasonable inquiries, accepts responsibility for and confirm that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
IPO GRADING
This Issue has been graded by [•] and has been assigned the "IPO Grading [•]", indicating [•]. For Details kindly refer 'General Information' beginning on page 45 and 'Material Contracts and Documents for Inspection' beginning on page of this Draft Red Herring Prospectus.
LISTING AGREEMENT
The Equity Shares are proposed to be listed on Bombay Stock Exchange Limited (BSE) and NSE (National Stock Exchange). Our Company has received in principle approval from BSE vide their letter dated **[•]** and in principal approval from NSE vide their letter dated **[•]** . BSE shall be the Designated Stock Exchange for the purpose of this Issue.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
CORPORATE STRATEGIC ALLIANZ LIMITED 402, Samedh Complex, Near Associated Petrol Pump, C.G. Road, Ahmedabad – 380 006, Gujarat- India. Tel No: + 91-079- 2642 4138, 4002 4670 Fax No : + 91-079- 4002 4670 SEBI REGN NO: INM 000011260 Email Id: ipo.mbapl@csapl.com Website: www.csapl.com Contact Person: Mrs. Rekha Singhal	**BIGSHARE SERVICES PRIVATE LIMITED** E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072 Tel: +91-22-404 30 200 , Fax: +91-22-2847 5207 SEBI Reg. No.: INR000001385 Website: www.bigshareonline.com E-Mail:ipo@bigshareonline.com Contact Person : Ashok Shetty

ISSUE PROGRAM

BID/ISSUE OPENS ON : [•]	**BID/ISSUE CLOSES ON : [•]**

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SECTION I – GENERAL

Definitions and Abbreviations

Unless the context otherwise requires, the terms and abbreviations stated here under shall have the meanings as assigned therewith.

Terms	Description
“Our Company” or “Company” or “Madhya Bharat Agro Products Limited” or “MBAPL”, “Madhya Bharat”, “The Issuer”.	Unless the context otherwise requires these words refer to Madhya Bharat Agro Products Limited, a public limited company incorporated under the Companies Act, 1956.
“We”, “Our”, “us”, The Group	Unless the context otherwise requires, refers to the Company and its group companies , on a consolidation basis

Issue Related Terms

Terms	Description
“Allot”, Allotment, Allotted/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue
Application Form	The form in terms of which the investors shall apply for the equity shares of our Company
Allottee	A successful Bidders to whom Equity shares are allotted
Application Supported by Blocked Amount/ ASBA	Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank
ASBA Public Issue Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder.
ASBA Bidders/Investor	All Prospective Bidder / an Investor, who intends to apply through ASBA process. ASBA Process is compulsory for QIB and Non Institutional Investor
ASBA Form / ASBA Bid Cum Application Form	The Bid-cum-Application Form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Draft Red Herring Prospectus and Red Herring Prospectus and Prospectus
ASBA Bid Revision Form	The form used by ASBA Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Bid	An indication to make an offer made during the Bidding Period by a prospective investor pursuant to submission of a Bid-cum- Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by any Bidder pursuant to the submission of an ASBA Bid-cum- Application Form to subscribe to the Equity Shares.
Bankers to Issue / Escrow	[•]

Collection Banks	
Bid Lot/ Minimum bid lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter
Basis of Allotment	Basis on which the Equity Shares will be Allotted, described in "Issue Procedure"- Basis of Allotment" on Page 293
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue
Bid/ Issue Closing Date	The date after which the Syndicate/SCSBs will not accept any Bids for the Issue, which shall be notified in a widely circulated English and Hindi national newspapers, and a regional language newspaper.
Bid-cum-Application Form / Bid Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate/SCSBs shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English and Hindi national newspapers and a regional language newspaper.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid-cum-Application Form, including an ASBA Bidder.
Bidding Centre (s)	A centre for acceptance of the Bid cum Application Form.
Bid/ Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids including any revisions thereof.
Book Building Process	Book Building Process as provided under Schedule XI of SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made
BRLMs / Lead Manager	Book Running Lead Manager to the issue, in this case being Corporate Strategic Allianz Limited
Brokers	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate
Business day	Any day on which commercial banks are open for business
CAN / Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted in this as being ₹ [•]
Cut-off /Cut-off Price	Any price within the Price Band finalized by our Company in consultation with the Lead Manager A bid submitted by Retail Individual Bidder at the Cut-off Price is a valid Bid at all price levels within the Price Band.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchange(s) and a list of which is available at www.sebi.gov.in
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Designated Branches/ DBs	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the physical ASBA Form can be submitted by an ASBA Investor.
Designated Date	The date on which funds are transferred from the Escrow Account of our Company to the Public Issue Account and the amount blocked by the SCSBs are transferred from the bank account of the ASBA Investor to the

	Public Issue Account or Refund Account, as the case may be, after the Red Herring Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders
Designated Stock Exchange	BSE (Bombay Stock Exchange)
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated [•], 2011, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue, which was filed with the SEBI and Stock Exchanges. It will become a Red Herring Prospectus issued in accordance with the provisions of Section 60B of the Companies Act after filing with the RoC at least three days before the opening of the Issue. It will become a Red Herring Prospectus after filing with the RoC after determination of the Issue Price
Electronic ASBA Application / Bid	Submission of ASBA Bid-cum-Application Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each unless otherwise specified in the context thereof
Escrow Account	An Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the Lead Manager and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders
FII	Foreign Institutional Investors and sub-accounts, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or ASBA Bid Cum Application form or ASBA Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted in this case being ₹ **[•]**
IPO Grading Agency	[●], the credit rating agency appointed by our Company for grading this Issue.
Issue	Public issue of 81,00,000 equity shares of ₹ 10/- each of the Company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) aggregating to ₹ [●] Lakhs (the 'Issue')
Issue Agreement	The agreement dated [●] between the Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Management Team	The team managing this Issue as set out in the chapter titled '*General Information*' in the Draft Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in term of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date
Issue Period	The Issue period shall be [●], 2011 being the Bid/Issue Opening date, to [●], 2011 being the Bid/Issue Closing date
Issue Proceeds	The proceeds of the Issue that will be available to our Company being upto ₹ [●] Lakhs.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	That portion of the Issue, being 5% of the QIB portion (assuming that the QIB portion is at least 50% of the Net Issue to Public available for allocation on a proportionate basis.

Net Issue	The Issue other than the Promoters' Contribution, in this being 81,00,000 Equity Shares aggregating ₹ [●] lakhs.
Net Issue Proceeds	The Issue Proceeds less the Issue expenses.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 2,00,000/-.
Non Institutional Portion	The portion of this Issue being at least 15% of the Net Issue consisting of 12,15,000 Equity Shares of ₹ 10/- each aggregating ₹ [●] Lakhs, available for allocation to Non Institutional Bidders
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 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Physical ASBA Application / Bid	ASBA Bid-cum-Application Forms submitted by an ASBA Investor physically with the designated branches of the SCSBs.
Price Band	Being the Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLM and BRLM and advertised by us in all editions of the national newspapers (one each in English and Hindi) and regional language newspaper with wide circulation at least two days prior to the Bid/Issue Opening Date
Pricing Date	The date on which our Company in consultation with the BRLM & BRLM will finalizes the Issue Price
Payment Through Electronic Transfer of Payments	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and accounts of ASBA Investors for this Issue on the Designated date.
Qualified Institutional buyers / QIBs	**"Qualified Institutional Buyer" means:** (i) a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) 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; (xi) Insurance funds set up and managed by Army, Navy or Air Force of the Union of India (xii)Insurance funds set up and managed by the Department of Posts, India.
QIB Portion	Consists of at least 40,50,000 Equity Shares of ₹ 10/- each aggregating ₹ [●] Lakhs being at least 50% of the Net Issue (available for allocation to QIBs on proportionate basis. 5% of the QIB Portion i.e. 2,02,500 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only.
Refund Account	The no-lien account maintained by the Refund Bank(s) to which the

	surplus money shall be transferred on the Designated Date.
Refund Bank	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors (except ASBA Investors) either through the electronic mode as prescribed by SEBI and / or physical mode in accordance with the procedure contained in the Chapter titled *"Issue Procedure"* beginning on page 265 of the Draft Red Herring Prospectus.
Resident Retail Individual Investor /Resident Retail Individual Bidder	A Retail Individual Bidder who is a "person resident in India" (as defined in Foreign Exchange Management Act, 1999)
Restated Financial Statements	The audited financial statements of the company prepared in accordance with Indian Accounting Standards and the companies Act, 1956 and restated in accordance with the SEBI Regulations. The Restated Financial Statements are included in this Draft Red Herring Prospectus
Retail Portion	The portion of this Issue being not less than 35% of the Issue i.e.28,35,000 Equity Shares of ₹ 10 each available for allocation to Retail Individual
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an amount less than or equal to ₹ 2 lakh in any of the bidding options in the Issue.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particular of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the bid/ Issue Opening date and will become Prospectus after filing with the RoC after determination of the Issue Price
Registrar to the Issue or Registrar	In this case being Bigshare Services Private Limited
RoC	Registrar of Companies, Jaipur, Rajasthan, India
Self Certified Syndicate Bank (SCSB)	Self Certified Syndicate Bank (SCSB) is a Banker to an Issue registered under SEBI (Bankers to an Issue) account and a list of which is available on http://www.sebi.gov.in Regulations, 1994 and which offers the service of ASBA, including blocking of bank
Syndicate	Collectively, the BRLM and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into between our Company, BRLM, and the Syndicate member(s), in relation to the collection of Bids in this Issue
Syndicate Member(s)	Intermediary appointed in respect of the Issue, registered with SEBI and permitted to carry on activities as an underwriter,
Stock Exchange	BSE (Bombay Stock Exchange) and NSE (National Stock Exchange)
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder and by SCSBs to ASBA Bidder as proof of registration of the Bid on the online system of BSE and NSE.
Underwriters	The BRLM, and the Syndicate Member(s)
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Working Day	All days other than Sunday or a public holiday (except during the Bidding Period, where a Working Day means all days other than Saturday, Sunday or a Public holiday), on which commercial banks in India are open for business

Company Related Terms

Terms	Description
Articles / Articles of Association / AOA	Articles of Association of our Company
Audit Committee	Committee of Directors as constituted as our Company's Audit Committee in accordance with Clause 49 of the Listing Agreement.
Auditors	The Statutory auditors of our Company, being M/s. Ashok Kanther & Associates, Chartered Accountants,90, Indira Market,Bhilwara, Rajasthan.
Board of Directors/Board	The Board of Directors of our Company or a committee constituted thereof Mr. Pankaj Ostwal, Mr. Amit Jain, Mr. Arvind Kothari, Mr. Sushil Kumar Surana.
Director(s)	Director(s) of our Company unless otherwise specified
Existing Promoter Group	Seasons Agro Chem India Pvt Ltd, Mr. Pankaj Ostwal, Mr. Praveen Ostwal, Smt. Ekta Jain
MD	Managing Director
Memorandum/Memorandum of Association / MOA	Memorandum of Association of our Company as amended from time to time.
Key Management Personnel	Officers vested with executive powers and officers at the level immediately below the Board of Directors and including any other person whom our Company may declare as key management personnel. See "Our Management - Key Management Personnel" on page 173
Object of the Issue	An Integrated State of Art Unit comprising of • Beneficiated Rock Phosphate (BRP) Plant with an installed capacity of 99000 TPA (processing). • Single Super Phosphate Plant with an Installed Capacity of 120000 TPA • Granulated Single Super Phosphate (GSSP) Plant with installed capacity of 90000 TPA • Sulphuric Acid Plant with an installed capacity of 49500 TPA
Old Management Group	Mr. Motilal Jain, Mr. Shailendra Kumar Jain, Mr. Sunil Kumar Jain, Smt Chanda Devi Jain, Mr. Azad Kumar Jain, Smt Nidhi Jain, Mr. Padam Kumar Singhai and Khemchand Motilal Jain Tobacco Products Pvt Ltd- Group from which company was taken over by Existing Promoter group on September 2004.
Ostwal Group of Industries	Ostwal Group of Industries comprises of Ostwal family and companies runned by the said family members like :- Mr. Mahendra Kumar Ostwal, Mr. Pankaj Ostwal, Mr. Praveen Ostwal, Smt. Ekta Jain, Smt. Nitu Jain and their sister concern companies managed by these Individuals either jointly or severally.
Promoters	Promoters of our Company (i.e. Seasons Agro Chem India Private Ltd, Mr. Pankaj Ostwal, Mr. Praveen Ostwal and Mrs. Ekta Jain)
Promoter - Director	Promoter Director of our Company is Mr. Pankaj Ostwal,
Promoter Group Entities/ Group Companies / Associate Companies	Krishana Phoschem Limited Tedco Granite Limited Seasons Agro Chem India Private Limited Seasons International Private Limited Nirmala Realinfrastructure Private Limited A.K. Ostwal & Co.
Registered Office	The Registered Office of our Company is located at 5-O-1, Basement, R.C. Vyas Colony, Bhilwara-311 001 (Rajasthan), India
ROC	Registrar of Companies
Unit II	An Integrated State of Art Unit of Mineral Beneficiation Plant comprising of BRP, SSP, GSSP and ancillary Plant of Sulphuric Acid.
WTD	Whole Time Director

Technical and Industry Terms

Terms	Description
BRP	Beneficiated Rock Phosphate
Bn	Billion
CAN	Calcium Ammonium Nitrate
CIS	Commonwealth of Independent States
DAP	Diammonium Phosphate
DoF	Department of Fertilizers
ECA	Essential Commodities Act, 1955
FACT	Fertilizers & Chemicals Travancore of India
FAI	Fertilizers Association of India
FCI	Fertilizers Corporation of India
FCO	Fertilizer Control Order 1980
FD	Fixed Deposit
GSSP	Granulated Single Supper Phosphate
HYV	High Yield Variety
ICAR	Indian Council of Agricultural Research
IEM	Industrial Entrepreneurs Memorandum
K	Potash
KPL	Krishana Phoschem Ltd
KVA	Kilo-Vote-Ampere
OTS	One Time Settlement
PSSP	Powder Single Supper Phosphate
R & D	Research And Development
RCPS	Redeemable Non Cumulative Preference Shares
RHC	Rougher Concentrate
RSMML	Rajasthan State Mines And Minerals Ltd
SA	Sulphuric Acid
SEIAA	State Level Environmental Impact Assessment Authority
SOP	Sulphate of Potash
SSP	Single Super Phosphate
SBBJ	State Bank of Bikaner & Jaipur
SIPL	Seasons International Private Limited
TGL	Tedco Granite Limited
TPA	Tonnes Per Annum
TPY	Tonnes Per Year
TSP	Triple Super Phosphate
MBAPL	Madhya Bharat Agro Products Ltd
Mn	Million
MOP	Muriate of Potash
MT/MMT	Metric Tonnes
N	Nitrogenous
NBS	Nutrient Based Subsidy
NRIPL	Nirmala Realinfrastructure Private Ltd
P	Phosphorus
Unit I	Single Super Phosphate Unit
Unit II	Integrated State of art Unit of Mineral Beneficiation Plant comprising of BRP, SSP, GSSP and ancilliary Plant of Sulphuric Acid

Conventional and General Terms/ Abbreviations

Terms	Full Form
Act or Companies Act	Companies Act, 1956 , as amended from time to time
ACJM	Additional Chief Judicial Magistrate
ADJ	Additional District and Session Judge
ADJ - I Court	Additional District Judge
AGM	Annual General Meeting
AAIFR	Appellate Authority for Industrial and Financial Reconstruction
ASBA	Application Supported by Blocked Amount
A/c	Account
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BR	Base Rate
BG/LC	Bank Guarantee/ Letter of Credit
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CMD	Chairman & Managing Director
CDSL	Central Depository Services (India) Limited
COP	Certificate of Practice
CJM	Chief Judicial Magistrate
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DIN	Director's Identification Number
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act,1996
DP ID	Depository Participants' Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e. Profit After tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FCNR Account	Foreign Currency Non Resident Account established in accordance with the FEMA
Financial Year/ Fiscal Year/FY	The period of twelve months ended March 31st of that particular year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number

GoI/Government	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
I.T. Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles of India
INR / ₹ / Rupees	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
JM-FS	Judicial Magistrate - First Class
JM	Judicial Magistrate
Mn / mn / Mln	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR / Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
p.a.	Per Annum.
PIO	Person of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
RONW	Return on Net Worth
ROC	Registrar of Companies
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSB	Self Certified Syndicate Bank
SDM	Sub Divisional Magistrate
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to Time
SEBI Regulations/SEBI (ICDR) Regulations, 2009	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
TIN	Tax Identification Number
UIN	Unique Identification Number
USD/ US$	United States Dollars
VAT	Value Added Tax

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the audited financial statements of the Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI Regulations (the "Restated Financial Statements"). The Restated Financial Statements have been included in this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, US GAAP and IFRS. We do not provide reconciliation of our Restated Financial Statements to IFRS or US GAAP financial statements. 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 Restated Financial Statements included in this Draft Red Herring 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 Red Herring Prospectus should accordingly be limited.

Our Fiscal year commences on April 1 and ends on March 31 of the next year, so all references to particular Fiscal year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

All numbers in this Draft Red Herring Prospectus have been represented in Lakhs or in whole numbers, where the numbers have been too small to present in Lakhs. Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimals points.

Currency of Presentation.

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Accordingly, no investment decision should be made on the basis of such information. Although industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by the Company or the Underwriters. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “contemplate”, “seek to”, “future”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward looking statements 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to –

- General economic and business conditions in India;
- Our ability to successfully implement our growth strategy and expansion plans and to successfully achieve the objectives for which funds are being raised through this Issue;
- Prices of raw materials we consume and the products we produce.
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Any adverse outcome in the legal proceedings in which our Company is or may be involved; and
- The loss or shutdown of operations of our Company at any times due to strike or labour unrest or any other reason.

For further discussion of factors that could cause our actual results to differ, please refer to the “Risk Factors”, “Business Overview’’ and “Management’s Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Section Financial Information” beginning from page 13,120, 219 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the members of issue management team 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. Our Company and BRLM are obliged to update the Red Herring Prospectus and, in accordance with SEBI requirements, our Company and BRLM will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. The investor should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company. If any of the following risks actually occur, our business, results of operations and financial condition may suffer, the trading price of the Equity Shares of our Company may decline, and the investor may lose all or part of his investment.

To obtain complete understanding of our Company the investor should read this section in conjunction with the sections titled "Business Overview" beginning on page 120 and "Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Section – Financial Information" beginning on page 219 as well as, the financial and the other information contained in this Draft Red Herring Prospectus.

These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or we currently consider immaterial to our operations. Unless specified or quantified in the relevant risk factors discussed below, we are not in a position to quantify the financial or other implications of any of the Risks mentioned herein below.

Materiality

The Risk factors shall be determined on the basis of their materiality. In determining the materiality of risk factors, the following shall be considered:

1. Some risks may not be material individually but may be material when considered collectively
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risk may not be material at present but may have a material impact in the future.

Internal Risk Factors

<u>Risk related to Our Company</u>

1) **We are significantly dependent on one customer. Loss of this customer may have material adverse effect on our business and results of operations and financial condition.**

Approx 95% of our total sale, (100% of SSP Sales) is booked through our marketer Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd and we have been dealing with them since 2004-05. As our Company is dealing with them since long time, loss of this customer may have adverse effect on our business, results of operation and financial condition.

Further company has signed an MOU for five years period commencing from 1st day of April, 2011 to 31st March, 2016 with Shriram Fertilizer & Chemicals, a unit of DCM Shriram Consolidated Ltd for marketing 60000 MT SSP.

2) We are dependent on an only two Supplier for rock phosphate (raw material for SSP). Any disruption in supply would have a material adverse effect on our business, results of operations and financial conditions.

For Raw Material (for Existing SSP unit) we are dependent on only two suppliers i.e. KPL (Krishana Phoschem Limited) and RSMM Ltd (Rajasthan State Mines and Minerals Ltd). Approx 81% of the raw material requirement is met through our group company M/s Krishana Phoschem Limited and rest 19% from RSMM Ltd. Any disruption in supply would have a material adverse effect on our business, results of operations and financial condition. Further, as we are dependent on a these two supplier, the supplier has an edge in controlling price of the raw material. However, in case of adverse situation company may opt for importing the raw material.

3) There are certain civil and/or criminal proceedings against our company, and its Promoter group companies.

Civil/Criminal Cases against Madhya Bharat and our Group Companies

There are 30 Criminal and civil cases filed by and against Madhya Bharat and our group companies Tedco Granite Limited and Krishana Phoschem Limited and one show cause notice against Seasons Agro Chem India Private Ltd (Promoter Company). Any adverse order or direction by relevant authority, although not quantifiable, could have a material adverse impact on our business and reputation or cause the prices of our ,Equity Shares to decline. For Further details relating to Outstanding Litigations against our Company and its Sister concerns, see "Outstanding Litigation and Material Developments" beginning on Page No. 227.

Gist of the Cases/Notices are mentioned below

Against our Promoter Company

Type of Case	No of Cases	Amount Involved
Show Cause Notice	1	Not Quantifiable

Against our Group Companies

Type of Case	No of Cases	Amount Involved (₹ in lakhs)
Criminal	24	Nil
Income Tax	2	54.30
Total	**26**	**54.30**

Filed by Madhya Bharat and our Group Companies

Type of Case	No of Cases	Amount Involved ((₹ in lakhs)
Civil Cases	4	180.28

4) Our Company has taken Unsecured loans from its group companies and the same can be recalled at any time which could materially affect our financial position

Our Company has taken Interest free Unsecured loans from its group companies, and outstanding as on 30th November 2010 restated financials is ₹ 5.72 Crores and no repayment period is fixed for the said loans and can be recalled by the group companies at any point of time, which in case can materially affect financial position of our company.

5) Our Company has given Interest Free Unsecured Loans to its group companies. Any adverse financial impact on this group companies would consequently affect financial position of our company.

Our Company has given Interest free unsecured loans to its group companies to the tune of ₹ 5.16 Crores, as on 30th November 2010 and no formal agreement is entered with respect to re-payment period and if the group companies are unable to repay the same at the time when it is re-called and/or any adverse financial impact on this group companies could materially affect financial position of our company.

6) Our Company has negative cash flow in the past 5 years details of which are given below: Sustained negative cash flow could impact our growth and business.

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

(₹ in Lakhs)

Particulars	For the year or period ended on					
	30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9months)
Net Cash Generated from operating Activities		(377.21)				
Net Cash Generated from Investing Activities	(797.30)	(271.70)	(37.04)	(128.96)	(24.85)	(15.39)
Net Cash Generated from Financing Activities			(55.49)		(70.05)	(93.29)

7) Our Company has certain contingent liabilities for which may adversely affect our financial position

The Company has following Contingent Liabilities not provided for as on 30.11.2010

a. Fixed Deposit of ₹ 24.91 lakhs has been pledged with central excise department (P.Y. ₹ 16.92 Lakhs).

b. FDR of ₹ 50.00 lakhs is pledged as a collateral security against advances given by the bank to Krishana Phoschem Ltd, a group company for that no guarantee commission has been charged.

c. RSMM Ltd had issued demand note on account of increase in royalty amounting to ₹ 32.95 lakhs in FY 2008-09 against which company had filed writ petition before Hon'ble Jodhpur High court and obtain stay order against such demand.

For Further details, see the section titles "Auditor's Report and Financial Information of our Company" beginning on Page No 186 of this Draft Red Herring Prospectus.

8) There has been a conflict of Interest wherein our promoter company and our group companies are involved in the same line of activity in which our company is involved.

Our Group Companies namely Krishana Phoschem Limited, Tedco Granite Limited and our promoter company Seasons Agro Chem India Private Limited are involved to some extent in the same line of activity in which our company is involved and to that extent we may have a potential conflict of interest between the said Group Companies and our Company.

9) Our Registered Office is in the name of Mr. Mahendra Kumar Ostwal and is taken on Lease by Our Company.

Our Registered Office situated at 5-O-1, Basement, R C Vyas Colony, Bhilwara is in the name of Mr. Mahendra Kumar Ostwal who is father of Mr. Pankaj Ostwal (Chairman & Managing Director of MBAPL) and is taken on Lease Rental basis by our Company for a period of 7 years and lease rental of Re. 1 per month is payable to them vide agreement dated 17th November 2010.

10) Absence of own Distribution Network

Company at present is marketing its product through our marketer Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd and does not have its own Distribution Network. Our inability to maintain our existing distribution network or to expand it further as per the requirement of our proposed increased Capacities, can adversely affect our business, reputation and financial condition.

11) Our Company has given Fixed Deposit of ₹ 50 Lakhs as a security to State Bank of Bikaner & Jaipur against cash credit limit of ₹ 260 Lakhs given to Krishana Phoschem Limited.

Our Company has given Fixed Deposit of ₹ 50 Lakhs as a security to State Bank of Bikaner & Jaipur against cash credit limit of ₹ 260 Lakhs given to Krishana Phoschem Limited, one of its group companies and if financial position of group company is affected at any point of time in future and unable to pay off Cash Credit limit on demand then bank can take hold on the Fixed Deposit of Madhya Bharat Agro Products Ltd and it could materially affect our financial position

12) Our Company is using Logo of Ostwal Group of Industries which is not in the name of Madhya Bharat Agro Products Limited and the same stands registered in the name of one of its Group companies Tedco Granite Limited.

Our Company is using logo of Ostwal Group of Industries which does not stands in the name of Madhya Bharat Agro Products Ltd and for which company has entered into an agreement vide dated 15th April 2011 without any cost with Tedco Granite Ltd who is the registered owner of the said logo.

13) One of our Group Company, Tedco Granite Limited was registered with Board of Industrial and Financial Reconstruction in the year 2002-03 as a Sick but got revived in the year 2009.

One of our group Company, Tedco Granite Limited was registered with BIFR as a Sick Company due to cumulative Losses incurred over a period of 2000-01 to 2004-05 and subsequently the financial position of the company started improving and its profit turned to a positive figure and its net worth on dated 31.3.2009 become positive and subsequently the Bench of BIFR discharged the company from the purview of the SICA in his hearing held on 15.09.2009.

14) Decrease in sales of Promoter Company M/s Seasons Agro Chem India Private Limited and its group company Tedco Granite Ltd

Seasons Agro Chem India Private Ltd

(₹ In lakhs)

Sr. No.	Particulars	2008 (Audited)	2009 (Audited)	2010 (Audited)
1	Net Sales	96.08	84.21	44.69
2	Production (KG) (fertilizers)	4030247	154415	300500
3	Profit after tax	2.61	1.97	2.02

The Turnover of the company shows a decline continuously on account of discontinuance of manufacturing of Prom and reduced trading of rock phosphate.

Tedco Granite Ltd

(₹ In lakhs)

Sr. No.	Particulars	2008 (Audited)	2009 (Audited)	2010 (Audited)
1	Net Sales	1806.13	4603.29	2145.92
2	Production (MT) (fertilizers)	50109.874	60612.348	62985.504 (SSP Powder 1500.00 (SSP- Granule)
3	Profit after tax	62.78	515.31	155.06

The Turnover of the company show a decline in F.Y. 2009-10, in comparison to last F.Y. 2008-09 due to change in Government policy in respect of the sales concession of the SSP which was changed from Ad-hoc basis to Nutrient based and were effective from 1st May, 2010 onwards and stocks were carried by the company and same were sold in 2010-11.

15) Decrease in sales of Madhya Bharat Agro Products Limited in 2009-10 as compared to previous year.

Company has booked sales of ₹ 2152 Lakhs in the year 2009-10 against sales of ₹ 3662 Lakhs in 2008-09.The decline in sales were due to change of government policy in respect of market price and subsidy on the SSP, which was made effective from 1st May '2010 onwards, wherein price of SSP was increased to ₹ 4400 per MT.

16) Raw Materials include Rock Phosphate, Sulphuric Acid, which are mineral products, any variation in price may affect profitability of our Company

Our Company mainly depends on raw materials like Rock Phosphate of specified standard and is highly price sensitive product. In case of any change or fluctuation in the price could adversely affect profitability of our Company.

17) Deployment of the Issue Proceeds is entirely at the discretion of the issuer and is not subject to any monitoring by any Independent agency

As the net proceeds of the Issue will be less than ₹ 50,000 Lakhs, under sub-regulation (1) Regulation 16 of SEBI (ICDR) Regulations, 2009 our company is not required to appoint a monitoring agency in relation to the issue. However, as per Clause 49 of Listing Agreement to be entered into with the stock exchanges upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue

18) Dependency on High Working Capital requirement for smooth day to day operations of business.

Our business demands substantial funds towards working capital. In case if there is insufficient cash flows to meet our working capital requirement or our inability to arrange the same from other sources or due to other factors including delay in disbursement of arranged funds which resulting in our inability to finance our working capital need or when there is any increase in interest rate on our borrowings, it may adversely affect our performance.

19) Inadequate Insurance coverage to protect us against all material hazards which may results in disruptions of operations/monetary loss on account of stoppage of work.

Our Company has covered itself against certain risks. In case of any casualty, there can be no assurance that any claim under the insurance policies obtained by our Company will be honored fully/ in part on time. Further, our Company may not have obtained or may not timely renew insurance cover for any of our asset that does not expressly require us to maintain insurance.

To the extent that if we suffer losses or damages not adequately covered, the same shall devolve on our Company resulting in operations and financial performance being adversely affected. For further details regarding Insurance cover to various assets of our company please refer to Page No. 142 under the heading "Insurance" in the Chapter "Business Overview"

20) Any change in interest rates and banking policies may have an adverse impact on our Company's profitability.

At present company has taken Term Loan and Working Capital of ₹ 1150 Lakhs to part fund BRP Plant (being one of the Objects of the Issue) and company is dependent on bank(s) and financial institution(s) for arranging the Company's Working Capital Requirements, Term Loans, etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on the Company's profitability.

21) Availability of inadequate labour, work stoppages and other labour problems could adversely affect our business.

There are 38 labours in the company who are skilled and unskilled labour for successful running of our existing, as well as, for future operations. Any shortage of adequate labour and stoppage due to any labour related issues may affect smooth running of our operations.

22) Our success depends in large part upon our Promoters and senior management team and the loss of members of this team could negatively impact our business.

We are highly dependent on our Promoters, senior management and key managerial personnel for our business. Our business model is reliant on the efforts and initiatives of our key managerial personnel. Our ability to successfully function and meet future business challenges depends on our ability to attract and retain them. Our future performance will depend upon the continued services of these persons. We cannot assure you that we will be able to retain our skilled senior management or managerial personnel or continue to attract new talents in the future. The loss of the services of any key member of our management team could have an adverse effect on our business, results of operations and financial condition. For details of our key managerial personnel, please refer to the chapter titled "*Our Management*" on page 163 of the Draft Red Herring Prospectus.

23) ***Quality Control Check is an integral part of our business model. If our products —— doesn't match the prescribed quality levels our efforts are not successful, our business may be restricted which may in turn have an adverse effect on our business and financial condition.***

Quality Check is an integral part of our business model. Our Company has to abide by the government regulations and specification for quality counts of fertilizer. Any material adverse developments with respect to the sale or use of our products, failure to successfully meet the quality criteria's or implement our expansion strategies, could have a material adverse effect on the business and financial condition of our Company.

24) Changes in Technology may impact our business by making our manufacturing facilities less competitive thereby affecting the operations of our business and our profitability.

Advancements in Technology may require us to incur additional capital expenditure for upgrading our manufacturing facilities so as to compete with our competitors on a global scale. In the event that we are not able to respond to such technological advancements in a timely manner, we may become less competitive thereby adversely affecting our business, results of operations and financial condition.

25) We are a manufacturing company and any breakdown or failure of equipment at any of our manufacturing facilities or other adverse development impacting our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing facilities are subject to several operating risks. These risks include, in relation to our manufacturing equipment, the breakdown or failure of equipment, shortage of power supply, performance below expected levels of output, raw material shortage or unsuitability and obsolescence, among others. Other factors which may adversely impact our manufacturing facilities include labour disputes, strikes, lock-outs, and our ability to respond to emerging industry standards and practices in the industries we operate in and propose to operate. The occurrence of any of these risks or any other factor(s) adversely impacting our manufacturing facilities may adversely affect our business, results of operations and financial condition.

26) We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in delay or abandonment of any or all of our business development plans and this may have an adverse effect on our business and results of operations.

We may require additional funds in connection with future business expansion and development initiatives. In addition to the net proceeds of this offering and our internally generated cash flow, we may need other sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the issuance of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financing could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in delay or abandonment of any or all of our business development plans and this may have an adverse effect on our business and results of operations.

27) Our Indebtedness and the conditions and restrictions imposed by our financing arrangements may have an adverse effect on our ability to conduct our business.

Company has taken Secured loans of ₹ 1150 lakhs (Term Loan = ₹ 1000.00 Lakhs and Working Capital = ₹ 150 Lakhs) and out of which company has availed ₹ 1000.00 lakhs as on 31.03.2011. Our financing agreements require us to obtain specific consent from lending banks to effect any change in capital structure, formulate any scheme of amalgamation or reconstruction, enter into borrowing arrangement either on secured basis or unsecured basis with any other bank financial institution, make changes in our Memorandum or Articles of Association, undertake guarantee obligations on behalf of any other borrower,increase our manufacturing facilities or make any significant change in our management structure, declare dividends for any year, if the accounts of the borrower with the bank is running irregular, or enter into any contractual obligation of a long term nature affecting the borrower financially and or Divert / utilize bank's funds to other sister /associate /group concern. For further details kindly refer to Page No. 145 under the heading Indebtedness under section "Business Overview".

28) After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to various factors, including the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, trends in our industry, the performance of the Indian and global economy and significant developments in India's fiscal regime. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue or that the price at which our Equity Shares are initially issued will correspond to the prices at which they will trade in the market subsequent to this Issue.

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

Subsequent to listing, our Company will be subject to a daily circuit breaker imposed on listed companies by BSE and NSE, which does not allow transactions beyond certain volatility in the price of Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform our Company of the percentage limit of the circuit breaker from time to time and may change it without its 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.

30) Any future issuance of Equity Shares by our Company may dilute investor's shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company which may adversely affect the trading price of our Company's Equity Shares and our ability to raise capital through an issue of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose off, pledge or encumber their Equity Shares in the future.

31) Our ability to pay dividends in future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

We haven't paid any dividend in the past out of our earnings. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. There can be no assurance that we will be able to pay any kind of dividends in future.

Risk Associated with our Project

32) **Land on which proposed projects of BRP, GSSP, SSP and SA is to be set up is on lease for 30 years.**

Our Company has been allocated 92700 Sq mtrs of land situated at Halka No: 19/86 Khasra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh by District Trade and Industries Centre, on lease for 30 years wherein our proposed project is under set up.

33) Land on which proposed projects of GSSP, SSP and SA is to be set up given by District Trade and Industries Centre for setting up Beneficiated Rock Phosphate.

The said land situated at Halka No 19/86 Khasra No 166/1 Village Sorai, Tehsil : Banda, Distt Sagar, MP given on lease to our company by District Trade and Industries Centre for setting up Beneficiated Rock Phosphate Plant since application was made to the said authority for permission to set up BRP plant. Our Company has made application to the concerned authority to sought the permission to set up other projects also on the same land vide letter dated 21.04.2011 In case District Trade and Industries Centre do not give the permission then the same could affect the implementation Schedule of the said projects. However the company has acquired lands nearby proposed project land and for details refer Page No. 148 under the heading Immovable Properties.

34) Delay or non-receipt of certain regulatory approvals may delay our proposed expansion plans and would adversely affect our growth plans. Further, if we are unable to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business and results of operation.

There are certain approvals, incidental or ancillary to our GSSP, SSP and Sulphuric Acid Plant, for which applications are yet to be made to statutory authorities. There can be no assurance that the consents or other approvals required from third parties, which include central, state and local governmental bodies, will be issued or granted to us in a timely manner or at all. Further, if these approvals are not granted or if granted subject to certain conditions, we cannot assure that these conditions would be acceptable to us which may have a material adverse effect on our project implementation schedule, results of operations and our profitability.

Further, any failure to renew the approvals that have expired or applied for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may have a material adverse effect on our results of operations. For further details of pending approval, please refer to the chapter titled *"Government/Statutory Approvals and Licences"* on page 239 of the Draft Red Herring Prospectus.

35) **Out of total cost of Plant & Machinery worth ₹ 4962.55 lakhs, we are yet to place an order of approx ₹ 3705.83 lakhs which constitutes around 74.67% of the total cost of plant & machinery.**

Out of total cost of Plant & Machinery worth ₹ 4962.55 lakhs, we are yet to place an order for approx ₹ 3705.83 lakhs (approx 74.67% of total cost of Plant & Machinery). We are subject to risks on account of inflation in the price of machineries. For Few machines our company has received quotation and for few machines quotation are yet to be received and they are just management estimate.

36) Our proposed expansion plans are financially dependent on the Issue proceeds any delay in the same may result in escalation of project cost thereby impacting the operations and financials of our Company.

Our proposed expansion plans are dependent on the proceeds of this Issue. Any delay in the proposed Issue may increase the project cost and also result in delay in project implementation. This may adversely affect our operations and profitability.

37) Any delay in Implementation Schedule as mentioned in the chapter titled "Object of the Issue" may have adverse effect on our results of operations and out profitability.

Our Schedule of Implementation is exposed to various risks including time and cost overrun due to various factors including those which may be beyond our control. In case any such event occurs, there can be no assurance that we will be able to complete our projects, including those that may be undertaken in future, within stipulated time and budget. Such time and cost overrun may have adverse on results of operations and our profitability.

External Risk Factors

38) Any disruption in global or domestic logistics may have an adverse effect our operations.

As a manufacturing company, our success depends on the smooth supply and transportation of various materials and inputs from different domestic sources to its manufacturing plants, and of the products from plants to customers located globally, all of which are subject to various logistical uncertainties and risks. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our Company's ability to receive materials and other inputs and supply products to its customers. There can be no assurance that such disruptions will not have a material adverse effect on our business and results of operations.

39) **Exchange Rate Fluctuations may have impact on the performance of the Company.**

The Company is exposed to exchange rate fluctuations. Uncertainties in the global financial market may have an adverse impact on the exchange rate between Rupee vis-à-vis other currencies. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Such fluctuations can have a serious impact on the cost structure of the Company.

40) **Political situation and changes in the Government of India may affect the performance of the Company.**

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 polices and taken initiatives that support continued economic liberalization. There is no guarantee that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. A significant change in India's economic liberalization and deregulation policies could disrupt the business and economic conditions in India.

41) **Natural disasters could disrupt our operations and result in loss of revenues and increased costs.**

The business of the Company is exposed to man-made and natural disasters such as earthquakes, storms and floods as well as to terrorist attacks or other enemy actions. The occurrence of a manmade or natural disaster, terrorist attack, enemy action or other accidents could disrupt the operations of the business of the Company and result in loss of revenues and increased costs.

42) **The acts of violence and terrorist attacks or war involving India could adverse impact on the Company's business.**

There have been instances of terrorist attacks in many parts of the world and also in India in the recent past. Any recurrence of such events or other acts of violence/war may negatively impact on the Indian Capital Market and may also adversely affect performance of our scrip in the stock exchanges. These acts may also result in a loss of business confidence. Any recurrence of events of terrorist attacks or other acts of violence may adversely impact the desire of corporate executives to travel to India for business purposes and thereby adversely impacting business prospects. These uncertainties make it difficult for us and our customers to accurately plan future business activities.

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

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Currently we benefit from certain tax benefits that results in a decrease in the effective tax rate compared to the tax rates that we estimate would have applied if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

44) **After this Issue, the price of the Equity Shares may be highly volatile or there may be no active market for the Equity Shares which may be due to various reasons including the following:**

There is no market for Equity Shares. An Active market for Equity shares may not develop or be sustained after this Offer. The Market price of our Equity Shares may vary from offer price after this Offer. The market price of our Equity Share may fluctuate significantly due to factors beyond our control, including, but not limited to: volatility in the Indian and global securities markets external factors affecting our operating results, including the risk outlined in this section, investor perceptions of our future performance; changes in the price of Rock Phosphate or other raw material, announcements by us or others of significant technological developments, contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments, political developments or other governmental action or regulation in India or other countries; and additions or departure of key personnel. In addition BSE and NSE may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity shares. There is a risk that you may not be able to sell your Equity Shares at or above the Issue Price.

45) ***There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing of Equity Shares will not be granted until after those Equity shares have been issued and allotted. Approval requires all relevant documents authorizing the issue of Equity Shares to be submitted to the Stock Exchanges. There could be delay or failure in listing the Equity Shares on the BSE and NSE. In accordance with Section 73 of the Companies Act, in the event that permission of listing the Equity Share is denied by the Stock Exchanges, we are required to refund all monies collected to investors. Any failure or delay in obtaining the approval would restrict your ability to dispose off your Equity Shares

46) Financial instability in Indian financial markets may have an adverse effect on our results of operations and financial condition.

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

47) A change in accounting or tax policies could result in an adverse effect on our income and reported results of operations.

New or revised accounting or tax policies promulgated from time to time by relevant Indian authorities may significantly affect our reported results of operations. Any current or future Government revisions to tax policies, in particular with respect to tax incentives may have a material adverse effect on our income and results of operations.

Prominent Notes

1. Public Offer of 81,00,000 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] Lakhs. The Offer shall constitute 42.28% of the post-Offer paid-up Equity Share capital of our Company.

2. The Issue is being made through a 100% Book Building Process wherein at least 50% of the Issue shall be available for allocation to QIBs subject to valid Bids being received at or above the Issue Price.

3. Under-subscription, if any, in the Non-Institutional Portion or Retail Portion would be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with BRLMs and the Designated Stock Exchange.

4. The average cost of acquisition of Equity Shares by our Promoters is set out below:-

Name of our Promoters	Avg Cost of Acquisitions (₹)
M/s Seasons Agro Chem India Private Ltd	2.67
Mr. Pankaj Ostwal	0.08
Pankaj Ostwal (HUF)	14.99
Mr. Praveen Ostwal	2.18
Praveen Ostwal (HUF)	100.00
Mrs. Ekta Jain	1.86

For Further details, see "Capital Structure"- Details of Build Up, Contribution and Lock in of Promoters- Capital Built up of Promoters" on page 56 of this Draft Red Herring Prospectus.

5. Except as disclosed in the section titled "Auditors Report and Financial Statements of our Company" on pages 186, there have been no transactions between our Company and our Subsidiaries/joint ventures during the last Fiscal including the nature and cumulative value of the transactions.

6. The Pre-issue net worth of our Company as at 30th November 2010 was ₹ 1486.69 lakhs and as at March 31, 2010 was ₹ 1,188.67 Lakhs, as per the restated financial statements.

7. The NAV/ book value per Equity Share as at 30th Novemeber, 2010 was ₹ 13.44 and as at March 31, 2010 was ₹10.85 per share as per our restated financial statements. For more information, see the section titled "Auditors Report and Financial Statements of our Company beginning on page 186

8. There has been no financing arrangement whereby the Directors and/ or their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this DRHP with SEBI.

9. Investors may contact the Book Running Lead Managers who have submitted the due diligence certificate to the SEBI, for any complaint pertaining to this Offer. All grievances relating to ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder.

10. Except as disclosed in this section and in chapters titled "*Our Promoters and Group Companies*" and *"Our Management"* on pages 176 and 163, respectively, none of our Promoters, ventures promoted by our Promoters, Directors or Key Management Personnel have any interest in our Company except to the extent of remuneration and reimbursement of expenses provided to them by our Company and to the extent of the Equity Shares held by our Promoters or held by the companies in which they are interested as members and to the extent of the benefits arising out of such shareholding, if any, in our Company

11. Except as disclosed in the chapter titled "Capital Structure" on page 53 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

12. Our Group Companies, Tedco Granite Limited, Krishana Phoschem Limited and our promoter company Seasons Agro Chem India Private Ltd, are permitted under its respective objects clauses to undertake activities which are similar to those being undertaken or intended to be undertaken by us and may be considered to be in the same line of business as we are which may result in a conflict of interest with respect to our business strategies.

13. The details in relation to transactions with our Group Entities during Fiscal Year 2009-2010 and the nature of such transactions are provided in Annexure- XI titled "Related Party Transactions" in chapter titled "Auditors' Report" on page 199 of the Draft Red Herring Prospectus.

14. Our Company was incorporated on Oct 22, 1997 as "Madhya Bharat Agro Products Private Limited" under the provisions of the Companies Act, 1956 with Registrar of Companies, Madhya Pradesh and subsequently, the name of our Company changed to Madhya Bharat Agro Products Limited on June 11, 1999 vide a fresh certificate of incorporation on becoming a public limited company.

15. Our Company has not made any loans and advances to any person(s)/ Company in which the Directors are interested, except as disclosed in the Annexure XI titled "Related Party Transactions" in chapter titled "Auditors' Report and Financial Information of our Company" on page 199 of the Draft Red Herring Prospectus.

16. Trading in Equity Shares for all investors shall be in dematerialised form only. For further details, please refer to chapter titled "Issue Procedure" on page 265 of the Draft Red Herring Prospectus.

17. No part of the Issue Proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Companies.

18. Contingent liabilities as on November 30th 2010 is ₹ 107.86 Lakhs and March 31, 2010 is ₹ 949.87 Lakhs, as mentioned in "Annexure X" beginning on page 198 under Chapter "Auditor's Report And Financial Information of our Company" beginning on page 186 of the Draft Red Herring Prospectus.

19. Investors may note that the event of Over- Subscription in the Issue, allotment shall be made on proportionate basis, in consulting with BSE, The Designated Stock Exchange.

20. No loans and advances have been made to any person(s)/ Companies in which the Director(s) of our Company are interested except as stated in the Auditors Report. For details of Loans and Advances please refer to Annexure VI in Section titled " Financial Information" on page 196

21. The Investors are advised to refer to the Para on "Basis for Issue Price" on Page 91 before making any investment in this Issue.

22. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest multiple of allotment lot, while finalizing the Basis of Allotment.

    Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.

23. In case of over-subscription in all categories, at least 50% of the Issue size shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further a not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

24. There are no material events occurring after the Balance Sheet date, which have an impact on the Financial Statements as on November 30th 2010; except as stated under the head " Management Discussion and Analysis" beginning on page 219

25. Our Company, the BRLM will keep the Investors informed of any material change/ development and all information shall be made available 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

26. Bidders should note that on the basis of name of the Bidder, Depository's name, Depository Participant – Identification number and Beneficiary Account Number provided by them in the Bid- cum-Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Applicants such as address, bank account details for printing on refund orders and occupation. Hence, applicants should carefully fill in their Depository Account details in the Bid- cum-Application Form and also update their demographic details with their respective depository participant.

OSTWAL

SECTION III: INTRODUCTION

You should read the following summary together with the Risk Factors and the more detailed information about us and our financial data included in the Draft Red Herring Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports & data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, please refer to Chapter "Forward Looking Statements" and "Presentation of Financial Industry and Market Data" beginning on page 12 & 11 *respectively of the Draft Red Herring Prospectus.*

SUMMARY OF INDUSTRY (Source: Fertilizer Association of India(2009-10), *Annual report of Department of Fertilizer (2009-10), and working paper presented by Working Group 11 of Planning Commission of India on Fertilizer Industry- (2007-2012))*

Part – I: MINERAL BENEFICIATION

In the present scenario worldwide high grade minerals are depleting and there is serious need of mineral beneficiation .Like other minerals there is acute shortage of high grade phosphate in India.

Phosphate rock is used primarily as a plant nutrient, either by direct application to the soil as a powdered product or in the manufacture of super phosphate, triple super phosphate, or diammonium phosphate (DAP) fertilizers. Elemental phosphorus and phosphoric chemicals derived from phosphate rock are also used in detergents, insecticides, matches, fireworks, military smoke screens, incendiary bombs, and many other products.

Rock Phosphate being one of the important raw material for manufacturing phosphatic fertilizers including SSP, is not presently available in large quantity in India and that portion of high grade rock is limited.

Phosphate rock is mined throughout the world for use in the production of fertilizer and for making other valuable products. In some cases, the phosphate rock as mined, the phosphorus-containing component is associated with substantial amounts of organic and/or inorganic impurities. Further, as high-grade phosphate rock deposits become exhausted, the lower grade rock deposits with larger amounts of impurities must be utilized. Beneficiation of phosphate rock is therefore widely practiced and, in a first stage, may take the form of washing and concentrating by flotation to remove impurities.

Due to the limitation of source of rock phosphate and also rising trend in the price of rock phosphate in the international market, the availability of rock phosphate for manufacturing of SSP has been affected.

MINERAL BENEFICIATION PROCESS

Mineral beneficiation is a process by which valuable constituents of an ore concentrated by means of a physical separation process. As one of the initial steps of extractive metallurgy, the main purpose is to prepare the ore prior to downstream purification processes. The most common mineral beneficiation processes include: sample preparation, comminution, size classification, and concentration.

DEMAND OF ROCK PHOSPHATE AND ORE STATUS IN INDIA

Rock Phosphate is a critical input for manufacturing Phosphatic fertilizers which primarily include Single Super Phosphate (SSP), Triple Super Phosphate (TSP) as straight fertilizers and Di Ammonium Phosphate (DAP) and Mixed Fertilzers as complex Fertilizers.

In view of severe shortage of rock phosphate ore reserves in India, country has been meeting its requirement through indigenous production of SSP, DAP and Mixed fertilizers by importing rock phosphate ore and DAP besides phosphoric acid which is again used for the manufacture of DAP.

Fertilizer Association of India (FAI) publishes regularly yearly statistics relating to N-P-K fertilizers. Large dependence on imports can be corroborated from the FAI's statistics as given below:-

1. Rock Phosphate imported during 2008- 5.3 million tonnes
2. Production of rock phosphate in India in 2009-10 - 1.587 million tonnes
3. Import of Phosphoric acid in 2009-10 - 2.721 Million tonnes
4. Consumption of Phosphate fertilizers in 2009-10- 7.274 million tonnes

Rock Phosphate ore deposit of commercial interest have been mainly found in two States only in India namely: Rajasthan and Madhya Pradesh.

Both the discoveries were made in the year 1960-70. However, some small low grade ore deposits were found in other states like W.Bengal, Andhra Pradesh or Uttar Pradesh which have not been explored/ Investigated properly and are not considered of any economic or commercial interest. Out of total 305 million tonnes rock phosphate ore, about 130 million tonnes ore of very poor grade and are not suitable.

21 million tonnes are reckoned as +30% P2O5 which can be directly used for the manufacture of fertilizer and these ore deposits are being commercially mined by the Rajasthan State Mines & Minerals Ltd., (A government of Rajasthan enterprise). RSMML has also medium grade rock phosphate ore deposits estimated as 60 million tonnes which are beneficiated to produce +31% P2O5 rock phosphate concentrate (BRP).

Total production of high grade rock phosphate (+30% P2O5) and BRP (31% P2O5) is approx., 12 lakh MT/ year. Rest of low/medium grade rock phosphate ore deposits estimated as 94 million tonnes have been identified in the State of Madhya Pradesh at Jhabua group of mines and Heerapur/Chhatrpur districts in Bundhelkhand region. India is, however, a net deficit in rock phosphate mineral which is an important and major raw material for the production of phosphatic fertilizers

The requirement of rock phosphate in India is approx 7 MT, out of which total indigenous supply was nearly 1.6 MT of various grades of rock phosphate, the rest is being imported from Jorden, Egypt, Syria, Senegal, Morocco, China and many more other countries, Rock phosphate with a minimum of 31-34% P2O5 content is normally required for manufacturing phosphoric acid and phosphotic fertilizers,

India had a preponderance of low grade phosphate, the major deposit of rock phosphate are located only in few states viz. Rajasthan, Madhya Pradesh, Uttar Pradesh. No new phosphate deposit could be located for the last few decades, the countries has already exploited much of the high grade phosphate, Indian Government is also stressing on the need for beneficiation of low grade rock as a pre requisite to meet the future requirement of the country.

INSTALLED CAPACITY OF BRP MANUFACTURING UNIT IN INDIA

There are only two BRP plants in India- one is public sector under Government of Rajasthan enterprise at Udaipur and other in private sector under Krishana Phoschem Ltd., (A Unit of Ostwal group of industries) at Meghnagar, M.P.

According to the following data released by the fertilizer statistics,

Sr. No	Sector	Capacity (Lakhs MT)	
		High Grade Chipps	BRP
1.	Public Sector (RSMML)	11.00	2.50
2.	Private Sector (KPL) (others)	NIL NIL	0.50 0.50
	Total	11.00	3.50

PRODUCTION & IMPORT DATA SHEET

As per 55th fertilizer statistics 2009-10 of fertilizers association of India the following are the countries which we had imported rock phosphate for fulfilling our requirements,

IMPORT OF ROCKPHOSPHATE										
										(000 Tonnes)
S.No.	Country	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	China	1964	783	431	385	137	-----	80	215	-----
2	Jorden	1963	2524	1713	2516	2301	2334	2584	2530	2229
3	Morocco	138	628	699	976	1134	1272	1110	876	729
4	Nauru	103	63	89	22	-----	-----	-----	111	97
5	Senegal	353	320	33	26	-----	-----	-----	-----	-----
6	Algeria	-- ---	-----	-----	-----	143	367	615	570	178
7	Egypt	101	343	191	572	428	511	353	336	899
8	Togo	14	204	411	348	673	718	395	266	489
9	S. Africa	137	49	12	-----	-----	-----	-----	-----	-----
10	Syria	48	14	-----	-----	-----	-----	19	-----	33
11	Israel	113	16	-----	-----	-----	120	-----	-----	391
12	Tunisia	-----	-----	-----	-----	-----	-----	20	-----	27
13	Vietnam	-----	-----	-----	-----	-----	-----	68	357	254
	Total	4934	4944	3579	4845	4816	5322	5244	5261	5326

Source: Fertilizer Statistics of India

ABOUT SINGLE SUPER PHOSPHATE

Super phosphate or super phosphate of lime Ca (H2Po4)2 is a Compound produced by treating rock phosphate with sulphuric acid & phosphoric acid or a mixture of the two. It is the principal carrier of rock phosphate, the form of phosphorus usable by plant & is one of the world's most important fertilizers. Single super phosphate Contain 16 % W.S. phosphate & triple super phosphate contains 46 % W.S. phosphate. It is the cheapest source of phosphate & sulphur to the soil.

The total installed capacity of SSP plants in India is 7,526.20 tonnes and constitutes 20.50% of the total capacity of phosphatic fertilizers. The major raw materials for SSP are rock phosphate and sulphur. Unlike DAP, which is produced using imported rock phosphate, 65% of the SSP is produced with indigenous rock phosphate that is available domestically. This provides an advantage in the form of improving agricultural productivity since large areas in the country are deficient in sulphur and calcium.

FUTURE OUTLOOK

The reserves of chemical and fertilizer grades appetite and rock phosphate in India are very limited. Detailed exploration is, therefore, necessary for conversion of remaining resources into reserves. Till the domestic resources of these two minerals are improved, the country has no alternative but to depend on their imports. In India, most of the existing phosphatic fertilizer and phosphoric acid plants were designed on the basis of high grade imported rock phosphate. The Indian deposits are generally of low grade. Therefore, the future fertilizer plants may be set up in such a way that they may accept indigenous mineral or blend of low grade indigenous and imported rock phosphate. Trend indicates that the supplies from world market also show decline in grade. Therefore, the user industries have to orient themselves to allow higher limitations of deleterious constituents. Beneficiation of low grade mineral is another forward looking step for conservation. M/s RSMML already has beneficiation plant in Jhamarkotra in Rajasthan. M/s Krishana Phoschem Ltd has 600 TPD phosphate rock beneficiation plant at Meghnagar in Jhabua district of Madhya Pradesh. The Govt. of India is encouraging to put new B.R.P. plants based low grade Rock Phosphate as there is still wide gap in demand & supply.
The MBAPL is already in process of putting new BRP plant at Sagar (M.P.) some more exploration is under way to put up BRP plants based on low grade Rock Phosphate.

Part –II: **<u>Fertilizer – Introduction</u>**

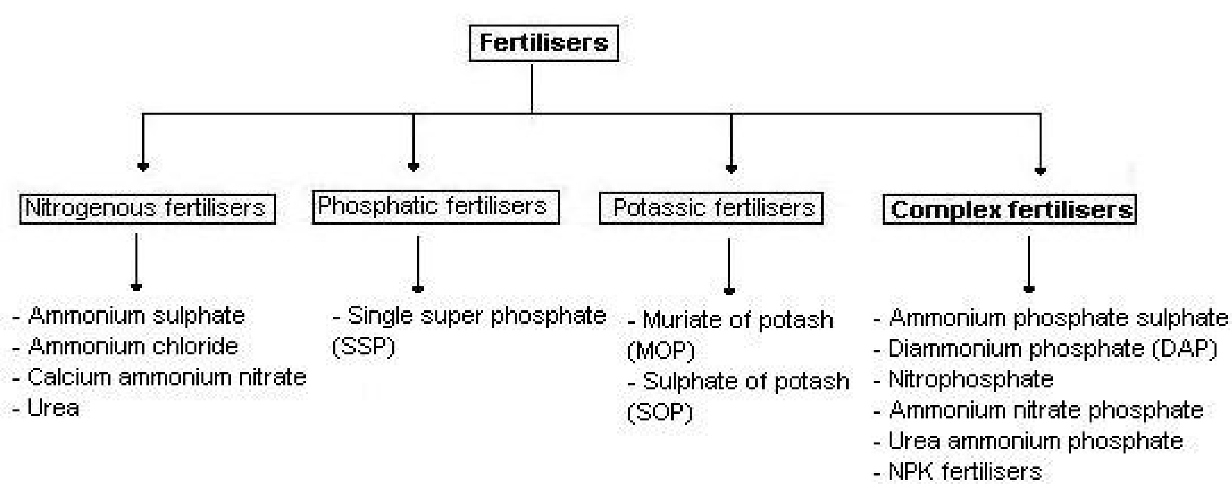
The Indian Agriculture Industry is on the brink of a revolution that will modernize the entire food chain, as the total food production in India is likely to double in the next ten years.
Agriculture which accounts for one fifth of GDP provides sustenance to two-thirds of our population. Besides, it provides crucial backward and forward linkages to the rest of the economy. Successive five-year plan have laid stress on self-sufficiency and self-reliance in food grains production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. This is clear from the fact that from a very modest level of 52 million MT in 1951-52, food grain production rose to about 233.88 million MT in 2008-09.

Fertilizers have played a significant role in the success story of India's agriculture sector. Fertilizers have not only played a vital role in the success of India's green revolution and its self-reliance in food grain production but have also aided the country in generating surplus food grain for exports.

The fertilizer sector is an energy-intensive sector as it requires various fuels such as natural gas, associated gas, fuel oil and naphtha, low sulphur heavy stock and coal as raw materials for production.

Fertilizers can be categorised as organic, which is composed of organic matter, or inorganic, which is made of inorganic chemicals or minerals. They can also be naturally occurring compounds or synthetic. The fertilizers provide essential nutrients to the soil to aid the growth of plants. The nutrients required by plants are generally classified into three categories such as:

- Primary nutrient - nitrogen, phosphorus, and potassium
- Secondary nutrient - calcium, sulphur, magnesium
- Micronutrient - boron, chlorine, manganese, iron, zinc, copper and molybdenum.
- Over the years India has emerged as the third-largest producer of fertilizer in the world.



According to the statistics provided by the Department of Fertilizers (DoF), at present there are around 56 large-size fertilizer units in India that manufacture a wide range of nitrogenous and phosphatic/complex fertilizers. Out of these 56, 30 (as on date 28 are functioning) units produce urea, 21 units produce DAP and complex fertilizers, and 5 units produce low analysis straight nitrogenous fertilizers. Apart from these, 9 units produce ammonium sulphate as a by-product. Besides, there are about 72 small and medium-scale units that produce SSP.

Sector-Wise, Nutrient-Wise installed capacity of Fertilizer Manufacturing Unit as on 31.3.2009

The units in the fertilizer industry in India operate in public, private and co-operative sector, with the private sector occupying a larger share in the manufacturing capacity. According to the data released by the DoF, out of the total installed capacity of 120.61 lakhs metric tonnes (MMT) of the nitrogen segment as on March 31, 2009, the private sector alone accounted for 44.73%. In the phosphate segment too, the private sector accounted for a majority share of 62.08% in the total installed capacity of 5.7 MMT.

Sr. No	Sector	Capacity (Lakhs MT)		% Share	
		N	P	N	P
1	Public Sector	34.98	4.33	29.0	7.65
2	Co-operative Sector	31.69	17.13	26.27	30.27
3	Private Sector	53.94	35.13	44.73	62.08
	Total	120.61	56.59	100.00	100.00

The installed capacity as on 31.3.2009 has reached a level of 120.61 lakhs MT of nitrogen and 56.59 Lakh MT of Phosphatic nutrient, making India the 3rd largest fertilizer producer in the world. The production of fertilizers in nutrient terms during 2008-09 was 108.70 Lakh MT of nitrogen and 34.64 lakhs MT of Phosphate. The estimated production for 2009-10 is 119.68 lakhs MT of nitrogen and 43.52 lakhs MT of Phosphate.

Targeted vs. Actual Level of Production of Fertilizers

		Nitrogen (MMT)	Phosphate (MMT)
FY03	Target	1,161.53	481.91
	Actual	1,056.15	390.42
FY04	Target	1,118.08	464.06
	Actual	1,093.57	380.04
FY05	Target	1,140.58	492.59
	Actual	1,133.52	406.73
FY06	Target	1,181.13	466.30
	Actual	1,135.45	422.13
FY07	Target	1,144.83	482.08
	Actual	1,157.79	451.72
FY08	Target	1,190.81	491.44
	Actual	1,090.00	380.73
FY09	Target	1,189.78	443.43
	Actual	1,086.97	346.43

Source: Annual Report - Department of Fertilisers 2008-09

OUR PRODUCTS:-

Beneficiated Rock Phosphate

Phosphate rock is mined throughout the world for use in the production of fertilizer and for making other valuable products. In some cases, in the phosphate rock as mined, the phosphorus-containing component is associated with substantial amounts of organic and/or inorganic impurities. Further, as high grade phosphate rock deposits become exhausted, the lower grade rock deposits with larger amounts of impurities must be utilized. Beneficiation of phosphate rock is therefore widely practiced and, in a first stage, may take the form of washing and concentrating by flotation to remove impurities.

"Mineral beneficiation" is a process by which valuable constituents of an ore are concentrated by means of a physical separation process. As one of the initial steps of extractive metallurgy, the main purpose is to prepare the ore prior to downstream purification processes. The most common mineral beneficiation processes include: sample preparation, comminution, size classification, and concentration.

Sulphuric Acid

Sulphuric acid, which is derived from sulphur, is an intermediate in the manufacture of phosphoric acid and certain grades of phosphatic fertilizers. India does not have any reserves of sulphur and only moderate quantities of sulphur are available as recovered from the oil and gas sector. The requirement of sulphur is imported from Iran, UAE, Saudi Arabia, Kuwait, Bahrain, Qatar etc.

Sulphuric acid is one of the most important chemical having wide range of use in the chemical and fertilizer industries. Sulphuric acid is called a mother of all chemicals, Fertilizer industries are the main user of sulphuric acid. Sulphuric acid is used for the manufacture of water treatment chemicals like Ferric Alum, Ammonia Alum which are used in bulk for purification of water. Similarly, sulphuric acid finds large application for the manufacture of salts of phosphates which are being increasingly used as detergents and for the manufacture of Cattle Feed. Besides this, there is requirement of sulphuric acid in the manufacture of Dyes and varieties of chemicals.

Production of sulphuric acid is used to assess the industrial growth of any country.

There are about 140 sulphuric acid plants having an estimated annual installed capacity of 12 million M.T. Though sulphuric acid plants are spread over across the country but they are mostly located in most industrialized states like Gujarat, Maharashtra, Tamil Nadu, W.Bengal, U.P.

Most of these plants use elemental sulphur as raw material while a few plants operate on gasses from copper and zinc smelters to produce sulphuric acid. Large plants have been set up by Hindustan Zinc Ltd., in Rajasthan, A.P and Kerala and Hindustan Copper Limited in Khetri (Rajasthan) and Birla Copper Ltd. In Gujarat which is based on gasses from sulphide ores. Normally sulphuric acid plants operate around 70% installed capacity.

Single Super Phosphate

Super phosphate or super phosphate of lime Ca (H2Po4)2 is a Compound produced by treating rock phosphate with sulphuric acid & phosphoric acid or a mixture of the two. It is the principal carrier of rock phosphate, the form of phosphorus usable by plant & is one of the world's most important fertilizers. Ordinary super phosphate Contain 20 % available phosphate & double super phosphate contains 40 %- 50 % available phosphate. It is the cheapest source of sulphur to the soil.

The total installed capacity of SSP plants in India is 7,526.20 tones and constitutes 20.50% of the total capacity of phosphatic fertilizers. The major raw materials for SSP are rock phosphate and sulphur. Unlike DAP, which is produced using imported rock phosphate, 65% of the SSP is produced with low-grade rock phosphate that is available domestically. This provides an advantage in the form of improving agricultural productivity since large areas in the country are deficient in sulphur and calcium.

Granulated Single Super Phosphate (GSSP)

Granulated Single Super Phosphate (GSSP) as compared to SSP is in granulated form and use of granulated product is more beneficial than the use of powder. The powder gets dissolved immediately in irrigation water and becomes readily available. Some part of it is used by plants and balance goes to sub soil with water and remain useless. The powder can be used only during sowing of seeds. It cannot be used on the growing crops as it get deposited on the leaves of the plants and being slightly acidic, burns them. The granulated product rolls down the plant and can be used harmlessly on the standing crops. The biggest advantage in using the granulated product is that it is available to the crops for a longer time because it gets dissolved slowly in water.

SUMMARY OF BUSINESS

Madhya Bharat Agro Products Limited (MBAPL) is one of the flagship Company of Ostwal Group of Industries recognized as one of the quality SSP (Single Super Phosphate) manufacturers in India in Private Sector. SSP is used in large quantities for replenishing “P” (Phosphorus) in the soil which gets depleted steadily with each crop cultivation. This is preferred phosphate fertilizer by the farmers as it provides much needed nutrients “S” along with “P” unlike other fertilizer. SSP industry enjoys price concession by the Govt. of India which protects this industry for long run sustainability.

In the year 1997, MBAPL was incorporated by Mr. Shailendra Jain envisaging to implement an SSP Plant and the same was successfully implemented in the year 1999 with an installed capacity of 60000 TPY. In the same year i.e. 1999, company was converted from Private Ltd to Public Limited. In the initial period of incorporation of the company there was Drought situation in the state and further due to non availability of right quality of raw material at right time and collective effect came out as the plant did not come out as a profitable venture in the initial years after its commencement. In the year 2004 the company was taken over by Ostwal Group of Industries.

We chose SSP Fertilizer as our product few years back and now we are committed to the development of Agriculture in our country through our establishment of integrated Mineral Beneficiation plant comprising BRP, SSP, GSSP and ancillary plant of Sulphuric Acid. SSP is sold in form of Powder, boronoted and granular. In states of MP and Chattisgarh the SSP in powder form is preferred by the farmers. But in other states like Rajasthan, Gujarat, Maharashtra, Punjab, UP, large number of farmers prefer the SSP in Granular form. SSP being in substance form becomes easier for farmers to spread in the land, which makes less wastage as compared to SSP Powder.

At present company has planned to set up an Integrated state of art Unit of Mineral Beneficiation wherein Beneficiated Rock Phosphate, Single Super Phosphate and Granulated Single Super Phosphate and an ancillary Plant of Sulphuric Acid will be established.

- Beneficiated Rock Phosphate (BRP) Plant with an Installed capacity of 99000 TPA (Processing) which will process the low grade rock phosphate into high grade rock phosphate.
- Sulphuric Acid Plant with an installed capacity of 49500 TPA and the same would be used a raw material for manufacturing of SSP.
- Single Super Phosphate (SSP) Plant with an capacity of 120000 TPA
- Granulated Single Super Phosphate (GSSP), another form of SSP with some value addition which is in granulated form unlike SSP which is in powder form with an Installed capacity of 90000 TPA.

The entire production of BRP project and Sulphuric Acid will be consumed by the SSP Plant and surplus if any would be sold in the open market. It will substantially reduce the raw material cost and transportation cost and continuous supply of raw material, thereby enhancing the profitability of the Company. The Company has entered into an MOU with MP State Mining Corporation for a period of 20 years for supply of low-grade rock phosphate from their Heerapur Mines for manufacturing of BRP.

Further Output of SSP unit will be divided in two parts one for sale in the market and another to be converted in GSSP i.e. SSP in granulated form.

With the implementation of said project, Madhya Bharat would be an integrated state of art plant wherein the complete cycle of manufacturing BRP, Sulphuric Acid, SSP and GSSP will be manufactured under one roof

Madhya Bharat is having ISO 9001:2008 certification for SSP Plant of Unit I and for BRP Plant of Unit II.

The Company has entered into an MOU with MP State Mining Corporation for a period of 20 years for supply of low-grade rock phosphate from their Heerapur Mines. Company has applied to Madhya Pradesh Trade and Investment Facilitation Corporation for getting benefits under MP Udhyog Nivesh Samwardhan Sahayata Yojana, 2004. The said Scheme has been renewed with some changes for 2010-2015.

As an addition to the SSP Product Line, company is also involved in the trading business of agriculture commodities and Textile fabrics since 2007-08 after the change took place in the Object clause of their Memorandum and Articles of Association. Initially trading business counted a very small part in the total turnover of the company. In the year 2007-08 trading business of Textile fabrics counted for 1.22 % out of total turnover and the same was increased to marginal extent of 1.54% in 2008-09 and reduced to the level of 0.13% in 2009-10 and accounted for 1.52% till 30th November 2010.

Our Competitive Strength

❖ **Experienced management team and motivated employee**

We have a highly experienced and qualified management team. Our MD is Chartered Accountant having Eight years of experience of Mineral beneficiation plant and Fertilizer Industries & belongs to Ostwal family mainly having their stake in Mineral beneficiation, Fertilizers & Bio-fertilizers, Pesticides, import export of agro commodities and Reality sector etc. The other directors on our Board comprises of persons having experience in the same field that gives diversified insights and also help us in identifying new business avenues. This is backed by motivated and qualified staff that is instrumental in our business growth. The policies are drafted by the top management and implemented by the staff.

❖ **Business Strategy**

We strive hard for complete transparency and satisfaction of our customer with an unwavering thrust and focus on professional excellence and integrity. We also are keen to expand through acquisition, expansion to avail business synergies, investment in related companies, & integration of activities whether backward or forward. In keeping with this philosophy, we will focus on increasing our customer base in our products, give them a platform of choice to transact and support them with quality research as well as on capturing the significant growth opportunities across the spectrum.

❖ **Potential for Growth**

Company has deployed resources in terms of technology, people and processes to manage our businesses. We have a strong image in to the market with the product development and have full demand of the product with the customers.

❖ **Modern Infrastructure and Integrated Facilities**

The unit is located in Banda Industrial Area in the District Sagar, (M.P.) and enjoys good infrastructure like electricity, water, roads, labour, proximity to port, raw material suppliers and market for finished products which has a vital demand in the market & with this scenario we are concentrating on expanding the production capacity and backward integration. We will increase our strength into the market by developing excellence in all fields.

❖ **Cost Effective sourcing and Locational advantage**

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to gauge our procurement of raw materials in timely manner and being one of the prominent players in the industry we are also able to source these materials at a competitive price. Further, our manufacturing unit situated within the state of Madhya Pradesh is ensured with sufficient a raw material which is locally procured. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs and enables us to address the western markets efficiently

Business Strategy

Our vision is to become major Mineral Beneficiation and Fertilizer manufacturer by providing cost-effective and quality products. In line with this vision, our strategy is to capitalize on our core strengths and thus enhance the volume of our business. We intend to focus on our existing product with specific emphasis on the following as a part of our growth strategy:

- **To increase our scale of operation by undertaking an increase in existing production capacity.**

  With the increased demand of Fertilizer in the Agriculture Industry and demand from our clients, we realized the need for increasing our capacity from the existing one.

  Further government policy is also supporting SSP production by announcement of new subsidy policy based on nutrients i.e.. Nutrient Based Subsidy.

- **To strengthen our relationships with existing client and to develop relationship with new client to add them in our Portfolio.**

  Our Company has been dealing exclusively with Shriram Fertilizers & Chemicals Limited, a unit of M/s DCM Shriram Consolidated Ltd. who is the sole buyer (marketer) of our product SSP and we have been dealing with them from a long time.

  We will further consolidate and strengthen our relationship with existing client by providing them with quality products and at the same time will consistently develop new relations.

- **To continue focus on product development through constant research and Development**

  Our Company continues to focus on research and development as a core thrust of our business. We intend to continuously develop nutrient enriched fertilizer for our customers to satisfy their requirement. We believe constant research and development would enable us to remain ahead of competition and also to help customers with lower costs and enhance their efficiency.

  We also focus on process improvements to bring down operational costs and enhance the quality of products. Through an in-house quality control and research and development, we have created our own knowledge database and are providing new products to our customers. Our Company makes continuous efforts to apply modern techniques in the manufacturing process as a practice, in order to achieve better quality products.

- **To strengthen our competitive position**

  There is wide gap between the demand and supply of SSP in the market, there are certain other players in the same field but these companies are in manufacturing of other complex fertilizers whereas our existing unit is dedicatedly in manufacturing of SSP and now after set up of Integrated unit, it would place us in a competitive position.

- **To make optimal utilization of resources**

  Our Company constantly endeavors to improve our productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries. We regularly analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and timely correct the same. This helps us in improving efficiency and putting resources to optimal use.

- **Explore potential acquisition and partnership opportunities**

The Company intends to explore opportunities for expanding its reach in the Fertilizer industry through potential acquisitions as and when such opportunities arise. The Company also intends to develop new and existing business partnerships with other major fertilizer manufacturing companies to capitalize on business opportunities to further increase its profile in the rapidly consolidating Fertilizer industry.

- **Grow existing product lines with value added products like Phosphoric acid, MAP manufacturing etc.**

With the motto of development with the product line as the industry is one of its kind in order to achieve overall development & growth in this industry by taking initiatives for development of new product as value addition thereto. We intend to achieve operational efficiencies and maximize revenues through efficient use of technology, focused marketing and optimum use of our resources

- **Technical Know How development**

We have qualified & experienced technocrats in our management team which are continuously; engaged in the development work

SUMMARY OF FINANCIAL INFORMATION

ANNEXURE - I : Restated Summary Statement of Assets and Liabilities							
							(₹ in Lakhs)
	Particulars	For the Year /period ended on					
		30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9months)
I	**FIXED ASSETS**						
	Gross Block	928.93	753.12	643.57	332.36	303.96	296.66
	Less ; Depreciation	185.24	165.97	135.95	122.22	106.80	91.76
	Net block	743.69	587.15	507.62	210.14	197.16	204.90
	Less : Revaluation reserve	263.60	269.74	278.94	-	-	-
	Net Block after adjustment of Revaluation Reserve	480.09	317.41	228.68	210.14	197.16	204.90
	Capital work-in-progress including capital advances	622.40	139.15	2.20	-	18.38	-
		1,102.49	**456.56**	**230.88**	**210.14**	**215.54**	**204.90**
II	**INVESTMENTS**	**123.00**	**123.00**	**123.00**	**123.00**	**-**	**-**
III	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Inventories	709.12	1,135.31	411.22	259.79	101.30	84.85
	Sundry debtors	44.49	19.57	101.25	109.75	100.40	96.90
	Cash and bank balances	37.37	24.93	7.68	7.64	16.52	10.75
	Other current assets-FDR	144.58	131.28	157.91	114.89	6.30	5.96
	Loans and advances	438.62	564.03	188.97	196.23	213.14	74.14
		1,374.18	**1,875.12**	**867.03**	**688.30**	**437.66**	**272.60**
IV	**LIABILITIES AND PROVISIONS**						
	Secured loans	7.20	31.56	54.73	93.18	4.38	5.45
	Unsecured loans	589.10	113.17	37.10	5.10	5.10	50.20
	Current liabilities	473.77	1,078.38	608.65	556.14	308.86	141.84
	Provisions						
		1,070.07	**1,223.11**	**700.48**	**654.42**	**318.34**	**197.49**
V	**DEFERRED TAX LIABILITIES (NET)**	42.91	42.90	40.44	10.40	**-**	**-**
VI	**NET WORTH (I+II+III-IV-V)**	**1,486.69**	**1,188.67**	**479.99**	**356.62**	**334.86**	**280.01**
	Represented by:						
VI	**SHARE CAPITAL**						
	Share Capital	1105.81	1,095.62	149.17	149.17	149.17	135.60
	Share Application Money	-	-	-	-	39.48	146.54
		1105.81	**1,095.62**	**149.17**	**149.17**	**188.65**	**282.14**
VII	**RESERVES AND SURPLUS**						
	Securities premium	91.71	-	86.46	86.46	86.46	-

	account						
	Profit and loss account	448.56	116.65	244.36	121.88	61.53	1.03
	Capital Reserve/ Revaluation Reserve	263.60	269.74	278.94	-	-	-
	Total Reserve and Surplus	803.87	386.39	609.76	208.34	147.99	1.03
	Less : Revaluation Reserve	263.60	269.74	278.94	-	-	-
		540.27	**116.65**	**330.82**	**208.34**	**147.99**	**1.03**
VIII	Miscellaneous expenditure						
	(to the extent not written off or adjusted)	159.39	23.60	-	0.89	1.78	3.16
IX	**NET WORTH (VI+VII-VIII)**	**1,486.69**	**1,188.67**	**479.99**	**356.62**	**334.86**	**280.01**

Notes:
1. The accompanying Significant Accounting Policies and Notes to the Restated Financial Information are an integral part of this Restated Summary Statement of Assets and Liabilities.
2. The figures have been Re-grouped, re-arranged & re-casted wherever necessary to reflect the transactions if any and more particularly with the associate/group or promoted companies.
3. Re-stated figures shows clearly the nature of transactions & better reflect the true scenario of company's financial position

OSTWAL

ANNEXURE - II : Restated Summary Statement of Profit and Loss Account							
							(₹. In Lakhs)
	Particulars	For the year/period ended on					
		30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
I	**INCOME**						
	Sales						
	Sales of products manufactured	3,252.94	2,044.74	3,568.72	1,125.41	1,220.84	1,089.95
	Sales of products Traded	50.40	2.60	56.60	13.70	-	-
	Sales of product not normally dealt	20.80	105.44	37.03	-	-	-
	Other income	21.48	36.01	26.56	36.51	23.59	0.26
	Increase/ (Decrease) in inventories	(668.10)	655.81	27.70	114.09	(1.05)	(93.27)
		2,677.52	**2,844.60**	**3,716.61**	**1,289.71**	**1,243.38**	**996.94**
II	**EXPENDITURE**						
	Cost of materials	1,785.03	2,311.25	3,044.99	995.17	917.05	702.34
	Staff cost	34.77	41.50	40.23	20.92	21.33	17.30
	Manufacturing and other expenses	78.79	70.66	86.82	43.83	38.50	42.43
	Administrative Expenses	18.80	21.10	20.50	25.60	25.70	21.70
	Selling and distribution expenses	275.68	203.34	284.25	91.08	138.64	127.35
	Interest	86.09	61.56	49.04	17.54	17.23	0.53
	Miscellaneous expenditure written off	-	2.10	0.89	0.89	1.38	1.04
	Depreciation / Amortization	16.45	20.67	17.17	15.42	15.05	10.93
		2,295.61	**2,732.18**	**3,543.89**	**1,210.45**	**1,174.88**	**923.62**
III	**PROFIT BEFORE TAXATION**	**381.91**	**112.42**	**172.72**	**79.26**	**68.50**	**73.32**
	Provision for tax						
	Current tax	50.00	35.71	27.25	8.12	7.65	3.02
	Less: MAT credit entitlement	-	(9.93)	(7.76)	-	-	-
	Deferred tax	-	2.46	30.04	10.40	-	-
	Fringe benefit tax	-	-	0.71	0.39	0.35	0.56
	Net profit after tax	**331.91**	**84.18**	**122.48**	**60.35**	**60.50**	**69.74**
	Surplus brought forward from previous year	116.65	244.36	121.88	61.53	1.03	(68.71)
IV	**Adjusted profit available for appropriation**	**448.56**	**328.54**	**244.36**	**121.88**	**61.53**	**1.03**
	APPROPRIATIONS						
	Amount distributed	-	-	-	-	-	-
	Bonus issue	-	211.89	-	-	-	-

V	**Adjusted available surplus carried to Summary Statement of Restated Assets and Liabilities**	**448.56**	**116.65**	**244.36**	**121.88**	**61.53**	**1.03**

Notes:
The accompanying Significant Accounting Policy and Notes to the Restated Financial Information are an integral part of this Restated Summary Statement of Profit and Loss Account.

ANNEXURE - III : Statement of Restated Cash Flows

(₹ in Lakhs)

	Particulars	For the year or period ended on					
		30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Profit before taxation	**381.91**	**112.42**	**172.72**	**79.26**	**68.50**	**73.32**
	Adjustment for:						
	Depreciation / Amortization	16.45	20.67	13.72	15.42	15.05	10.93
	(Profit) / Loss on sale of fixed assets (net)	(0.60)	0.15	3.08	-	-	-
	Interest income	(0.26)	(0.51)	(0.50)	(4.07)	(0.83)	(0.26)
	Miscellaneous Expenditure w/o	-	2.10	0.89	0.89	1.38	1.04
	Interest expenses	86.09	61.48	49.04	17.16	16.85	0.16
	Unrealized exchange difference (net)						
	Dividend income from subsidiary company						
	Provision for doubtful debts and advances (Net)						
	Cash generated from operations before working capital changes	483.59	196.31	238.95	108.66	100.95	85.19
	Adjustment for:						
	(Increase)/ Decrease in inventories	426.19	(724.09)	(151.43)	(158.49)	(16.45)	60.07
	(Increase)/ Decrease in trade and other receivables	(24.92)	81.68	8.50	(9.35)	(3.50)	(7.50)
	(Increase)/ Decrease in Loans and Advances	125.41	(375.06)	7.26	16.91	(139.00)	(50.61)
	Increase/ (Decrease) in current liabilities and provisions	(654.61)	469.73	52.51	247.28	167.02	30.51
	Cash generated from/ (used in) operations	355.66	(351.43)	155.79	205.01	109.02	117.66
	Direct tax paid (Net)	-	25.78	20.20	8.51	8.00	3.58
	Net cash from/ (used in) Operating Activities (A)	**355.66**	**(377.21)**	**135.59**	**196.50**	**101.02**	**114.08**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**						

	Payments made for purchase of fixed assets/ capital expenditure	(662.37)	(246.51)	(37.54)	(10.03)	(25.68)	(15.65)
	Proceeds from sale of fixed assets	0.60					
	(Increase)/Decrease in Public Issue & Preliminary Expenditure	(135.79)	(25.70)				
	Loans (granted)/ received back (net)						
	Interest received	0.26	0.51	0.50	4.07	0.83	0.26
	(Purchase) / Sale of Investments		-	-	(123.00)	-	-
	Dividend received from subsidiary company						
	Net cash from/ (used in) Investing Activities (B)	**(797.30)**	**(271.70)**	**(37.04)**	**(128.96)**	**(24.85)**	**(15.39)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Capital introduced/withdrawn (net)						
	Proceeds from issue of shares	101.90	648.11	-	-	-	(8.23)
	Proceeds from share application money	-	-	-	(39.48)	(7.03)	-
	Proceeds from borrowings (net of repayment)	451.57	52.90	(6.45)	88.80	(46.17)	(84.90)
	Interest paid	(86.09)	(61.48)	(49.04)	(17.16)	(16.85)	(0.16)
	Net cash from/ (used in) Financing Activities (C)	**467.38**	**639.53**	**(55.49)**	**32.16**	**(70.05)**	**(93.29)**
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**25.74**	**(9.38)**	**43.06**	**99.70**	**6.12**	**5.40**
	Cash and Cash Equivalents at the beginning of the year/period	156.21	165.59	122.53	22.83	16.71	11.31
	Cash and Cash Equivalents at the end of the year/period	**181.95**	**156.21**	**165.59**	**122.53**	**22.83**	**16.71**
	Components of Cash and Cash Equivalents at the end of the year/period						
	Cash in hand	0.90	1.11	4.63	4.16	0.07	6.05
	Balance with scheduled banks						
	Current account	36.47	23.82	3.05	3.48	16.46	4.70
	EEFC account						
	Add: Effect of exchange difference (closing)						
	Fixed deposit/ margin	144.58	131.28	157.91	114.89	6.30	5.96

	money						
		181.95	**156.21**	**165.59**	**122.53**	**22.83**	**16.71**

Notes:

1. The accompanying Significant Accounting Policy and Notes to the Restated Financial Information are an integral part of this Statement of Restated Cash Flow.

ISSUE DETAILS IN BRIEF

Issue Details	
Public Issue of Equity Shares	81,00,000 Equity Shares aggregating ₹ [●] lakhs
of which	
A. Qualified Institutional Buyers portion	At least 40,50,000 Equity Shares aggregating to ₹ [●] lakhs
of which	
Available for Mutual Funds only	Up to 2,02,500 Equity Shares aggregating to ₹ [●] lakhs
Balance of QIB portion (available for all QIBs including Mutual Funds)	Equity Shares aggregating ₹ [●] lakhs
B. Non Institutional Portion	Not less than 12,15,000 Equity Shares aggregating to ₹ [●] Lakhs , constituting not less than 15% of the Issue size
C. Retail Portion	Not less than 28,35,000 Equity Shares aggregating to ₹ [●] Lakhs , constituting not less than 35% of the Issue size
Equity Shares outstanding prior to the Issue	1,10,58,090 Equity Shares
Equity Shares outstanding after the Issue	1,91,58,090 Equity Shares
Use of Proceeds	Refer Chapter titled "Objects of the Issue" beginning on page 69 of the Draft Red Herring Prospectus for information on use of Issue Proceeds

Allocation to all categories shall be made on proportionate basis.

Under subscription, if any (subject to compulsory 50% allotment to QIBs), in Non Institutional and Retail Portion, would be allowed to be met with spill over inter se from any other category, at the sole discretion of our Company in consultation with the BRLMs.

GENERAL INFORMATION

Regd. Office: 5-O-1, Basement , R.C. Vyas Colony, Bhilwara- 311 001, Rajasthan, (Originally the Registered Office of our Company was situated at 1454 Rajkiran Building, Wright Town, Jabalpur, Madhya Pradesh since incorporation which was then shifted to 376, Clerk Colony, Pardesi Pura, Indore, Madhya Pradesh w.e.f 30th October' 2004. Thereafter, it was shifted to Present address w.e.f from 5th May' 2009.

Tel. No. + 91 -1482-237104
Fax No. + 91 -1482 – 239638
Website: www.mbapl.com
Email: ipo@mbapl.com

Our Company was originally incorporated as Madhya Bharat Agro Products Private Limited on October 22, 1997 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration number 10-12401 issued by the Registrar of Companies, Gwalior, Madhya Pradesh and subsequently, the name of the our company was changed to "Madhya Bharat Agro Products Limited" on 11.06.1999 vide a fresh Certificate of incorporation on becoming a Public Limited Company and in 2009, the registered office of the company was shifted to Bhilwara, Rajasthan, as the management having controlling stake in the company was permanently residing at Bhilwara, Rajasthan and in order to control the overhead cost and better management control the registered office was shifted with effect from 5th May 2009.

Corporate Identification Number of Our Company is U24121RJ1997PLC029126

The Company is registered with the Registrar of Companies, Rajasthan, situated at Corporate Bhavan, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur – 302 001, Rajasthan
Tel: 91-0141-2222465, 2222466
Fax: 91-0141-2222464
Email: jaipur@mca.gov.in

Our Board of Directors:

The Board of Directors consists of the following:

Sr. No	Board of Directors	Designation	Status	DIN
1.	Mr. Pankaj Ostwal	Chairman & Managing Director	Non-Independent and Executive Director	02586806
2.	Mr. Amit Jain	Whole Time Director	Non-Independent and Executive Director	01732490
3.	Mr. Arvind Kothari	Director	Independent and Non-Executive Director	03268623
4.	Mr. Sushil Kumar Surana	Director	Independent and Non-Executive Director	01918651

Brief Profile of the Directors
Mr. Pankaj Ostwal aged 33 years, is Chairman & Managing Director of our Company. He is a Chartered Accountant by qualification. He assisted in managing the company since takeover of company from old management by Ostwal group of Industries, i.e. 2004. He has more than 6 years experience in the fertilizer as well as textile Sector. He started his career in 2003 with Tedco Granite Limited, Bhilwara.

He is presently in charge of finance, macro management, and strategic matters of our company.

Mr. Amit Jain aged 30 years experienced in SSP Industry handles complete day-to-day operation of our Company. He is a Master of Commerce (M.Com) form MDS University, Ajmer, by qualification. He has been on our Board since last two years. He has an experience of more than 7 years in various Industries. He is presently in charge of Purchase, Strategic matter of our Company.

Mr. Arvind Kothari aged 40 years is a Non-Executive Independent Director of our Company. He is Commerce graduate from MDS University Ajmer having experience in Textile Industry.

Mr. Sushil Kumar Surana aged 50 year experienced in Textile Industry is Non Executive independent director of the company. He is a Chemical Engineer from Rajasthan Board of Technical Education from Jodhpur.

Company Secretary and Compliance Officer

Mr. Nitin Mehta is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:-
Mr. Nitin Mehta
5-O-1, Basement Office, R.C. Vyas Colony,
Bhilwara, Rajasthan,
India
Tel. No. + 91 – 01482-230060, 09829105613
Fax No. + 91 – 01482-239638
Website: www.mbapl.com
Email: investorgrievance@mbapl.com

Investors are advised to contact the Compliance Officer Mr. Nitin Mehta and / or the Registrar to the Issue and/or Book Running Lead Manager to the Issue i.e. Corporate Strategic Allianz Ltd, in case of any pre-Issue or post-Issue problems such as non-receipt of letters of Allocation, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non receipt of funds by electronic mode etc.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted by the ASBA Bidders.

BANKERS TO OUR COMPANY

Indian Overseas Bank
Shop No-1-5, Aakar Tower
Old R T O Road, Gandhi Nagar
Bhilwara- 311001 (Rajasthan)
Phone No: 01482-248458
Fax No. 01482-246958
Email id: bhilwabr@jaisco.iobnet.co.in
Website: www.iob.com
Contact Person: Kevalsinh S. Bamaniya (Senior Manager)

STATUTORY AUDITORS TO OUR COMPANY

M/s. Ashok Kanther & Associates
Chartered Accountants
90, Indira Market,
Bhilwara, Rajasthan.
Tel: (o) + 91 1482-227154, + 91 9414287289
Email: ashok_kanther@yahoo.co.in
Contact Person: Mr. Ashok Kanther
FRN NO: 50014C

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER	REGISTRARS TO THE ISSUE
Corporate Strategic Allianz Limited **SEBI REGN NO:** INM 000011260 402, Samedh Complex, Near Associated Petrol Pump, C G Road Ahmedabad – 380 006, Gujarat – India **TeleFax:** + 91-079- 4002 4670 **Email:** ipo.mbapl@csapl.com **Website:** www.csapl.com **Contact Person:** Mrs. Rekha Singhal	**BIGSHARE SERVICES PRIVATE LIMITED** SEBI Reg. No.: INR000001385 E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072 **Tel**: +91-22-404 30 200 , **Fax**: +91-22-2847 5207 **Website**: www.bigshareonline.com **E-Mail:**ipo@bigshareonline.com **Contact Person :** Ashok Shetty
LEGAL ADVISOR TO THE ISSUE	**SYNDICATE MEMBERS**
Shri Badri Lal Dadhich Advocate (Rajasthan High Court) D-408, Azad Nagar Bhilwara – 311001 Rajasthan. Tele: (M.) - +91 94603-62904 Email id:horo_bldadhich@rediffmail.com	The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.
BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS	**REFUND BANKER TO THE ISSUE**
The Bankers to the Issue shall be appointed prior to filing of the Red Herring Prospectus with RoC.	The Refund Banker(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.
SELF CERTIFIED SYNDICATE BANKS	**BROKERS TO THE ISSUE**
The lists of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.	All the members of recognised stock exchanges would be eligible to act as brokers to the issue.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN BRLM's

Since Corporate Strategic Allianz Limited is the sole Book Running lead Manager to the issue, all the responsibility of the issue will be managed by them.

CREDIT RATING

As this is an issue of Equity Shares, credit rating is not required.

IPO Grading

This Issue being has been graded by [•]. The rationale furnished by the credit rating agency for its grading will be updated at the time of filing the Red Herring Prospectus with RoC.

Trustees

As this is an issue of Equity Shares, the appointment of Trustees is not required.

APPRAISAL

The Object of this issue has not been appraised by any Agency. The objects of this issue and means of finance therefore are based on internal estimates of our company.

MONITORING AGENCY

As the net proceeds of the Issue will be less than ₹ 50,000 Lakhs, under sub-regulation (1) Regulation 16 of SEBI (ICDR) Regulations, 2009 our company is not required to appoint a monitoring agency in relation to the issue. However, as per Clause 49 of Listing Agreement to be entered into with the stock exchanges upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

Statement of Responsibility

Corporate Strategic Allianz Ltd is the sole BRLM to the Issue

Book Building Process

Book building process, with reference to the Issue, refers to the process of collection of Bids from investors, which is based on the Price Band; The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. The Book Running Lead Manager, in this case being Corporate Strategic Allianz Ltd.;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the Book Running Lead Manager;
4. Registrar to the Issue; in this case being Bigshare Services Private Limited
5. Escrow Collection Bank(s), Refund Bank(s).
6. Self Certified Syndicate Banks.

SEBI, through its ICDR Regulation has permitted the Issue of Securities to the public through the 100% Book Building Process, wherein at least 50% of the Issue to the public shall be allocated on a proportionate basis to eligible Qualified Institutional Buyers ("QIB"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all other eligible QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue to the Public Shall is available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. For further details please refer the section titled Terms of the Issue page 256 of the Draft Red Herring Prospectus.

All the Bidders have the option to submit their Bids under the “ASBA Process”, which would entail blocking of funds in the investor’s bank account rather than immediate transfer of funds to the respective Escrow Accounts. For details, refer paragraph titled “Issue Procedure” beginning on Page 265 of the Draft Red Herring Prospectus.

QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. In addition, QIBs are required to pay full 100% Bid Amount upon submission of their Bid cum Application form

All Prospective Bidders (Compulsory for QIB and Non-Institutional Investor) have the option to submit their Bids under “ASBA Process” which would entail blocking of funds in the investor’s bank account rather than transfer of funds to the respective escrow accounts. For further details, refer to the Chapter “Issue Procedure” beginning on Page No. 265 of the Draft Red Herring Prospectus. ASBA is compulsory for QIB and Non Institutional Investor as per latest circular of SEBI (CIR/CFD/DIL/1/2011 dated 29th April 2011.

Our Company shall comply with the SEBI (ICDR) Regulations, 2009 and any other directions issued by SEBI for this Issue. In this regard, we have appointed Corporate Strategic Allianz Limited as the BRLM to manage the Issue.

The process of Book Building under the SEBI (ICDR) Regulations, 2009 is subject to change from time to time and Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Steps to be taken by the Bidders for bidding

- Check eligibility for making a bid (for further details, refer to the chapter titled ‘Issue Procedure’ beginning on page 265 of the Red Herring Prospectus);
- Bidders necessarily need to have a demat account and ensure that the demat account details are correctly mentioned in the Bid Cum Application Form / ASBA Bid Cum Application Form;
- Except for Bids on behalf of the Central or State Government, residents of the state of Sikkim and the officials appointed by the courts, for Bids of all values ensure that you have mentioned PAN in your Bid cum Application Form. In accordance with the SEBI Rules and Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (refer chapter titled *“Issue Procedure”* on page 265 of the Draft Red Herring Prospectus. Bidders are specifically requested not to submit their GIR number instead of the PAN as the Bid is liable to be rejected.
- Ensure that the Bid Cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid Cum Application Form and the ASBA Bid cum Application Form;
- **Bids by QIBs will only have to be submitted to the BRLMs** and
- Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs or can even be submitted to the Members of the Syndicate. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected

Illustration of Book Building and Price Discovery Process:

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20/- to ₹ 24/- per Equity Share, Issue size of 3,000 Equity Shares and receipt of five Bids from the Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price will be made available at the websites of the BSE (www.bseindia.com) and NSE (www.nseindia.com) during the Bidding/ Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The Issuer Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below Rs.22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares.

In such an event, our Company would issue a public notice in the newspapers, in which the pre Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed. Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If the Issue is withdrawn after the Bid / Issue Closing date, our Company shall be required to file a fresh offer document with SEBI. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final ROC approval of the Prospectus after it is filed with the ROC.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●]

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period (excluding the ASBA Bidders) and uploaded till (i) 4.00 p.m. in case of Bids by QIBs and Non-Institutional Bidders and (ii) until 5.00 p.m. or such extended time as permitted by BSE and NSE, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and NSE.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid form, for a particular Bidder, the details as per the physical form of the Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/ Issue Closing Date. All times mentioned in the Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not be uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, the BRLM and Syndicate member will not be responsible. Bids will be accepted only on Business Days.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for Uploading the Bids submitted by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

The Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed in this Red Herring Prospectus and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Issue Period will be extended for a minimum of three additional working days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate.

UNDERWRITING AGREEMENT

After the determination of the Issue Price and allocation of Equity Share, but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued in this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters are several and not joint and are subject to certain conditions, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This Portion has been intentionally left blank and will be filed in before filling of Prospectus with ROC)

Name and Address of the Underwriter	Indicative number of Equity Shares to be Underwritten	Amount Underwritten (₹ in lakhs)
Corporate Strategic Allianz Limited 402, Samedh Complex, Nr. Associated Petrol Pump, C.G. Road, Ahmedabad – 380006 Telefax : + 91-079- 4002 4670 Email: mbd@csapl.com Website: www.csapl.com Contact Person : Mrs. Rekha Singhal SEBI Regn No: INM 000011260	[●]	[●]
[●]	[●]	[●]

The above-mentioned amount is indicative underwriting and would be finalized after determination of the Issue Price and actual allocation.

In the opinion of the Board of Directors of the company (based on a certificate given by the Underwriters), the resources of the above mentioned underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI and are eligible to underwrite as per applicable guideline.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to the Equity Shares to the extent of the defaulted amount as specified in the Underwriting Agreement. For further details about allocation please refer to "Other Regulatory and Statutory Disclosures" on page 245.

CAPITAL STRUCTURE

The Equity Share Capital of our Company as on the date of filing of this Draft Red Herring Prospectus with SEBI (before and after the issue) is set forth below:

	Particulars	Nominal Value (₹)	Aggregate Value (₹. In Lakhs)
A	**Authorized Equity Capital**		
	2,20,00,000 Equity Shares of ₹ 10/- each	22,00,00,000	2200.00
B	**Issued, Subscribed & Paid-up Share Capital prior to the Issue**		
	1,10,58,090 Equity Shares of ₹ 10/- each	11,05,80,900	1105.809
C	**Present Issue in Terms of this Draft Red Herring Prospectus #**		
	81,00,000 Equity Shares of ₹ 10/- each fully paid- up	8,10,00,000	[●]
j	Of which, ❖ QIB Portion of at least 40,50,000* equity shares of ₹ 10/- ❖ Non Institutional Portion not less than 12,15,000 equity shares of ₹ 10 each. ❖ Retail portion of not less than 28,35,000 equity shares of ₹ 10/- each.	 [●] [●] [●]	 [●] [●] [●]
D	**Issued, Subscribed and Paid up Capital after Issue.**		
	1,91,58,090 Equity Shares of ₹ 10/- each	19,15,80,900	[●]
E	**Share Premium Account**		
	Share Premium Account before the Issue	91,71,000	Nil
	Share Premium Account after the Issue**	[●]	[●]

 # The Present Issue in terms of this Draft Red Herring Prospectus has been authorized by our Board of Directors and our shareholders, pursuant to their resolutions dated 10th July 2010 and 20th September 2010 respectively.

**5% of the QIB portion, i.e. 202500 Equity Shares of ₹ 10 each are available for Allocation on a proportionate basis to Mutual Funds, and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds.*

**Subject to valid bids being received at or above the Issue Price, in case of under subscription, if any, in the Issue (subject to at least 50% allotment of Issue size to QIBs), spillover to the extent of under subscription shall be permitted from other categories or a combination of categories in the Issue at the description of our company in consultation with BRLMs and the Designated Stock Exchange. Such inter-se spillover, if any, would be effectuated in accordance with applicable laws, rules, regulations and guidelines.*

*** The Securities Premium Account after the Issue will be determined after Book Building Process*

Notes to Capital Structure

1. **Increase in Authorized Share Capital since Incorporation**

Date of allotment	Particulars of Increase	Increased (No of Shares)		Equity Shares	Preference Share Capital	Face Value	Resolution Passed at
		From	To				
22.10.97	On Incorporation	--	50,000	50,000	Nil	100	--
21.01.99	Increase	50,000	1,50,000	75,000	75000	100	EGM
01.06.09	Conversion of Pref Shares to Equity Shares	1,50,000	1,50,000	1,50,000	Nil	100	EGM
01.08.09	Sub-division	1,50,000	Nil	15,00,000	Nil	10	EGM
01.08.09	Increase	15,00,000	1,20,00,000	1,20,00,000	Nil	10	EGM
20.09.10	Increase	1,20,00,000	2,20,00,000	2,20,00,000	Nil	10	AGM

On 21.01.99 the increase in Share Capital of ₹ 100 lakhs is subdivided into 25000 Equity Shares @ ₹ 100/- and 75000 Preference Shares @ ₹ 100.

On 01.06.09 75000 preference shares having nominal value of ₹ 100/- were converted into 75000 equity shares of ₹ 100/- So now complete authorized capital will count as of Equity Share Capital.

On 01.08.09 the share capital of company having nominal value of ₹ 100/- has been sub-divided by converting nominal value into ₹ 10/-

2. **Share Capital History : Our Existing Share Capital has been subscribed and allotted as under :**

(A)Equity Share Capital

Date of Allotment/ Fully Paid Up	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Remarks	Cumulative Number of Equity Shares	Cumulative Paid up Share Capital (₹ in Lakhs)	Cumulative Share Premium (₹ in Lakhs)
22.10.97	440	100	100	Cash	Subscribers to Memorandum	440	0.44	Nil
25.03.99	53000	100	100	Cash	Original Management Group **#**	53440	53.44	Nil
01.05.99	1220	100	100	Cash	Original Management Group **#**	54660	54.66	Nil
15.09.00	5940	100	100	Cash	Original Management Group **#**	60600	60.60	Nil

31.03.07	13573	100	737	Cash	Non Promoters	74173	74.17	86.46
29.07.09	75000*	100	-	Conversion	Existing Promoter Group	149173	149.17	86.46
01.08.09	Nil	10	-	Subdivision from ₹100 to ₹ 10		1491730	149.17	86.46
20.08.09**	2983460	10	-	Bonus	Bonus in the ratio of 2 :1***	4475190**	447.519	Nil
30.09.09	530000	10	10	Cash	Non Promoters	5005190	500.519	Nil
31.03.10	5951000	10	10	Cash	Non Promoters	10956190	1095.619	Nil
21.09.10	101900	10	100	Cash	Existing Promoters Group	11058090	1105.809	91.71

** Pursuant to Scheme of Conversion dated 01.06.2009 Preference Shares were converted into Equity Shares as the same was sanctioned by the said class of share holder and members of the company at Extra Ordinary General Meeting.*

***Vide resolution passed at Extra Ordinary Meeting on 01.08.09 Equity Shares of the Company was sub-divided from ₹ 100 to ₹ 10*

****Pursuant to EGM held on 20th August 2009, our company has issued 2983460 bonus shares in the ratio of Two share for every One shares held (2 :1), by way of capitalization of existing share premium account and general reserve to the tune of ₹ 86.46 lakhs and ₹ 211.88 lakhs resp. (Total = ₹ 298.34 Lakhs). The said bonus shares are not ineligible as per regulation 33 of ICDR as the same are neither resulting from a bonus issue by utilisation of revaluation reserves nor unrealised profits of the Company.*

*These shares were issued to the Original Management Group of the company and subsequently the company was taken over by Ostwal group of Industries in the year 2004 and these shares were transferred to existing promoter group.*

All the above mentioned shares are fully paid up since the date of allotment.

(B) 13% Redeemable Non-cumulative Preference Share Capital

(₹ In Lakhs)

Date of Allotment / Fully Paid Up	No. of Pref. Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Details of Allottees#	Cumulative Number of Pref. Shares	Cumulative Paid up Share Capital (₹ in lakhs)	Cumulative Share Premium
25.03.99	29530	100	100	Cash	Mr. Motilal Jain, Mr. Shailendra Jain, Mr. Sunil Jain and Smt. Chanda devi Jain	29530	29.53	Nil
15.09.00	45470	100	100	Cash	Khemchand Motilal Jain Tobacco Products co. Ltd	75000	75.00	Nil
29.07.09	**Pursuant to Scheme Converted into Equity Shares***							Nil

 # These allottees belong to the original promoter group and after the company was taken over by Ostwal group of Industries in September 2004 and these preference shares were transferred to Seasons Agro Chem India Pvt Ltd in October 2004.

** Pursuant to Scheme of Conversion dated 01.06.2009 Preference Shares were converted into Equity Shares as the same was sanctioned by the said class of share holder and members of the company at Extra Ordinary General Meeting*

3. Equity Shares issued for consideration other than cash

Date of Allotment	Name of Allottees	Number of Equity Shares allotted	Face Value (₹)	Nature of Allotment	Whether benefits have accrued to the issuer
20.08.2009	Promoter Group	2983460	10	Bonus in the ratio of 2 :1	Nil

**Pursuant to EGM held on 20.08.2009, our company has issued 2983460 bonus shares in the ratio of two shares for every one share held.*

Details of Allottees

Sr. No	Name of Applicant	Nationality	No of Shares Allotted	Amount Per Share (₹)
1.	Praveen Ostwal	Indian	166600	Nil
2.	Pankaj Ostwal	Indian	246660	Nil
3.	Ekta Jain	Indian	402200	Nil
4.	Seasons Agro Chem India Pvt. Ltd	Indian	1502200	Nil
5.	Pankaj Ostwal (HUF)	Indian	32480	Nil
6.	M K Ostwal (HUF)	Indian	544160	Nil
7.	Seema Ostwal	Indian	37960	Nil
8.	Mahaveer Ostwal	Indian	51200	Nil
	Total		**2983460**	

Note : No benefits have been accrued to the issuer out of the Bonus Issue.

4. Our Company has passed resolution in EGM dated 01.08.2009 for subdivision of Shares from Face Value ₹ 100 to ₹ 10, reason being the company is going for business expansion and it was desirable to bring the Share Value of the company in proper co-relation with the magnitude of the company's resources.

5. Our Company has not issued any Equity Shares at a price lower than the issue price during the preceding one year from the date of filing of this Draft Red Herring Prospectus

6. Details of Build Up, Contribution and Lock in of Promoters

A. Capital built up of the Promoters

Name of the Promoter	Date of Allotment / Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc)	No. of Shares	Cummulative Shares	Face Value (₹)	Issue/ Transfer Price (₹)	Consideration	% of Pre and Post issue capital	Lock-in period
Mr. Pankaj Ostwal	30.10.04	Transfer from Mr. Azad Jain	1000		100	5.7	Cash		3Yrs

	30.10.04	Transfer from K.M. Jain Tobacco Products Co. Ltd	5940		100	5.7	Cash		3Yrs
	30.10.04	Transfer from Ms. Nidhi Jain	110		100	5.7	Cash		3Yrs
	24.12.08	Transfer from Narendra Kumar Jain	5283		100	10	Cash		3Yrs
	01.08.09	**Subdivision from Rs. 100 to Rs.10**		123330	10				3Yrs
	20.08.09	Bonus*	246660	369990	10	Nil	Bonus		3Yrs
	15.12.10	Transfer from M k Ostwal (HUF)	816240	1186230	10	--	Gift		3Yrs
	15.12.10	Transfer from M k Ostwal (HUF)	8900	1195130	10	--	Gift		1Yr
Total			**1195130**					10.81 / 6.24	
Pankaj Ostwal (HUF)	24.12.08	Transfer from Bharat Kumar Gokharu	135		100	10	Cash		3Yrs
	24.12.08	Transfer from Naina Devi Gokharu.	203		100	10	Cash		3Yrs
	24.12.08	Transfer from Nirmala Devi Jain	341		100	10	Cash		3Yrs
	24.12.08	Transfer from Rajendra Kakrecha (HUF)	135		100	10	Cash		3Yrs
	24.12.08	Transfer from Rajendra Surana	135		100	10	Cash		3Yrs
	24.12.08	Transfer from Rajesh Picholiya	135		100	10	Cash		3Yrs
	24.12.08	Transfer from Ravi Picholiya	135		100	10	Cash		3Yrs
	24.12.08	Transfer from Smt Sunita Picholiya	135		100	10	Cash		3Yrs
	24.12.08	Transfer from Sushil Kakrecha	135		100	10	Cash		3Yrs
	24.12.08	Transfer from Vikki Agarwal	135		100	10	Cash		3Yrs
	01.08.09	**Subdivision from Rs. 100 to Rs.10**		16240	10				3Yrs
	20.08.09	Bonus*	32480	48720	10	Nil	Bonus		3Yrs
	21.09.10	Allotment	8400	57120	10	100	Cash		1Yr
Total			**57120**					0.52 / 0.30	
Seasons Agro Chem India Pvt Ltd	30.10.04	Transfer from Mr. Padam Kumar Singhai	5000		100	5.7	Cash		Sold
	30.10.04	Transfer from Mr.	110		100	5.7	Cash		3Yrs

		Padam Kumar Singhai							
	30.10.04	Transfer from Mr. Padam Kumar Singhai	20000		100	5.7	Cash		Sold
	05.11.04	Sale to Mr. Hemant Ostwal	(5000)		100	5.7	Cash		-
	05.11.04	Sale to Mrs. Vinita Ostwal	(5000)		100	5.7	Cash		-
	05.11.04	Sale to Mrs. Seema Ostwal	(5000)		100	5.7	Cash		-
	05.11.04	Sale to Mr. Arvind Kothari	(5000)		100	5.7	Cash		-
	28.03.07	Transfer from A.K. Jain	20000		100	5.7	Cash		Sold
	29.07.09	Conversion of Pref. Shares to Equity Shares	75000		10	5.7	Conversion		3Yrs
	01.08.09	**Subdivision from Rs. 100 to Rs.10**		1001100					
	20.08.09	Sale to M K Ostwal (HUF)	(250000)	751100	10	0.57	Cash		--
	20.08.09	Bonus*	900000	1651100	10	Nil	Bonus		3 Yrs
	20.08.09	Bonus*	602200	2253300	10	Nil	Other than Cash		1Yr
	21.09.10	Allotment	57500	2310800	10	100	Cash		1Yr
Total			**2310800**					20.90 / 12.06	
Praveen Ostwal	30.10.04	Transfer from Mr. Motilal Jain	3110		100	5.7	Cash		3Yrs
	30.10.04	Transfer from Mr. Sukhnandan Jain	110		100	5.7	Cash		3Yrs
	30.10.04	Transfer from Mr. Sunil Jain	5110		100	5.7	Cash		3Yrs
	01.08.09	**Subdivision from Rs. 100 to Rs.10**		83300	10				3Yrs
	20.08.09	Bonus*	166600	249900	10	NIL	Bonus		3Yrs
	30.09.09	Transfer from Mahaveer Ostwal	76800	326700	10	1.00	Cash		3Yrs
	21.09.10	Allotment	6000	332700	10	100	Cash		1 Yr
Total			**332700**					3.01 / 1.74	
Praveen Ostwal (HUF)	21.09.2010	Allotment	6000	6000	10	100	Cash		1 Yr
Total			**6000**					0.05 /0.03	
Ekta Jain	30.10.04	Transfer from Shailendra Jain	20110		100	5.7	Cash		10000 shares

									sold & 10110 Locked in for 3 Yrs
	07.10.05	Sale to A.K. Jain	(10000)		100	10	Cash		-
	29.01.08	Transfer from A.K. Jain	9500		100	100	Cash		3 Yrs
	29.01.08	Transfer from K.M. Jain Tobacco Products Co. Ltd	100		100	100	Cash		3Yrs
	29.01.08	Transfer from Moti Lal Jain	100		100	100	Cash		3Yrs
	29.01.08	Transfer from Shailendra Kumar Jain	100		100	100	Cash		3Yrs
	29.01,08	Transfer from Sunil Kumar Jain	100		100	100	Cash		3Yrs
	29.01.08	Transfer from Smriti Jain	100		100	100	Cash		3 Yrs
	01.08.09	**Subdivision from Rs. 100 to Rs.10**		201100	10				
	20.08.09	Bonus*	402200	603300	10	NIL	Bonus		3Yrs
	30.09.09	Transfer from Seema Ostwal	56940	660240	10	1	Cash		3Yrs
	21.09.10	Allotment	1600	661840	10	100	Cash		1 Yr
Total			**661840**					5.99 /3.45	
Grand Total			**4563590**					41.27 / 23.82	

** Pursuant to EGM held on 20th August 2009, our company has issued 2983460 bonus shares in the ratio of Two share for every one shares held (2:1), by way of capitalization of existing share premium account and general reserve to the tune of₹ 86.46 lakhs and ₹ 211.88 lakhs resp. (Total = ₹ 298.34 Lakhs). The said bonus shares are not ineligible as per regulation 33 of ICDR as the same are neither resulting from a bonus issue by utilisation of revaluation reserves nor unrealised profits of the Company.*

All the Equity Shares are fully paid since the date of allotment. Further, none of the shares has been pledged by our promoters

Details of aggregate shareholding of the promoter group and of the directors of the promoters, where the promoter is a body corporate

Seasons Agro Chem India Pvt. Ltd incorporated on June 1st 2004 having its registered office at Village Ojayada, Hamirgarh, Bhilwara Rajasthan is our Promoter Company and its Directors are Smt. Ekta Jain and Mr. Amit Jain.

Its latest Shareholding Pattern as on 31.03.2011

Sr. No	Name	No of Shares	% to total no of shares
1.	Shri Praveen Ostwal	328349	28.42
2.	Smt. Ekta Jain	16700	1.45
3.	Shri Mahendra Kumar Ostwal	20700	1.79
4.	Shri Praveen Ostwal HUF	287100	24.85
5.	Mr. Rajendra Ostwal representing M/s Riddi Siddi Suiting	4112	0.36
6.	Shri Jinendra Jain	20186	1.75
7.	M/s Paneri Textiles Pvt Ltd	12624	1.09
8.	Mr. Dilkhush Shah	85000	7.36
9.	Shri Narendra Jain	85000	7.36
10.	Shri Shambhu lal Shah	47000	4.07
11.	Aklesh Kumar Jain HUF representing Alkesh Textile	10000	0.87
12.	Smt. Minakshi M Pareek representing Ankur Textiles	8000	0.69
13.	Shri Krishna Pareek representing Bansuri Enterprises	8000	0.69
14.	Shri Madanlal Sharma representing M/s Dau Synthetics	3300	0.29
15.	Shri Ramesh Pareek representing Deepak Textiles	19000	1.64
16.	Shri Mahesh Pareek representing M/s Dipika Silk Mills	4600	0.40
17.	Shri Deepeka Vijay Pareekh representing M/s Gangore Silk Mills)	8000	0.69
18.	Shri Navratan Jain (M/s Gouri Silk Mills)	6600	0.57
19.	Shri Ishtiyak Faiyazahemad Ansari representing M/s Gulmohar Fashion)	15200	1.32
20.	Shri Vijay R Pareekh representing M/s Jagdamba Silk Mills	5300	0.46
21.	Shri Rajendra Pareekh representing Jaysiya Ram Textiles	13300	1.15
22.	Shri Rajendra Pareekh representing M/s Kunjal Textiles)	6200	0.54
23.	Shri Ladhu Singh Lodha	3300	0.29
24.	Shri Poonamchand Ramkaran Pareek representing M/s Laxmi Silk Mills	2600	0.23
25.	Shri Jamana Jat representing M/s Mahadev Arts)	16700	1.45
26.	Smt. Manjuben Mahendra Jain representing M/s Manju Textiles	500	0.04
27.	Shri Santosh Kumar Jha representing M/s Maya prints	16300	1.41
28.	Smt. Chhaya Ben Shah representing M/s Nari Collection	11000	0.95
29.	Smt. Nitu Jain	3000	0.26
30.	Sh. Pankaj Ostwal	7600	0.66
31.	Sh. Pankaj Ostwal HUF	6000	0.52
32.	Sh Ramzan Ali Dyer	6600	0.57
33.	Sh Mahendra Garg representing M/s Rekha Fabrics	4000	0.35
34.	Sh Lokesh Mathur representing M/s	11400	0.99

	Ronak Silk Mills		
35.	Sh Rajendra Prasad Ostwal	4800	0.42
36.	Shri Satya Narayan Nolkha	1300	0.11
37.	Shri Raj Kumar Mathur HUF representing M/s Shailesh Fabrics	7000	0.61
38.	Shantilal Darmachand Shah	1300	0.11
39.	Shri Anil Pandia representing M/s Shreeji Textile	9300	0.81
40.	Sh. Suresh Jain HUF representing M/s Shri Ram Traders	5300	0.46
41.	Smt Sunita Vinod Jain representing M/s Sunita Prints	500	0.04
42.	Shri Surendra Kumar Maroo	1300	0.11
43.	Smt Pushpha Rajendra Pareekh representing M/s Vandevi Silk Mills	13300	1.15
44.	Smt. Vimala Jain representing M/s Vimala Fashion	200	0.02
45.	Shri Vinodkumar Shantilal Golechha representing M/s Vinod Prints	7600	0.66
	Total	1,155,171	100.00

Mr. Amit Jain the Director of Seasons Agro Chem India Pvt. Ltd but does not hold any equity shares in the company and Smt. Ekta Jain holds only 1.45% of the share holding in the company.

**Mr. Praveen Ostwal was promoter director of Seasons Agro Chem India Private Ltd but resigned from his post w.e.f 25.02.2009.*

B. Details of Promoters contribution locked in for three years

Pursuant to the provisions Regulation 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Capital of the Company held by Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue. The details of such lock in are given below

Name of Promoter	Date of allotment / Transfer and made fully paid	Nature of allotment (Bonus, Rights etc.)	No. of Shares	Face Value (₹)	Issue/ Transfer Price (₹)	Consideration	Cumulative Shares	% of Post Issue Capital	Lock in period (Years)
Mr. Pankaj Ostwal	30.10.2004	Transfer	7050	100	5.7	Cash	7050		
	24.12.2008	Transfer	5283	100	10	Cash	12333		
	01.08.2009	Equity shares subdivided from Rs. 100 to Rs.10					123330		
	20.08.2009	Bonus	246660	10	Nil	Bonus	369990		
	15.12.2010	Gift	816240	10	Nil	Gift	**1186230**	**6.19%**	**3 Yrs**
Pankaj Ostwal (HUF)	24.12.2008	Transfer	1624	100	10	Cash	1624		
	01.08.2009	Equity shares subdivided from Rs. 100 to Rs.10							
	20.08.2009	Bonus	32480	10	Nil	Bonus	**48720**	**0.25%**	**3 Yrs**
Seasons Agro Chem	30.10.2004	Transfer	110	100	5.7	Cash	110		
	29.07.2009	Conversion of Pref. to	75000	100	5.7	Cash	75110		

India Pvt Ltd		Equity							
	01.08.2009	Equity shares subdivided from Rs. 100 to Rs.10					751100		
	20.08.2009	Bonus	9,00,000	10	Nil	Bonus	**1651100**	**8.62%**	**3 Yrs**
Ekta Jain	30.10.2004	Transfer	10110	100	5.7	Cash	10110		
	29.01.2008	Transfer	10000	100	100	Cash	20110		
	01.08.2009	Equity shares subdivided from Rs. 100 to Rs.10					201100		
	20.08.2009	Bonus*	402200	10	Nil	Bonus	603300		
	30.09.2009	Transfer	56940	10	1	Cash	**660240**	**3.45 %**	**3 Yrs**
Praveen Ostwal	30.10.2004	Transfer	8330	100	5.70	Cash	8330		
	01.08.2009	Equity shares subdivided from Rs. 100 to Rs.10					83300		
	20.08.2009	Bonus	166600	10	Nil	Bonus	249900		
	30.09.2009	Transfer	76800	10	1	Cash	**326700**	**1.71%**	**3 Yrs**
	Total						**3872990**	**20.22%**	

In compliance with Regulation 33 sub-regulation (1) clause (b) of SEBI ICDR Regulations, the aforesaid shares are eligible to form a part of promoter's contribution.

Our Promoters have given specific written consent for inclusion of the aforesaid Equity Shares as a part of promoters contribution which is subject to lock-in period of 3 years from the date of Allotment of Equity Shares in the proposed issue or date of commencement of commercial production whichever is later. The above Equity Shares are eligible for computation of promoter's contribution and lock-in in terms of Regulation 33 of SEBI ICDR Regulations.

Other than the Equity Shares locked-in as Promoter's contribution for a period of three years as stated in the table above, the entire pre-issue capital of our company shall be locked in for a period of one year; as per Regulation 36 clause (b) and Regulation 37 of the SEBI ICDR Regulations.

All the above mentioned shares are fully paid up since the date of allotment

The Promoters' contribution has been brought in being not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations.

7. We confirm that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for three years, does not consist of:

a. Equity Shares acquired within three years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from a bonus issued by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for minimum Promoter's contribution.

b. Securities acquired by our Promoters, during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue.

c. Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

d. Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under SEBI (ICDR) Regulations, 2009.

e. Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.

f. Pledged Equity Shares held by our Promoters.

8. **Details of shareholding pattern of Our Company, before and after the Issue.**

The shareholding pattern of our Company before the Issue as prescribed under clause 35 of the Listing Agreement is mentioned below:

Category Code (I)	**Category of Shareholder (II)**	**No. of Shareholders (III)**	**Total No. of shares (IV)**	**No. of Shares held in Dematerialized form (V)**	**Total Shareholding as a % of total no of shares**		**Shares pledged or otherwise encumbered**	
					As a % of (A+B) (VI)	**As a % of (A+B+C) (VII)**	**No. of Shares (VIII)**	**As a % (IX)= (VIII)/(IV)*100**
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/HUF	7	2266290	0	20.49	20.49	Nil	Nil
(b)	Central Government/ State Govt(s)	0	0	0	0	0	Nil	Nil
(c)	Bodies Corporate	1	2310800	0	20.90	20.90	Nil	Nil
(d)	Financial Institutions/Banks	0	0	0	0	0	Nil	Nil
(e)	Any Other (specify)	0	0	0	0	0		
	Sub-Total (A)(1)	8	4577090	0	41.39	41.39	Nil	Nil
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	Nil	Nil
(b)	Bodies Corporate	0	0	0	0	0	Nil	Nil
(c)	Institutions	0	0	0	0	0	Nil	Nil
(d)	Any Other (specify)	0	0	0	0	0	Nil	Nil
	Sub-Total (A)(2)	0	0	0	0	0	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**8**	**4577090**	**0**	**41.39**	**41.39**		
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/UTI	0	0	0	0	0	Nil	Nil
(b)	Financial Institutions/Banks	0	0	0	0	0	Nil	Nil
(c)	Central Government/State Government(s)	0	0	0	0	0	Nil	Nil
(d)	Venture Capital Funds	0	0	0	0	0	Nil	Nil
(e)	Insurance companies	0	0	0	0	0	Nil	Nil
(f)	Foreign Institutional Investors	0	0	0	0	0	Nil	Nil
(g)	Foreign Venture Capital Investors	0	0	0	0	0	Nil	Nil
(h)	Any Other	0	0	0	0	0	Nil	Nil

	(specify)							
	Sub Total (B) (1)	0	0	0	0	0	Nil	Nil
(2)	**Non Institutions**							
(a)	Bodies Corporate	5	4951000	0	44.77	44.77	Nil	Nil
(b)	Individuals- (i) Individual shareholders holding nominal share capital up to ₹ 1 lakh. (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2	1530000	0	13.84	13.84	Nil	Nil
(c)	Any other (specify)	0	0	0	0	0	Nil	Nil
	Sub-Total (B)(2)	**7**	**6481000**	**0**	**58.61**	**58.61**	**Nil**	**Nil**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	7	6481000	0	58.61	58.61	Nil	Nil
	Total (A)+(B)	**15**	**11058090**	**0**	**100**	**100.00**	**Nil**	**Nil**
(C)	Shares held by Custodians and against which the depository receipts have been issued	0	0	0	0	0	Nil	Nil
	(i) Promoter and Promoter Group	0	0	0	0	0	Nil	Nil
	(ii) Public	0	0	0	0	0	Nil	Nil
	GRAND TOTAL (A)+(B)+(C)	**15**	**11058090**	**0**	**100**	**100.00**	**Nil**	**Nil**

The Pre and Post Issue Shareholding pattern of our company is as follows:

Sr.	Particulars	Pre- Issue		Post- Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
A	**Promoters**				
	Pankaj Ostwal	1195130	10.81	1195130	6.24
	Seasons Agro Chem India Pvt. Ltd	2310800	20.90	2310800	12.06
	Pankaj Ostwal (HUF)	57120	0.52	57120	0.30
	Praveen Ostwal	332700	3.01	332700	1.74
	Praveen Ostwal (HUF)	6000	0.05	6000	0.03
	Ekta Jain	661840	5.99	661840	3.45
	Sub Total (A)	**4563590**	**41.27**	**4563590**	**23.82**
B	**Promoter Group (Other than Promoter)**				
	M K Ostwal	8500	0.08	8500	0.04
	Nitu Jain	5000	0.05	5000	0.03
	Sub Total (B)	**13500**	**0.13**	**13500**	**0.07**
C	**Others**				
	Smt. Shashi Jain & Shri Dharmesh Mehta	500000	4.53	500000	2.61
	Smt. Shashi Jain & Smt. Amita	1030000	9.31	1030000	5.38

	Mehta				
	Suswani Textiles Pvt Ltd	1000000	9.04	1000000	5.22
	Paneri Textiles Pvt Ltd	1015500	9.18	1015500	5.30
	Chunri Prints Pvt Ltd	1089500	9.85	1089500	5.69
	Vesta Tex Pvt Ltd	1000000	9.04	1000000	5.22
	Visualize Tradecom Pvt Ltd	846000	7.65	846000	4.42
	Sub Total (C)	**6481000**	**58.73**	**6481000**	**33.83**
	Total Pre- issue Capital (A)+(B)+(C)	**1,10,58,090**	**100.00**	**1,10,58,090**	**57.72**
	Public Issue	**-**	**-**	**81,00,000**	**42.28**
	Total Post Issue Capital	**-**	**-**	**1,91,58,090**	**100.00**

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

(a) Particulars of the top ten shareholders as on the date of filling the Draft Red Herring Prospectus with SEBI.

Sr. No	Name of the Shareholders	No. of Shares	% of the Issued Capital
1.	Seasons Agro Chem India Pvt. Ltd	23,10,800	20.90
2.	Shri Pankaj Ostwal	11,95,130	10.81
3.	Chunri Prints Pvt Ltd	10,89,500	9.85
4.	Smt. Shashi Jain & Smt. Amita Mehta(Partner Radhay Traders)	10,30,000	9.31
5.	Paneri Textiles Private Limited	10,15,500	9.18
6.	Vesta Tex Pvt Ltd	10,00,000	9.04
7.	Suswani Textiles Pvt Ltd	10,00,000	9.04
8.	Visualize Tradecom Pvt Ltd	8,46,000	7.65
9.	Smt. Ekta Jain	6,61,840	5.99
10.	Smt Shashi Jain & Shri Dharmesh Mehta (Partner Krishna Enterprise)	5,00,000	4.52

(b) Particulars of the top ten shareholders ten days prior to the date of filling the Draft Red Herring Prospectus with SEBI.

Sr. No	Name of the Shareholders	No. of Shares	% of the Issued Capital
1.	Seasons Agro Chem India Pvt. Ltd	23,10,800	20.90
2.	Shri Pankaj Ostwal	11,95,130	10.81
3.	Chunri Prints Pvt Ltd	10,89,500	9.85
4.	Smt. Shashi Jain & Smt. Amita Mehta (Partner Radhay Traders)	10,30,000	9.31
5.	Paneri Textiles Private Limited	10,15,500	9.18
6.	Vesta Tex Pvt Ltd	10,00,000	9.04
7.	Suswani Textiles Pvt Ltd	10,00,000	9.04
8.	Visualize Tradecom Pvt Ltd	8,46,000	7.65
9.	Smt. Ekta Jain	6,61,840	5.99
10.	Smt. Shashi Jain & Shri Dharmesh Mehta (Partner Krishna Enterprise)	5,00,000	4.52

(c) Particulars of the all the shareholders two years prior to the date of filling the Draft Red Herring Prospectus with SEBI.

Sr. No	Name of the Shareholders (Equity)	No. of Shares	% of the Issued Capital
1.	Praveen Ostwal	8,330	11.23
2.	Pankaj Ostwal	12,333	16.63
3.	Smt Ekta Jain	20,110	27.11
4.	Season Agrochem India Pvt. Ltd	25,110	33.85
5.	Pankaj Ostwal (HUF)	1,624	2.19
6.	Mahendrakumar Ostwal(HUF)	2,208	2.98
7.	Smt. Seema Ostwal	1,898	2.56
8.	Shri Mahaveer Ostwal	2,560	3.45
	TOTAL	**74,173**	**100.00**

10. In terms of Regulation 39 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters locked-in for a period of one year can be pledged with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institutions, provided that the pledge of shares is one of the terms of sanction of such loan.

Further, the Equity Shares which have been locked-in for a period of three years as minimum Promoter‘s contribution can be pledged with any scheduled commercial banks or public financial institutions only if, in addition to fulfilling the aforesaid requirements, the loan (for which the Equity Shares are pledged) is towards financing one or more objects of this Issue. However, as on date of the Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions

In terms of undertaking executed by our promoters, Equity shares forming a part of promoter’s contribution subject to lock-in will not be disposed/sold/transferred by our promoters during that period starting from the date of filling of the Draft Red Herring Prospectus with SEBI till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus.

11. Till date, no Equity Shares have been allotted pursuant to any scheme approved under section 391- 394 of the Companies Act, 1956.

12. None of our Equity Shares have been issued out of revaluation reserve of fixed assets.

13. Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

During the past six months, there are no transactions in our Equity Shares, which have been purchased/(Sold) by our Promoters, their relatives and associates, persons in promoter group (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company

Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within Twenty-four hours of such transaction.

14. None of our Promoters, Promoter Group Entities, Directors or the relatives have financed the purchase of the Equity Shares of our Company by any other person or entity other than in normal course of business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing the Draft Red Herring Prospectus with SEBI.

15. Our Company, Our Promoters, Our Directors and the BRLMs to this issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Red Herring Prospectus.

16. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest multiple of allotment lot, while finalizing the Basis of Allotment.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.

17. In case of over-subscription in all categories, at least 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further a not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

18. Under subscription, if any, in the reserved category may be added to any other reserved category. Further, any 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.

19. Under subscription, if any, in the, Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLMs. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders.

20. The Issue is being made in terms of sub-clause (a) (i) and (b) (i) of clause (2) of Regulation 26 of the SEBI ICDR Regulation wherein at least 50% of the Issue shall be Allotted to QIBs failing which the full subscription money shall be refunded and the minimum post-issue face value capital of the Company is more than ten crore rupees.

21. As on the date of filing of this Draft Red Herring Prospectus with SEBI, the entire issued share capital of our company is fully paid-up. The Equity shares offered through this Public Issue will be fully paid up.

22. In terms of Regulation 40 of the SEBI Regulations, locked in Equity Shares held by the promoters may be transferred to and amongst the promoters/promoter group or to a new promoter or person in control of our company subject to continuation of the lock-in in the hand of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

23. Equity Shares held by persons other than Promoter's, which are locked-in as per the provisions of Regulation 37 of SEBI ICDR Regulation may be transferred to any other person holding shares prior to the issue, subject to continuation of lock-in with the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

24. As on the date of this, DRHP, none of the shares held by our Promoters/Promoters group are pledged with any financial institutions or banks or any third party as security for repayments of loans.

25. The Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and lock-in period and the non-transferability of Equity Shares shall be intimated to the depositories namely NSDL and CDSL. 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.

26. The BRLMs and their associates do not hold any Equity Shares in our Company.

27. Our Company has not made any public issue since incorporation.

28. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.

29. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.

30. Our Promoters and members will not participate in the Issue.

31. Our Company has not raised any Bridge loan against the proceeds of the Issue.

32. As on the date of filing of the Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

33. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

34. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.

35. We presently do not have any intention or proposal to alter our capital structure for a period of Six (6) months from the date of opening of the Issue, by way of split/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 our Equity Shares) except that if we acquire companies/ business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

36. The Equity Shares would be issued and traded on BSE and NSE only in dematerialized form. Hence the market lot of the Equity Shares is 1 (one).

37. We have 15 shareholders as on the date of filing of the Draft Red Herring Prospectus.

SECTION–IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The object of the Issue is to raise financial resources for:-

Sr. No	Objects
	Integrated State of art Unit II comprising of
1.	Beneficiated Rock Phosphate (BRP) Plant with an installed capacity of 99000 TPA (processing).
2.	Single Super Phosphate Plant with an Installed Capacity of 120000 TPA
3.	Granulated Single Super Phosphate (GSSP) Plant with installed capacity of 90000 TPA
4.	Sulphuric Acid Plant with an installed capacity of 49500 TPA
5.	Augmenting Working Capital Resources
6.	General Corporate Purposes
7.	Public Issue Expenses

The other objects of the issue also include listing of shares of our company additionally on BSE and NSE. We believe that listing on BSE and NSE will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object and objects incidental or ancillary to the main objects set out in our Memorandum enable us to undertake our existing activities and the activities for which the funds are being raised by us through the Issue.

Our Company intends to utilize the proceeds of the Issue, after deducting the Issue related expenses which is estimated at ₹ [●] Lakhs ("Net Proceeds") for financing the above-mentioned objects. The Issue expenses, if any, paid out of the internal accrual will be replenished by the proceeds of the Issue.

Cost of Project and Means of Finance:-

The Funds Requirement of the Object mentioned above are as follows:-

(₹ In Lakhs)

Sr. No.	Objects	Amount
1	Beneficiated Rock Phosphate (BRP) Plant with an installed capacity of 99000 TPA (processing)	2472.75
2	Single Super Phosphate Plant with an Installed Capacity to further 120000 TPA	1905.00
3	Granulated Single Super Phosphate (GSSP) Plant with installed capacity of 90000 TPA	1108.00
4	Sulphuric Acid Plant with an installed capacity of 49500 TPA	2876.00
5	Augmenting Working Capital Resources	1675.00
6	General Corporate Purposes	[●]
7	Public Issue Expenses	**[●]**

Means of Finance

(₹ In Lakhs)

Sr. No.	Means of Finance	Amount
1.	Promoters Contribution	750
2.	Proceeds of the Issue	[•]
3.	Term Loan (from Indian Overseas Bank)	1000
4.	Internal Cash Accruals	[•]
	Total	

Till 28th April, 2011 Our Company has already invested ₹ 2305.01 Lakhs in the BRP Project by way of promoter's contribution amounting to Rs 750 Lakhs, Disbursement of term loan of ₹ 1000.00 lakhs and un-secured loan of ₹ 493.48 lakhs and Creditors of Rs. 61.53 Lakhs. We intend to utilize the issue proceeds for replenishing the unsecured loan to the extent of expenditure already incurred on the above project and to be incurred for the project to complete the said BRP and other projects as per schedule of implementation.

The fund requirement and deployment are based on internal management estimates, vendors' quotations and have not been appraised by Bank or Financial Institution.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue.

No part of the Issue proceeds will be paid by us as consideration to our Promoters, Directors, Key Management Personnel or companies promoted by our Promoters, except in the normal course of business.

In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and/or seeking additional debt from existing and or other lenders. As per the audited interim financial statements of our company, internal cash accruals for the Eight months period ended November 30, 2010 was ₹ 348.38 lakhs as certified by our Auditor M/s Ashok Kanther & Associates, Chartered Accountant vide certificate dated 22.02.2011

We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure mentioned below at the discretion of our management. In addition, the estimated dates of completion of the Objects of the Issue as described herein are based on management's current expectations and are subject to change due to various factors including those described above, some of which may not be in our control. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the uses of the funds described herein.

We propose to meet our expenditure towards the Objects of the Issue out of the proceeds of the Issue and Term Loan. As per, Clause VII C of Part A of Schedule VIII of the ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed issue) has been complied with.

Details of Project

Project No : 1

Brief Details of the Project for Setting up Beneficiated Rock Phosphate Plant as Unit II situated at , Halka No: 19/86 Kahsra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya

Pradesh.

Madhya Bharat Agro Products Limited is currently involved in manufacturing of SSP and at present they are envisaging to set up a separate Integrated State of art Unit II wherein Beneficiated Rock Phoshpate Plant will be set up with an installed capacity of 99000 TPA (Processing) and the same would be used a raw material for our SSP Plant to be set up under the same Unit –II

Our Company intends to utilise ₹ 2472.75 lakhs for set up of BRP Plant at Halka No: 19/86 Khasra No: 166/1, Village Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh. A detailed break- up of the fund requirement for setting up aforesaid project is tabularized below

Cost of Project

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	Land & Site Development	117.00
2.	Building	780.00
3.	Plant & Machinery	1322.00
4.	Misc Fixed Assets	132.00
5.	Preliminary & Pre-operative Expenses	121.75
	TOTAL	2472.75

The details of Land & Land Development, Building & Civil Construction, Plant & Machinery, Miscellaneous Fixed Assets, Preliminary & Pre operative Expenses, Contingency for the proposed BRP Plant at Halka No: 19/86 Kahsra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh.

Land & Site Development

The District Trade and Industries Centre allotted Industrial land area of 92700 Sq. Mts at Village Sorai, Tehsil: Banda Dist. Sagar of MP state on lease for a period of 30 years to the company for its project for manufacturing of Beneficiated Rock Phosphate (BRP). The Cost of the land and Site Development cost is estimated at ₹ 117 Lakhs and break of the same is tabularized below:-

(₹ In Lakhs)

Particulars	Amount
Land Allotted	16.50
Proposed Land *	22.78
Total	39.28
Registration Charges	5.72
Total	**45.00**
Site Developments	
Site Preparation	20.00
Roads in plant	20.00
Drainage System for the plant	6.00
Boundary Wall	16.00
Leveling at Raw Material storage area	7.00
Total	**69.00**
Contingencies	3.00
Total	**72.00**
Grand Total	**117.00**

* The company had made provision for additional land admeasuring approx.38000 Sq. Mt for future Expansion. The cost is estimated on the basis of prevailing market rate in the said area. Out of 38000 Sq Mtr Company has already purchased land admeasuring approx 22845 Sq mtr of area at a cost of ₹ 13.47 lakhs. The details of the land purchased for future expansion are under the heading Immovable Property on Page No.148 under the chapter “Business Overview”. Further Cost estimate of ₹ 72.00 lakhs constituting site development expenses has been considered on the basis of estimate given by Architect M/s Shikhacon situated at Bhilwara vide letter dated 17th June 2010.

Building & Civil Construction

Building and Civil Construction cost is estimated at ₹ 780.00 lakhs on the basis of estimate given by Architect M/s Shikhacon vide letter dated 17th June 2010.

Details of Civil Construction Work are as under:

Sr. No	Descriptions	Amount in Lakhs
1.	Process shed (ht 6m × 2)	146.25
2.	Finish material storage shed (ht 12. M)	117.00
3.	BRP DRY ponds	30.00
4.	Raw material storage yard	175.00
5.	Thickner	105.00
6.	Over head water tank	10.00
7.	Under ground water tank	26.00
8.	Utility building (ht. 5.0 m)	45.00
9.	Machine foundation	30.00
10.	Office & Lab	50.00
11.	Labour quarter and staff quarter	15.75
12.	Miscellaneous	30.00
	Total	**780.00**

Plant & Machinery

The total cost of the plant & machinery (including transportation & erection charges) is estimated at ₹ 1322 Lakhs, comprising imported plant and machinery of ₹ 21.50 Lakhs and indigenous plant & machinery of ₹ 1300.05 Lakhs. The details of machinery are tabularised below:-

Sr. No	Description	Supplier	Qty/ MT/Kgs	Total Cost (₹ in Lakhs)	Status as on 28.04.11 (Purchased/ordered/ To be ordered)
1.	Crushing Equipr CE without Electric Motor, Reciprocating Feeder with fabrication work.	Hement industries	4 Set	72.92	Purchased
		Jainox company			Purchased
		Somani Brothers			Purchased
		Perfect Company Ltd			Purchased
		Rachna Ltd.			Purchased
		Pace Engineering			Purchased
		Shree Steel			Purchased
		Roshan Lal & Sons			Purchased
		Ecoman			Purchased
		Surbhi Holdings Pvt. Ltd.			Purchased
		Mahaveer Steel Fabrication			Purchased
		Roshan Lal Jain & Sons	Spares	2.79	Order No 49/19.11.10
			Total	**75.71**	
2.	Ball Mill with Rubber liners and Grinding	Lovely Metal Industries	1 Ball Mill	132.41	Purchased

	Media Balls, including Pinch & diaphorm Valves, Hydro Cyclone with removable parts, Vibratory Ore Feeder with fabrication work.				
		Metso Minerals Pvt. Ltd.			Purchased
		Good Earth Engg. Industries			Purchased
		Chanderpur Works Pvt. Ltd.			Purchased
		Universal Transformer			Purchased
		Panda Technologies India Pvt.			Purchased
		Shree Charbhuja Trade Link Pvt. Ltd			Purchased
		Vertex Engineering Works Perfect (India) Company			Purchased
		Jainox Company			Purchased
		S. Kumar N Bros.			Purchased
		Sarvodaya Engineering Works	2 Nos	1.50	P. O. No.053
		Indo Fab Industries	4 Nos	0.33	P. O. No. 086
		AIA Engineering Ltd	30 Mt	20.75	Quotation No 131763
			Total	154.99	
3.	Thickeners With Mechanism and fabrication wo	Self fabricated Machine	2 NOS	137.26	Fabrication Completed
			Total	**137.26**	
4.	Flotation Cell complete with rubberized Parts, Launders, Centrifugal Air Blowers, Conditioner with mechanism, Gratings and fabrication work.	Mahaveer Steel Fabrication	3 Unit of Flotation Cell	153.00	Purchased
		Shree Steels			Purchased
		Premier Rubber Mills			Purchased
		Rachna Enterprises			Purchased
		Lovely Metals Industries			Purchased
		Charbhuja Trade Link			Purchased
		Hemant Industries			Purchased
		Sulabh Engineering Works			Purchased
		Bhavya Machine Tools			Purchased
		Indofab Industries			Purchased
		Siddhi Vinayak			Purchased
		Premier Rubber Mills	18 Nos	2.52	P. O. No. 001
		Raj Traders	6 Set	4.74	Q. No Gen-20
			Total	**160.26**	
5.	Belt filter press Filter*	Doyen (china) Machinery co. Ltd	1 Unit	21.50	Purchased
		ShreenathJi International		7.41	Purchased
			Total	**28.91**	
6.	Conveyor Structure With Belts and fabrication work.	Chinar Entrprises	6 Set	85.60	Purchased
		Sejal Enterprises			Purchased
		Puja & Company			Purchased
		Desai Agencies			Purchased
		Belting Enterprises			Purchased
		Enrich Magnatics			Purchased
		Perfect India Ltd.			Purchased
		Jainox company.			Purchased
		Hemant Industries			Purchased

		Rachna enterprises			Purchased
		J. Giri and Sons			Purchased
		New Maha laxmi Porject			Purchased
		Somani Brothers			Purchased
		Hanif Mahomamd Fabrications			Purchased
		Hindustan Industrial Corporation			Purchased
		Mahavir Steel Fabrication			Purchased
		Trans Weigh (India) Ltd.	1 No	2.50	Quotation No TL 6184/NAD/1430
			Total	**88.10**	
7.	Fabricated storage tanks & Hoppers and Pipe Lines.	Self Fabricated Machine	50 Tanks	167.24	Fabrication Completed
		Raj Traders	6 Nos	37.29	Quotation No 25
		Vijay Hardware Store		0.39	P. O. No. 033
			Total	**204.92**	
8.	MONO BLOC, DB, BS PUMP. Slurry Pump, Concentrate Pump, Reclaim Water Pump, Centrifugal Pump, vertical sump pump, Dosing Pumps.	Rajendra Engineering (A'bad) PVT. Ltd	*3nos*	47.73	Purchased
		Bhumika Enterprises	*27 nos*		Purchased
		Hement Industries	*18 nos*		Purchased
		Gupta Agro Enterprises	*3 nos*		Purchased
		Omery Agro Machinery Sales	*4 nos*		Purchased
		Active Engineering Co.	*3 nos*		Purchased
		Minimax Pumps	*2nos*		Purchased
	Total			47.73	
9.	DG Set	Jakson Limited		6.15	Purchased
10.	Weigh bridge	Shri Salasar Trading Co.	2.21	15.33	Purchased
		Jyoti Weighing System Ltd.	13.12		Purchased
	Total			15.33	
11.	JCB Machine's	JCB India Ltd	3	56.58	Purchased
		JCB India Ltd		1.01	Purchased Order No. 046
	Total			**57.59**	
12.	Tankers			10.00	Management Estimate
13.	Magnetic Separator			58.00	Management Estimate
14	Installation & Fabrication & Hardware Consumable Charges			62.38	Incurred
16	Freight On Plant & Machineries			**10.89**	Incurred
17	Electricfication	Various suppliers		**147.17**	Purchased
		Sub Total		**1265.39**	
18	Contingencies			**37.27**	Mgmt Estimation
19	Taxes & Other Charges			**19.34**	
		Grand Total		**1322.00**	

* Plant & Machinery No 5 : Belt filter press Polyacrylamide is imported machinery purchased 47874 USD and converted at a rate of ₹ 44.91 (47874 X 44.90 = 2150020)

Note :- Company has not purchased any second hand machineries

Miscellaneous Fixed Assets

Company has envisaged expense of ₹ 132 Lakhs on Misc. Fixed Assets which comprises of Furniture & Fixtures, computers, printers, lab & workshop equipments, PBX and other misc items. Detailed break up of Miscellaneous Fixed Assets cost is tabularized below:-

Sr. No.	Description	Amount in Lakhs*
1.	Electrical Installation	24.00
2.	Work Shop Equipment	35.00
3.	Lab Equipments	31.50
4.	MFA	4.00
5.	PBX	2.00
6.	Computer	5.50
7.	Office Furnitures	20.00
8.	Vehicles	10.00
	Total	132.00
	Grand Total	132.00

**The said expenditure is based on estimates by management.*

Preliminary & Pre-operative Expenses

Company has estimated cost of ₹ 121.75 Lakhs towards Prelimnary & Pre-operative expense which comprises of Interest during construction period , legal charges, upfront fee, and financial charges, stamp duty, Trial run losses etc. Detailed break up is numerated below:-

(₹ in lakhs)

Sr. No.	Description	Amount
1.	Interest Cost	107.57
2.	Up Front Fees, Financial Charges, Stamp Duty & Legal Exp	5.00
3.	Salary & Wages during Installation	4.50
4.	Trial Run Loss for 30 days	2.50
5.	Other Expenses	2.18
	Grand Total	121.75

Implementation Schedule

Sr. No	Particular	Commencement Date	Completion Date
1.	Land for BRP Project	18.03.2010	Possession already taken
2.	Additional Land	June 2010	August 2011
3.	Civil Works & Building Construction	May 2010	June 2011
4.	Orders for Plant & Machinery	August 2010	May 2011
5.	Erection of Plant & Machinery	October 2010	August 2011
6.	Procurement o f Miscellaneous Fixed Assets	October 2010	August 2011
7.	Electrical Installation	January 2010	August 2011
8.	Trial Run	August 2011	
9.	Commercial Production	September 2011	

Details of Term Loan from Indian Overseas Bank

The details of Term Loan sanctioned by Indian Overseas Bank for proposed Project is as under:-

(₹ In Lakhs)

Facility	Term Loan
Amount	1000.00
Purpose	Purchase of Plant & Machinery and Misc Fixed Assets
Rate of Interest	BR + 4.00% P.A.
Period	7 Years (84 Months Including 12 Months of Moratorium)
Repayment	The Proposed Term Loan of Rs. 1000.00 Lakhs will be repaid in 24 Quarterly Installments of Rs. 41.67 Lakhs and last installment of Rs. 41.59 Lakhs commencing after 12 Months moratorium period from the date of 1st disbursement.
Security	A) 1st Charge by way of hypothecation of Company's movable assets of Unit – II including movable plant and Machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets present and future, intangible, goodwill, uncalled capital, present and future. B) 1st Charge in the form of Mortgage of assets of the company's immovable properties at Unit-II (present and future) at Village – Sorai, District – Sager in MP C) Charge on Assets M/s Tedco Granite Ltd, a group company D) Corporate Guarantee of M/s Tedco Granite Ltd with net worth of ₹ 623.33 lakhs.

Working Capital

(₹ In Lakhs)

Facility	Working Capital
Amount	150.00 Lakhs
Purpose	Working Capital (Cash Credit)
Rate of Interest	BR + 3.75% p.a.
Period	Subject to Renewal every year
Security	Same as in Term loan

Project No 2:

Brief Details of the Single Super Phosphate Project with capacity of to 120000 TPA at, Halka No: 19/86 Khasra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh.

Our Company intends to set up Single Super Phosphate Plant as part of our Integrated Unit II with an installed capacity of 120000 TPA, and will be utilizing BRP Plant output as raw material for its manufacturing.

Our Company intends to utilise ₹ 1905 lakhs for the SSP Plant and a detailed break- up of the fund requirement for setting up aforesaid project is tabularized below :-

Cost of Project

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	Land	Already Acquired
2.	Site Development	35.00
3.	Building	659.00
4.	Plant & Machinery	979.00
5.	Misc Fixed Assets	225.50
6.	Preliminary & Pre-operative Expenses	6.50
	TOTAL	1905.00

Cost of Project

The details of Land & Land Development, Building & Civil Construction, Plant & Machinery, Miscellaneous Fixed Assets, Preliminary & Pre operative Expenses, Contingency for the proposed SSP Plant at Halka No: 19/86 Khasra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh.

<u>Land & Site Development</u>

The District Trade and Industries Centre allotted Industrial land area of 92700 Sq. Mts at Village Sorai, Tehsil: Banda Dist. Sagar of MP state on lease for a period of 30 years to the company. The Cost of the Site Development cost is estimated at ₹ 35.00 Lakhs and break of the same is tabularized below:-

Building & Civil Construction

Building and Civil Construction cost is estimated at ₹ 659.00 lakhs on the basis of estimate given by Civil Contractor Azad Neelagar vide letter dated 02nd March 2011.

Details of Civil Construction Work are as under:

Sr. No	Descriptions	Amount in Lakhs
1.	Process Shed	192.50
2.	Crane Shed	140.00
3.	Raw Material Shed	56.80
4.	Workshop, Store, Office & Lab	67.50
5.	Foundation of Machine	81.25
6.	Water Storage Tank	10.50
7.	Road Work	25.62
8.	Labour & Staff Quarters	25.00
	Sub -Total	599.17
	Contingencies (10%)	59.83
	Total	**659.00**

Note : Crane Shed, Raw Material Shed, Workshop, store, Office, Laboratory, Foundation of Machine, Water Storage Tank, Road Work, Labour & Staff Quarters will be common for SSP (expansion) and GSSP plant

Plant & Machinery

The total cost of the plant & machinery (including transportation & erection charges and Contingencies & Packing & Forwarding Charges) is estimated at ₹ 979.00 Lakhs. The details of machinery included in the above cost are tabularised below as per Quotation of M/s Nirankar Fabtech & Design dated 31.3.2011 who is going to implement the project on turnkey basis.

Descriptions	Amount in Lakhs
Plant & Machinery Cost	768.00
Add: Contingency (10%)	76.80
Sub Total	844.80
Packing & Forwarding Charges (3%)	25.35
Total	870.15
Add Excise Duty (10.30%)	89.62
Total	959.77
Add: VAT (2.00%)	19.20
Grand Total	978.97
Say	979.00

Details of Plant & Machinery included in the cost above.

Sr. No	Equipment
1.	Rock Phosphate BRP Hopper
2.	Hammer Mill
3.	Feed Conveyor
4.	Feed Conveyor 2
5.	Rotrary Screen
6.	Elevator
7.	Control Feed Belt
8.	Mixer
9. .	Den & Cutter
10.	Ducting
11.	Scrubbers 3 No
12.	Cyclone Separator
13.	Waste Gas Blower
14.	Pump 2 Nos
15.	Pump 4 Nos
16.	MSRL Chimani
17.	Pipe Line
18.	Valves
19.	Acid Storage Tank
20.	Pumps
21.	EOT Grabbing Crane & Gantry
22.	SSP Powder Feed Hopper
23.	Belt Conveyor
24.	Hammer Mill 2 Nos
25.	Vibrating Screen
26.	Lump Breaker with twin rotors
27.	Packing Hopper
28.	Stitching Machine with Slat Conveyor 3 Nos

Miscellaneous Fixed Assets

Company has envisaged expense of ₹ 225.50 Lakhs on Misc. Fixed Assets which comprises of Furniture & Fixtures, computers, printers, lab & workshop equipments, PBX and other misc items. Detailed break up of Miscellaneous Fixed Assets cost is tabularized below:-

Sr. No.	Description	Amount in Lakhs*
1.	Laboratory Equipments and Chemicals	25.00
2.	JCB Loader	50.00
3.	Electrical [DG set 500 KVA-2, Pannel, Cables, Pushbutton, Etc]	120.00
4.	Misc Assets	10.00
	Contingencies (10%)	20.50
	Grand Total	225.50

**The said expenditure is based on estimates by management.*

Preliminary & Pre-operative Expenses

Company has estimated cost of ₹ 5.82 Lakhs towards Prelimnary & Pre-operative expense which comprises of establishment expenses and Trial run losses etc.

Project No 3

Brief Details of the Project for setting up Plant of GSSP (Granulated Single Super Phosphate) with the capacity of 90000 TPA at, Halka No: 19/86 Khasra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh.

Our Company is setting up a plant of manufacturing GSSP (Granulated Single Super Phosphate) another form of SSP with an installed capacity of 90000 TPA.

Our Company intends to utilise ₹ 1108 lakhs for setting up GSSP Plant. A detailed break- up of the fund requirement for setting up aforesaid project is tabularized below :-

Cost of Project

(₹ in Lakhs)

Sr. No	Particulars	Amount
1	Land	Already Acquired
2	Site Development Expenses	35.00
3	Building	220.00
4	Plant & Machinery	743.15
5	Misc Fixed Assets	102.30
6	Preliminary & Pre-operative Expenses	7.55
	TOTAL	1108.00

Cost of Project

The details of Land & Land Development, Building & Civil Construction, Plant & Machinery, Miscellaneous Fixed Assets, Preliminary & Pre operative Expenses, Contingency for the proposed GSSP Plant at Halka No: 19/86 Kahsra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya

Pradesh.

Land & Site Development

The District Trade and Industries Centre allotted Industrial land area of 92700 Sq. Mts at Village Sorai, Tehsil: Banda Dist. Sagar of MP state on lease for a period of 30 years to the company. The Cost of the Site Development cost is estimated at ₹ 35.00 Lakhs.

Building & Civil Construction

Building and Civil Construction cost is estimated at ₹ 220 lakhs on the basis of estimate given by Civil Contractor Azad Neelagar vide letter dated 02nd March 2011.

Details of Civil Construction Work are as under:

Sr. No	Descriptions	Amount in Lakhs
1.	Process Shed	200.00
	Contingencies (10%)	20.00
	Total	**220.00**

Note : Crane Shed, Raw Material Shed, Workshop, store, Office, Laboratory, Foundation of Machine, Water Storage Tank, Road Work, Labour & Staff Quarters will be common for SSP (expansion) and GSSP plant

Plant & Machinery

The total cost of the plant & machinery (including transportation & erection charges and Contingencies & Packing & Forwarding Charges) is estimated at ₹ 743.15 Lakhs. The details of machinery included in the above cost are tabularised below as per Quotation of M/s Nirankar Fabtech & Design dated 31.3.2011 who is going to implement the project on turnkey basis.

Descriptions	Amount in Lakhs
Plant & Machinery Cost	583.00
Add: Contingency (10%)	58.30
Sub Total	641.30
Packing & Forwarding Charges (3%)	19.23
Total	660.53
Add Excise Duty (10.30%)	68.04
Total	728.57
Add: VAT (2.00%)	14.58
Grand Total	743.15

Details of Plant & Machinery included in the above cost:-

Sr. No	Equipments	Quantity
A	**Raw Material Section**	
1)	M S Fab. Belt Conveyor of the capacity 15MT per hour	1 No
2)	M S Fab. Bins each of 2.50 tons capacity to store raw material	6Nos
3)	Volumetric feeder belts C/C distance of 1.8 mtr with non spill conveyor arrangement.	6 Nos
B	**Mixing Section**	
4)	Mixed raw material belt conveyor 15 TPH capacity	1 No
C	**Granulation Section**	
5)	Mixed raw material Bucket Elevator 20 TPH	1 No

6)	Rotary Granulator 20 TPH cap	1 No
7)	Rotary Dryer: 20 TPH cap	1 No
8)	Dryer to Cooler Belt Conveyor	1 No
9)	Rotary Cooler: 20 TPH	1 No
D	**Hot Air Generators**	
10)	M S Fabricated Box type Coal- furnance in 3 mm thick	1 No
11)	CI gates for ash removal	2 Nos
12)	Dilution Blower with suitable 10 HP motor for primary Air supply	1No
13)	Temperature indicator 0 to 1200 degrees centigrade thermocouple and connecting cable (inlet temperature)	
E	**Dryer Dust Collector and Suction Blower**	
14)	M S Fab Cyclonic type Dust collector made from 4 mm thick sheet	1No
15)	M S Fab Suction blower driven by suitable 20/25 HP motor, V belt drive	1No
16)	M S Fab ducting from Dust Collector to Blower & From Blower Outlet	1No
F	**Cooler, Dust Collector and Suction Blower**	
17)	M S Fab cyclonic type Dust collector as per E 15 above	1No
18)	M S Fab suction blower as per E 16 above	1No
19)	M S Fab ducting from Dust Collector to Blower and Chimney from blower outlet	1No
G	**Finished Material Section**	
20)	Bucket Elevator M S Fab Bucket Elevator 20 TPH cap	1 No
21)	Rotary MS Fab Single Deck 20 TPH cap having GI Sieve for under size material and over size material	2 Nos
22)	Chain Mill: M S Fab Double Rotar Chain Mill 15 TPH cap to crush oversize fertilizer materials	2 Nos
23)	Granulator to Dryer Conveyor: Belt Conveyor 20 Tph cap length 8 myr.	1 No
24)	M S Fab. Interconnecting chutes & ducting for continous flow of materials from one machine to another machine	1 No
25)	Electrical Control panel board	1 No
26)	Local Remote Control Push Button Stations for all equipments	1 Set
27)	Cable from MCC to various equipment motors	1 lot

Note: Company would not purchase any second hand machinery

Miscellaneous Fixed Assets

Company has envisaged expense of ₹ 102.30 Lakhs on Misc. Fixed Assets which comprises of Furniture & Fixtures, computers, printers, lab & workshop equipments, PBX and other misc items. Detailed break up of Miscellaneous Fixed Assets cost is tabularized below:-

Sr. No.	Description	Amount in Lakhs*
1.	Panels	17.00
2.	Cables	12.00
3.	Capacitors	2.00
4.	Lighting	2.00
5.	Earthing & General	4.00
6.	Motors & Pumps	6.00
7.	Load Extension Charges	45.00

8.	Other Misc assets	5.00
	Total	93.00
	Contingencies (10%)	9.30
	Grand Total	102.30

**The said expenditure is based on estimates by management.*

Preliminary & Pre-operative Expenses

Company has estimated cost of ₹ 7.55 Lakhs towards Preliminary & Pre-operative expense which comprises of, Establishment expenses and Trial run losses etc.

Project No 4

Brief Details of the Project for setting up Plant of Sulphuric Acid with the capacity of 49500 TPA at, Halka No: 19/86 Khasra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh.

Our Company is setting up a plant of manufacturing Sulphuric Acid with an installed capacity of 49500 TPA.

Our Company intends to utilise ₹ 2876.00 lakhs for setting up Sulphuric Acid Plant. A detailed break-up of the fund requirement for setting up aforesaid project is tabularized below:-

Cost of Project

(₹ in Lakhs)

Sr. No	Particulars	Amount
1	Land	Already Acquired
2	Site Development	35.00
3	Building	551.35
4	Plant & Machinery	1918.40
5	Misc Fixed Assets	354.00
6	Preliminary & Pre-operative Expenses	17.25
	TOTAL	2876.00

Cost of Project

The details of Land & Land Development, Building & Civil Construction, Plant & Machinery, Miscellaneous Fixed Assets, Preliminary & Pre operative Expenses, Contingency for the proposed Sulphuric Acid Plant at Halka No: 19/86 Khasra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh.

Land & Site Development

The District Trade and Industries Centre allotted Industrial land area of 92700 Sq. Mts at Village Sorai, Tehsil: Banda Dist. Sagar of MP state on lease for a period of 30 years to the company. The Cost of the land and Site Development cost is estimated at ₹ 35.00 Lakhs.

Building & Civil Construction

Building and Civil Construction cost is estimated at ₹ 551.35 lakhs on the basis of estimate given by Civil Contractor Azad Neelagar vide letter dated 28th March 2011.

Details of Civil Construction Work are as under:

Sr. No	Descriptions	Amount in Lakhs
1.	Process Shed	180.00
2.	Shed for Raw Material Storage	50.00
3.	Workshop & Store	60.50
4.	Office & Lab	97.50
5.	Water Storage Tank	52.50
6.	Road and Boundary Work	29.72
7.	Staff & Labour Quarters	31.00
	Total	501.22
	Contingencies (10%)	50.13
	Total	**551.35**

Plant & Machinery

The total cost of the plant & machinery (including transportation & erection charges and Contingencies) is estimated at ₹ 1918.40 Lakhs. The details of machinery included in the above cost are tabularised below as per Quotation of Harsha Transtechno Pvt Ltd dated 12th July 2010. M/s Harsha Transtechno Private limited is going to implement the project on turnkey basis.

Descriptions	Amount in Lakhs
Plant & Machinery Cost	1505.00
Add: Contingency (10%)	150.50
Sub Total	1655.50
Packing & Forwarding Charges (3%)	49.67
Total	1705.17
Add Excise Duty (10.30%)	175.63
Total	1880.80
Add: VAT (2.00%)	37.60
Grand Total	1918.40

Details of Plant & Machinery included in the above cost:-

Sr. No	Equipments	Quantity
1.	Sulphur Melter	1
2.	Sulphur Burner	1
3.	Sulphur Gun	1+1
4.	DT	1
5.	Hot Gas Filter	1
6.	Waste Heat Recovery System	1 system
7.	Converter	1 set
8.	Catalyst	--
9.	Heat Exchanger	1+1
10.	Acid Cooler	1
11.	Cooling Tower	--
12.	C I Pipes for Acid Circulation & Towers Acid distributor system	1 lot
13.	DM Water Plant	1
14.	Final Absorption Tower& Intermediate Absorption tower	1
15.	P A Tank	1
16.	Mist Eliminators	1 set
17.	Srubbing System	1 set
18.	Piping	1 lot

19.	Valves	1 lot
20.	Butterfly Valves	1 lot
21.	Duct	12,1,4
22.	Storage Tanks	1 lot
23.	Structure	2 Nos
24.	Instrument SCADA PLC	1 lot
25.	Electrical	1 lot
26.	DG Set	1
27.	Miscellaneous	**1 set**
28.	Moving Equipments	1+1
29.	Steam Lines	1 lot
30.	Chimney	1
31.	Expansion Bellow	1 lot
32.	Insulation	1 lot
33.	Intalox Saddles & Raschig rings	1 lot
34.	Bricks & Brick Lining Material	1 lot
35.	Water Injection pipe	1
36.	Neutralization pit	1
37.	PHE for product acid cooler	1 set
38.	Steam pipe lines & Melter pit lines	1 lot
39.	Steam Traps	1 lot
40.	Steel requirement for above plant	300 MT
41.	DM Storage Tank	1
42.	Steam Silencer	1
43.	Pressure reducing station	2
44.	Painiting & COntractor	1 lot
45.	Air drying system for Instrumentation	--
46.	By Pass Valve (Boiler)	1
47.	Mechanical Contractor	--
48.	Brick lining Contractor	--
49.	Electrical Contractor with Material	--
50.	Instrument Contractor & Material	--
51.	Lead lining of chimney	--
52.	Turbine and Accessories	1

Note: Company will not purchase any second hand machinery

Miscellaneous Fixed Assets

Company has envisaged expense of ₹ 354.00 Lakhs on Misc. Fixed Assets which comprises of Furniture & Fixtures, computers, printers, lab & workshop equipments, PBX and other misc items. Detailed break up of Miscellaneous Fixed Assets cost is tabularized below:-

Sr. No.	Description	Amount in Lakhs*
1)	Laboratory Equipments & Chemicals	2.00
2)	Turbine and Accessories to generate power	200.00
3)	Electrical [DG set 500 KVA-2, Pannel, Cables, Pushbutton, Etc]	120.00
	Total	322.00
	Contingencies (10%)	32.00
	Grand Total	354.00

**The said expenditure is based on estimates by management.*

Preliminary & Pre-operative Expenses

Company has estimated cost of ₹ 17.25 Lakhs towards Preliminary & Pre-operative expense which comprises of, establishment expenses and stamp duty, Trial run losses etc.

Implementation Schedule of SSP (Expansion), GSSP and SA

Sr. No	Particular	Commencement Date	Completion Date
1)	Land		Possession already taken
2)	Government Approvals	May 2011	September 2011
3)	Civil Works & Building Construction	October 2011	March 2012
4)	Orders for Plant & Machinery	December 2011	July 2012
5)	Delivery of Plant & Machinery	February 2012	August 2012
6)	Electrical Fittings	February 2012	August 2012
7)	Erection of Plant & Machinery & MFA	May 2012	August 2012
8)	Trial Run	September 2012	
9)	Commercial Production	October 2012	

Augmenting Working Capital Resources.

We are presently engaged in the business of manufacturing Single Super Phosphate (SSP). SSP is used in large quantities for replenishing "P" (Phosphorus) in the soil which gets depleted steadily with each crop. This is preferred phosphate fertilizer by the farmers as it provides much needed nutrients "S" along with "P" unlike other fertilizer. SSP industry enjoys price concession by the Govt. of India which protects this industry for long run sustainability.

We propose to set up an Integrated state of art Unit of Mineral Beneficiation wherein Beneficiated Rock Phosphate, Single Super Phosphate and Granulated Single Super Phosphate and an ancillary Plant of Sulphuric Acid will be established.

As per our internal estimate, the requirement for the working capital would be ₹ 1405.67 Lakhs for Fiscal 2013 when the expansion plans start commercial production for the period of six months from October 2012 and ₹ 1825.20 Lakhs for Fiscal 2014 when the company achieve production for the full financial year:

(A) Cash Credit Facility: We have a cash credit facility sanctioned by Indian Overseas Bank on [●] amounting to ₹ 150 Lakhs for our Unit II.
(B) Issue Proceeds: We intend to utilize ₹ 1675.20 Lakhs towards the working capital requirements for Fiscal 2014.

The Company has estimated the Working Capital Requirement, which is as under:-

(₹ in Lakhs)

	FOR NOVEMBER		2012-13				2013-14			
	2010-11		existing projects		New projects		existing projects		New projects	
	Holding	Amount	Holding	Amount	Holding	Amount	Holding	Amount	Holding	Amount
Raw Material	1.75	312.46	1.75	452.03	1.75	196.62	1.75	452.03	1.75	312.81
Stock in Process	0.14	49.12	0.18	49.40	1.00	300.49	0.18	49.40	1.00	443.34
Consumable Stores		260.19		25.00		25.00		25.00		25.00
Finished Goods	0.46	128.38	0.75	205.83	1.00	300.49	0.75	205.83	1.00	443.34
Trading Goods		8.08		12.00		12.00		12.00		12.00

Debtors	0.12	44.49	0.25	80.72	0.50	176.76	0.25	80.72	0.50	260.79
Total		**802.72**		**824.98**		**1011.36**		**824.98**		**1497.28**
Creditors	1.16	224.59	1.00	258.30	1.00	112.35	1.00	258.30	1.00	178.75
Expenses Payable		62.25		60.00				60.00		
Advances from Customers		128.79								
Provision for Taxation		53.25								
liabilities		468.88		318.30		112.35		318.30		178.75
Total W/c. Requirement		333.84			1405.67				1825.20	
Less : Bank Borrowing					150.00				150.00	
Margin for W/c.		333.84*			1255.67				1675.20	

*On account of stock of consumable stores the margin for working capital was ₹ 333.84 Lakhs in 2010-11 which was financed temporarily from unsecured loan.

Justification for Holding Level:

Particulars	Upto November 2010-11	2012-13		2013-14		Remarks
		Existing Project	New Projects	Existing Project	New Projects	
Inventories						
Raw Material	1.61	1.75	1.75	1.75	1.75	**Existing Project -** On the basis of Actual of 2010-11. **New Project -** On the basis of Actual of 2010-11
Stock in Process	0.14	0.18	1.00	0.18	1.00	**Existing Project -** On the basis of Actual of 2010-11. **New Project -** The processed stocks will be for various processes hence one month considered.
Finished Goods	0.46	0.75	1.00	0.75	1.00	**Existing Project -** On the basis of Actual of 2010-11. **New Project -** Due to no. of products stock of one month is considered.
Debtors	0.12	0.25	0.50	0.25	0.50	**Existing Project -** On the basis of Actual of 2010-11. **New Project -** Due to no. of products stock of one month is considered.
Creditors	1.16	1.00	1.00	1.00	1.00	**Existing Project -** On the basis of Actual of 2010-11. **New Project -** On the basis of Actual of 2010-11

General Corporate Purpose

We, in accordance with the policies set up by the Board will have flexibility in applying the net proceeds of the Issue, after the aforesaid objects are met, for general corporate purposes including, but not restricted to meeting contingencies for any cost overrun in the expansion project, strategic initiatives, expanding into new geographies, strengthening of market capabilities, future projects and meeting exigencies which we in the ordinary course may not foresee. As on the date of this Draft Red Herring Prospectus, we have not entered into any commitment for any strategic initiatives. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Public Issue Expenses

The Issue related expenses include, among others, lead management, underwriting and selling commissions, IPO Grading fees, printing, distribution and stationery expenses, advertising and marketing expenses, and other expenses including Registrar, Depository, listing and legal fees. All expenses with respect to the Issue will be borne by the Company. The estimated Issue expenses* are as follows:

(₹ in Lakhs)

S. No.	Description	Amount in Lakhs	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead Management fees	[●]	[●]	[●]
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)	[●]	[●]	[●]
3.	Registrar's fees	[●]	[●]	[●]
4.	Advertising and marketing expenses	[●]	[●]	[●]
5.	Printing and distribution expenses	[●]	[●]	[●]
6.	IPO Grading expenses	[●]	[●]	[●]
7.	Advisors	[●]	[●]	[●]
8.	Bankers to the Issue	[●]	[●]	[●]
9.	Others (SEBI filing fees, bidding software expenses, depository charges, listing)	[●]	[●]	[●]

* *To be filled at the time of filling Red Herring Prospectus*

Deployment of Funds

We have incurred the following expenditure on Object of the Issue till April 28th , 2011. The same has been certified by Ashok Kanther & Associates, Chartered Accountants, vide their certificate dated 28th April 2011

(₹ in Lakhs)

Sr. No.	Deployment of Funds	Amount
1.	Land	32.89
2.	Building & Site Development	703.52
3.	Plant & Machinery Foundation	108.49
4.	Plant & Machinery ■ Plant & Machinery Purchased ■ Advances paid against order	 1164.10 15.97
5.	Miscellaneous Expenditure	16.79
6.	Pre-operative Expenses	107.21
7.	Current Assets	156.04
	Total	2305.01

(₹ in Lakhs)

Sr. No.	Sources of Funds	Amount
1.	Equity Share Capital	750.00
2.	Unsecured Loan	493.48
3.	Term Loan from Bank	1000.00
4.	Creditors	61.53
	Total	2305.01

Cash flow statement for promoters contribution and its utilization from the date of bringing and its utilization

(₹ in lakhs)

Month	Sources of Funds	Application Amount Received	Remarks
Jun- 09	Share Application Money	12.00	
Jul-09	Share Application Money	24.50	
Aug-09	Share Application Money	7.50	
Sep-09	Share Application Money	9.00	
	Total A	**53.00**	**Allotted on 30.09.2009**
Oct-09	Share Application Money	201.50	
Nov-09	Share Application Money	54.50	
Dec-09	Share Application Money	150.30	
Jan-10	Share Application Money	107.05	
Feb-10	Share Application Money	49.00	
Mar-10	Share Application Money	32.75	
	Total B	**595.10**	**Allotted on 31.03.2010**
July-10	Share Application Money	0.235	
Aug-10	Share Application Money	36.165	
Sep-10	Share Application Money	65.50	
		101.90	**Allotted on 21.09.2010**
		750.00	

(₹ in lakhs)

Month	Application of Funds					Total
	Land	Building	Plant &Machinery (Including advances to suppliers)	Misc Fixed Assets	Pre operative	
2009-10						
Jun-09	-	-	-	-	19.17	19.17
Jul-09	-	-	-	-	0.52	0.52
Aug-09	-	-	-	-	1.48	1.48
Sep-09	-	-	4.01	-	0.96	4.97
Oct-09	-	-	-	-	0.83	0.83
Nov-09	-	-	-	-	1.13	1.13
Dec-09	-	-	-	-	1.83	1.83
Jan-10	-	-	-	-	0.67	0.67
Feb-10	16.49	-	-	-	0.79	17.28
Mar-10	2.93	-	-	-	3.64	6.57
2010-11						
April-10	-	14.47	22.69	1.04	3.09	41.29

May-10	-	7.57	20.83	0.48	7.86	36.74
Jun-10	9.00	16.45	8.97	0.33	3.45	38.20
Jul-10	4.47	66.31	40.78	0.35	7.46	119.37
Aug-10	-	60.60	98.09	0.24	4.22	163.15
Sep-10	-	143.38	29.25	1.08	4.17	177.88
Oct-10	-	93.48	19.76	0.38	4.04	117.66
Total	32.89	402.26	244.38	3.90	65.31	748.74

Details of Balance Fund Deployment

The overall cost of the proposed project and the proposed year wise break up of deployment of funds is as under:

(₹ in Lakhs)

Sr. No.	Project Details	Already Incurred (28.04.2011)	2011-12				2012-13		Repayment of Unsecured loan	Total
			1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr		
1.	Setting up of New Unit for manufacturing of Beneficiated Rock Phosphate (BRP) as Unit II.	2305.01			167.74 Plus 493.48				(493.48)	2472.75
2.	Single Super Phosphate Plant with an Installed Capacity of 120000 TPA				35	429	1109	332		1905.00
3	Granulated Single Super Phosphate (GSSP) Plant with installed capacity of 90000 TPA				35	185	703	185		1108.00
4	Sulphuric Acid Plant with an installed capacity of 49500 TPA				35	475	1795	571		2876.00
2.	Additional Working Capital Requirement	Nil			200			1475		1675.00
3.	Public Issue Expenses		[•]	[•]	[•]	[•]	[•]	[•]		[•]
4.	General Corporate Purpose		[•]	[•]	[•]	[•]	[•]	[•]		[•]

*In order to complete the BRP project as per schedule of implementation the company had borrowed interest free unsecured loan from the group companies. On completion of the public issue the company will repay the unsecured loan borrowed and to be borrowed for completing the BRP project.

Means of finance

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds.

In the event of significant variations in the proposed utilisation, approval of the shareholders of the Company shall be duly sought. In case of variations in the actual utilisation of funds earmarked for the purposes set forth below, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through internal accruals and debt.

Any excess amount raised over and above the project cost as estimated, including any amount realised as proceeds of the Issue, will be used to meet any additional contingency for the Objects or for general corporate purposes. In the event the Net Proceeds fall short of the investment required for the proposed Objects and the Issue expenses, the same will be funded from the internal accruals of the Company or through banks as and when required.

Interim Use of Proceeds

The management, in accordance with the policies established by the Board of Directors, will have the flexibility in deploying the Net Proceeds received by us. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration and other fixed and variable return instruments.

Monitoring of Utilisation of Funds

As the size of the Issue will not exceed Rs. 50,000 lakhs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the ICDR Regulations. The Audit Committee appointed by our Board of Directors will monitor the utilization of the proceeds of the Issue. Our Company will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statement specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular, Clause 49 of the Listing Agreement. The statement shall be certified by our Statutory Auditors. Further, in terms of clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under clause 41 of the Listing Agreement and shall be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of clause 49 of the Listing Agreement.

For risks associated with our proposed utilization of the Net Proceeds of the Issue, see —Risk Factors on page 13

OSTWAL

BASIS FOR ISSUE PRICE

The Issue Price has been determined by the Company, in consultation with the BRLM on the basis of demand from investors for the Equity Shares through the Book Building Process. The face value of the Equity Share is Rs.10/- each and the issue price is Rs. [●] per Equity Share which is [●] times of the face value at the lower end of Price Band and [●] times of the face value at the higher end.

Investor should review the entire Draft Red Herring Prospectus, including the sections "Risk Factors", "Industry Overview", "Business Overview" and "Auditors Report and Financial Information of our Company" on pages 13, 103, 120 and 186, respectively, to get a more informed view before making investment decision.

QUALITATIVE FACTORS

- Experienced & Professional Board of Directors of the fertilizers Industries
- Cost efficient sourcing and locational advantage
- Potential for Growth
- Modern Infrastructure and Integrated Facilities
- High Promoter Capital Investment

For a detailed discussion on the qualitative factors which form the basis for computing the price, see the sections "Competitive Strengths" in the chapter titled "Business Overview" beginning on Page 122 of Draft Red Herring Prospectus. .

QUANTITATIVE FACTORS:

Information presented in this section is derived from our Company's restated, financial statements as of and for the years ended March 31, 2010, 2009 and 2008 and for the Eight month period ended November 30, 2010, prepared in terms of the requirements of Paragraph B(1) of Part II of Schedule II of the Companies Act, 1956 (‗the Act') and SEBI ICDR Regulations and included in the report dated 4th March 2011 of M/s.Ashok Kanther & Co Chartered Accountants, as included in the Draft Red Herring Prospectus.

1. Weighted Average Earning Per Share (EPS) of Face Value of `₹ 10 /- (Basic & Diluted)

Period (1)	EPS (2)	Weight (3)	Weighted (4) = (2*3)
Year Ended March 2008	1.62	1	1.62
Year Ended March 2009	3.29	2	6.58
Year Ended March 2010	2.51	3	7.53
Period Ended November 30, 2010	3.02		
Total		6	15.73
Weight Average EPS	2.62		

Notes:
a) The Ratios has been computed as below:
Earning per Share (₹) = Net Profit / (loss) after tax Less minority interest in profit/ (loss) Less Dividend on Preference Shares/Weighted average number of Equity Shares outstanding during the year /period

b) The above ratios have been computed on the basis of the restated profits for the respective periods/ years as per the Statement of Restated Consolidated Profit and Loss Account.

c) Earnings per Share is computed in accordance with Accounting Standard (AS) 20 —Earnings Per Share.

2. Price Earning (P/E) ratio in relation to Issue Price of ₹ [●]/- Per share

1. Based on Fiscal Year ended March 31, 2010 Restated EPS of ₹ [●], the P/E ratio is [●]
2. Based on Weighted Average Restated EPS of ₹ [●] , the P/E ratio is [●]

Industry P/E

• Highest- Oswal Chemical & Fertilzer Ltd	51.0
• Lowest- Khaitan Chemical & Fertilizer Ltd.	4.10
• Industry Composite	14.0

(Source: Source: Capital Market Volume XXVI/05- May -02-15, 2011)

3. Return on Networth as restated financial statement is as follows

Year(1)	Ronw%(2)	Weight(3)	Weighted(4) (2)*(3)
Year Ended March 31, 2008	16.92	1	16.92
Year Ended March 31, 2009	25.52	2	51.04
Year Ended March 31, 2010	7.08	3	21.24
Period Ended November 30th, 2010	22.33		
TOTAL		6	89.20
Weighted Average			14.87

(Return on net worth has been calculated by dividing net profit after tax as restated by the net worth where net worth+ Share Capital + Reserves & Surplus-Preliminary Exp.)

4. Minimum Return on total net worth after issue needed to maintain pre-issue EPS (as on March 31, 2010 of ₹ [●] /-) at the issue price of ₹ [●] per share.

5. Net Asset Value per Equity share

Particulars	NAV (₹)
As on March 31, 2010	10.85
As on November 30, 2010	13.44
After the issue	
Issue Price	(*)

(NAV per Equity Share has been calculated as net worth divided by Number of Equity Shares outstanding at the end of year, where Net Worth=Share Capital + Reserves & Surplus-Preliminary Exp.)

6. Comparison of Accounting Ratios with peer Group Companies

Name of the Company	Sales (Rs. In Crores)	EPS(Rs)	P/E. Ratio	RONW (%)	NAV /Bk Val. (Rs.)	Face value
Liberty phosphate Ltd#	204.12	3.84	10.69	10.72	41.49	10
Shiva Global Agro Industries Ltd *	89.22	2.3	13.30	10.40	37.40	10
Madhya Bharat Agro Products Ltd	20.44	2.51	--	7.08	10.85	10

*(Source: Captial Market Volume XXVI/05- May -02-15, 2011), # (Audited Balance Sheet of the company for 2009-10 and BSE website – www.bseindia.com)

The face value of our Equity Shares is Rs. 10/- per share and the issue price of ₹ [●] is [●] times of the face value of our Equity Shares.

The financial ratios of our company and the peer group companies are on standalone basis

The BRLM believes that the Issue price of Rs. [●] is justified in view of the above qualitative and quantitative factors. See the section titled "Risk Factors" and "Financial Information of our Company" beginning on page no 13 and 186 of this Draft Red Herring Prospectus, including important profitability and return ratios, as set out in the Auditors Report beginning on page no 206 for further information.

Prospective investors should also review the entire Draft Red Herring Prospectus, including, in particular, the sections entitled ''Risk Factors'', ''Industry Overview'', ''Business Overview'' and ''Financial Information of our Company '' beginning on pages 13,103, 120 and 186 to obtain a more informed view on the investment proposition.

STATEMENT OF TAX BENEFITS

The Board of Directors
Madhya Bharat Agro Products Ltd
5-O-1, Basement, R.C. Vyas Colony,
Bhilwara- 311 001 (Rajasthan).

Dear Sir,

We hereby report that we have reviewed the enclosed annexure which states the possible tax benefits available to Madhya Bharat Agro Products Limited (the company) and its shareholder under Income Tax Act-1961, the Wealth Tax Act, 1957, 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 relevant provisions of tax laws. 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 or shareholders as the case may be, 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:

1. The company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/ would be met with.

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

For M/S. ASHOK KANTHER & ASSOCIATES,
Chartered Accountants

ASHOK KANTHER
PROPRIETOR
Membership No: 043571
Firm Registration No.: 050014C
Place: Bhilwara
Date: 4th March, 2011

OSTWAL

STATEMENT OF TAX BENEFITS

(i) SPECIAL TAX BENEFITS

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

I. BENEFITS TO THE COMPANY UNDER THE INDUSTRIAL PROMOTION POLICY, 2010 OF GOVT OF MADHYA PRADESH ("THE POLICY"):

1. INDUSTRIAL INVESTMENT PROMOTION ASSISTANCE:
   As per the Policy, the company will be entitled to a industrial investment promotion assistance from the department of commercial tax of MP state, up to 75 % of deposited (excluding the amount of value added tax on purchase of raw material) commercial tax and CST (after adjust the input vat rebate) during next 10 consecutive years, stare from the year of commercial production. The assistance shall not exceed the fixed capital investment.
2. EXEMPTION FROM ENTRY TAX:
   As per the policy and Madhya Pradesh Gazette FA-3-25-2010-1-V (96), the company will be entitled to an exemption from payment of entry tax for a period of five years from the date of first purchase of raw material.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

(ii) GENERAL TAX BENEFITS

The Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

II. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

As per Section 10(34) of the Act, income earned by the Company by way of dividend income from another domestic company referred to in section 115-O of the act is exempt from tax.

As per section 10(35) of the Acts, the following income will be exempt from tax in the hands of the Company:

a. Income received in respect of the units of a Mutual Fund specified under section 10(23D); or

b. Income received in respect of units from the Administrator of the specified undertaking; or

c. Income received in respect of units from the specified company:

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, will be exempt in the hands of the Company. However, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.

Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.

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 tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lakhs in a year.

As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual 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 and education cess). Further, short term gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge and education cess) in case of a company.

In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of: -

A. 20% of the capital gains as computed after indexation of the cost; or
B. 10% of the capital gains as computed without indexation.

The amount of tax paid under section 115 JB by the Company for any assessment year beginning on or after 1st April, 2010 will be available as credit to the extent specified in section 115 JAA for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of Section 115 JAA.

Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against income from any other source in the subsequent assessment years as per = section 32(2) subject to the provisions of section 72(2) and section 73(3) of the Act.

Under Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and one fourth times the amount so paid.

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company.

Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

II. TO MEMBERS

A. RESIDENT MEMBERS

1. As per section 10(34) of the Act, income earned by the resident member by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.

2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1 A) of the Act will be exempted from tax to the extent of ₹1,500/-per minor child.

3. As per section 10(38) of the Act, long term capital gains arising to the resident member 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, will be exempt in the hands of such members.

4. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual 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%.

5. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

   A. 20% of the capital gains as computed after indexation of the cost; or
   B. 10% of the capital gains as computed without indexation.

6. 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 tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lakhs in a year.

7. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

8. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by assesses in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

9. The assessee is not entitled to a deduction in respect of the Security Transaction Tax ('STT') paid by him against the income chargeable under the head 'Capital Gains'.

10. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents

B. Non-Resident Indian MEMBERS

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.

2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of ₹.1,500/- per

minor child.

3. As per section 10(38) of the Act, long term capital gains arising 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, will be exempt.

4. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual 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%.

5. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds, acquired in Indian currency, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be lower of:-

   a) 20% of the capital gains as computed after indexation of the cost;
   b) 10% of the capital gains as computed without indexation.
   `

6. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.

7. 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 tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lakhs in a year.

8. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38))and subject to the condition specified therein arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

9. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20%. Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10%.

10. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gain arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset.

11. In accordance with section 115G, it is not necessary for a Non resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.

12. In accordance with section 115-1, where a Non Resident Indian opts not to be governed by the provision of chapter XII-A for any assessment year, his total income for that assessment year

(including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

13. As per section 115H of the Act, where a 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 that year under section 139 of the Act to the effect that the provisions of 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.

14. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

15. Under the provisions of Section 195 of the Income Tax Act, any income (not being an income chargeable under the head 'Salaries'), payable to non residents, may be eligible to the provisions of withholding tax, subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

16. The tax rates and consequent taxation mentioned above will 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.

C. OTHER NON-RESIDENT SHAREHOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS):

1. Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1 A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.

3. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual 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%.

4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds, acquired in Indian currency, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be lower of:-
   a) 20% of the capital gains as computed after indexation of the cost;
   b) 10% of the capital gains as computed without indexation.

5. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.

6. Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares

or units is chargeable to STT.

7. 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 tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees fifty lakhs in a year.

8. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

9. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by assesses in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

10. As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

11. Under the provisions of Section 195 of the Income Tax Act, any income (not being an income chargeable under the head 'salaries') which is chargeable under the provisions of the Act payable to non residents is subject to withholding tax as per the prescribed rate in force. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

A. FOREIGN INSTITUTIONAL INVESTORS (FII'S)

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising 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, will be exempt.

3. As per section 115 AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company 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%.

4. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long Term Capital Gains	10
Short Term Capital gains (other than referred to in section 111A)	30

5. 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.

6. The tax rates and consequent taxation mentioned above will 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. 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 tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lakhs in a year.

B. BENEFITS AVAILABLE TO MUTUAL FUNDS

8. As per provision of section of 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 or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115 R of the Act.

BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES FUNDS

As per Section the provision of section 10(23FB) of the Act, any income of Venture Capital Companies / Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(c). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

C. BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

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, no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.

NOTES:

i) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.

ii) 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.

iii) All the above benefits are as per the current tax laws (including amendments made by the Finance Act 2010), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.

iv) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

v) This statement is only extended 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 tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

SECTION V- ABOUT US

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI (ICDR) Regulations, 2009, the discussion on the business of Our Company in the Draft Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Draft Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Draft Red Herring Prospectus is only for the purpose of describing the products.

The information in this section is derived from various government/Industry Association publications and other sources like Fertilizer Association of India(2009-10), Annual report of Department of Fertilizer (2009-10), and working paper presented by Working Group 11 of Planning Commission of India on Fertilizer Industry (2007-2012). Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications 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.

MINERAL BENEFICIATION - INTRODUCTION

Phosphate rock is used primarily as a plant nutrient, either by direct application to the soil as a powdered product or in the manufacture of super phosphate, triple super phosphate, or diammonium phosphate (DAP) fertilizers. Elemental phosphorus and phosphoric chemicals derived from phosphate rock are also used in detergents, insecticides, matches, fireworks, military smoke screens, incendiary bombs, and many other products.

Rock Phosphate being one of the important raw material for manufacturing phosphatic fertilizers including SSP, is not presently available in large quantity in India and that too portion of high grade rock is limited,

In A Present Scenario Worldwide high grade minerals are depleting and there is serious need of mineral beneficiation .Like other minerals there is acute shortage of high grade phosphate in India.

Due to the limitation of source of rock phosphate and also rising trend in the price of rock phosphate in the international market, the availability of rock phosphate for manufacturing of SSP has been affected

BRP (BENEFICIATED ROCK PHOSPHATE)

Phosphate rock is mined throughout the world for use in the production of fertilizer and for making other valuable products. In some cases, in the phosphate rock as mined, the phosphorus-containing component is associated with substantial amounts of organic and/or inorganic impurities. Further, as high-grade phosphate rock deposits become exhausted, the lower grade rock deposits with larger amounts of impurities must be utilized. Beneficiation of phosphate rock is therefore widely practiced and, in a first stage, may take the form of washing and concentrating by flotation to remove impurities.

"Mineral beneficiation is a process by which valuable constituents of an ore are concentrated by means of a physical separation process. As one of the initial steps of extractive metallurgy, the main purpose is to prepare the ore prior to downstream purification processes. The most common mineral beneficiation processes include: sample preparation, comminution, size classification, and concentration.

Sample Preparation – drying, dewatering, and mixing of samples

Comminution – rock size reduction by crushing and grinding

Size Classification - screening, de-sliming, cycloning

Gravity Concentration – separation exploiting the differences in specific gravity of minerals via the use of centrifugal concentrators, shaking tables, and spirals

Froth Flotation – bulk flotation, differential flotation, etc.

Magnetic separation

Optical Sorting – using advanced optical sorting technology

It's a well established technology all over the world. As the product is floated in various steps (See flow chart) named as flotation process. "

The aforesaid is the process for all mineral beneficiation & with minor changes are adopted for Beneficiation of Rock Phosphate. As all the minerals are having distinct characteristics and the separation process/extraction process may differ slightly from the standard one.
The main use of Beneficiated Rock phosphate is the use of this product as a raw material for further production of Single Super Phosphate and its demand and market is directly linked with market of SSP.

Rock Phosphate Production & Import in Past Few Years

As per 55th fertilizer statistics 2009-10 of fertilizers association of India the following are the countries which we had imported rock phosphate for fulfilling our requirements,

IMPORT OF ROCKPHOSPHATE										
										(000 Tonnes)
S.No.	Country	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	China	1964	783	431	385	137	-----	80	215	-----
2	Jorden	1963	2524	1713	2516	2301	2334	2584	2530	2229
3	Morocco	138	628	699	976	1134	1272	1110	876	729
4	Nauru	103	63	89	22	-----	-----	-----	111	97
5	Senegal	353	320	33	26	-----	-----	-----	-----	-----
6	Algeria	-----	-----	-----	-----	143	367	615	570	178
7	Egypt	101	343	191	572	428	511	353	336	899
8	Togo	14	204	411	348	673	718	395	266	489
9	S. Africa	137	49	12	-----	-----	-----	-----	-----	-----
10	Syria	48	14	-----	-----	-----	-----	19	-----	33
11	Israel	113	16	-----	-----	-----	120	-----	-----	391
12	Tunisia	-----	-----	-----	-----	-----	-----	20	-----	27
13	Vietnam	-----	-----	-----	-----	-----	-----	68	357	254
	Total	4934	4944	3579	4845	4816	5322	5244	5261	5326

The reserves of chemical and fertilizer grades apatite and rock phosphate in India are very limited. Detailed exploration is, therefore, necessary for conversion of remaining resources into reserves. Till the domestic resources of these two minerals are improved, the country has no alternative but to depend on their imports. In India, most of the existing phosphatic fertilizer and phosphoric acid plants were designed on the basis of high grade imported rock phosphate. The Indian deposits are generally of low grade. Therefore, the future fertilizer plants may be set up in such a way that they may accept indigenous mineral or blend of low grade indigenous and imported rock phosphate. Trend indicates that the supplies from world market also show decline in grade. Therefore, the user industries have to orient themselves to allow higher limitations of deleterious constituents. Beneficiation of low grade mineral is another forward looking step for conservation. M/s RSMML already has beneficiation plant in Jhamarkotra in Rajasthan. M/s Krishana Phoschem Ltd has 600 TPD phosphate rock beneficiation plant at Meghnagar in Jhabua district of Madhya Pradesh. The Govt. of India is encouraging to put new B.R.P. plants based low grade Rock Phosphate as there is still wide gap in demand & supply.

The MBAPL is already in process of putting new BRP plant at Sagar (M.P.) some more exploration is under way to put up BRP plants based on low grade Rock Phosphate.

SSP (SINGLE SUPER PHOSPHATE)

Super phosphate or super phosphate of lime Ca (H2Po4)2 is a Compound produced by treating rock phosphate with sulphuric acid & phosphoric acid or a mixture of the two. It is the principal carrier of rock phosphate, the form of phosphorus usable by plant & is one of the world's most important fertilizer. Ordinary super phosphate Contain 20 % available phosphate & double super phosphate contains 40 %- 50 % available phosphate. It is the cheapest source of sulphur to the soil.

The total installed capacity of SSP plants in India is 7,526.20 tonnes and constitutes 20.50% of the total capacity of phosphatic fertilizers. The major raw materials for SSP are rock phosphate and sulphur. Unlike DAP, which is produced using imported rock phosphate, 65% of the SSP is produced with low-grade rock phosphate that is available domestically. This provides an advantage in the form of improving agricultural productivity since large areas in the country are deficient in sulphur and calcium.

SSP is a straight phosphatic multi-nutrient fertilizer which contains 16% water soluble P2O5, 12% sulphur, 21% calcium and some other essential micro nutrients in small proportions. SSP, which is a poor farmer's fertilizer (price-wise), is an option to optimise the use of phosphatic fertilizers. It also helps to treat sulphur deficiency in soils (40% Indian soil sulphur deficient) as well for further enhancement of yields at the least cost. In various crops, which require more of sulphur and phosphate like oilseeds, pulses, sugarcane, fruits and vegetables, tea etc, SSP is an essential fertilizer.

SSP can be easily stored for a long period and it is one of the cheapest sources of sulphur. As a phosphate fertilizer, SSP is sold in form of Powder, boronoted and granular.In states of MP and Chattisgarh the SSP in powder form is preferred by the farmers. But in other states like Rajasthan, Gujarat, Maharashtra, Punjab, UP, large number of farmers prefer the SSP in Granular form. SSP being in substance form becomes easier to farmers to spread in the land, which makes less wastage as compared to SSP Powder.

At present, about 72 medium and small-scale units are engaged in the production of SSP. Unlike urea and DAP, the concentration of major players in SSP is very low. However, the units manufacturing SSP are facing difficulties on account of rising cost of production and on account of state control over fixing retail prices. Even with the subsidy being given, the manufacturers were incurring a heavy loss. As a result, the DoF revised the concession scheme on SSP on August 25, 2008 for FY09 with effect from May 1, 2008. According to the revised policy, the SSP will be sold by manufacturers at a uniform all-India MRP announced by the DoF instead of the rates fixed by the state governments. Accordingly, ₹3,400 per MT was indicated as MRP for SSP in FY09 and recently the same has been increased to ₹ 5559 w.e.f 1st April 2011. Henceforth, the DoF will be authorised to revise MRP of SSP from time to time in future keeping in view the international price trend of sulphur as well as the nutrient price of 'phosphate' in DAP.

This would make SSP cheaper than the current prices fixed by State Governments in the nine states- Karnakata, Kerala, Orissa, West Bengal, Uttar Pradesh, Bihar, Haryana, Punjab and Himachal Pradesh. Moreover, to compensate the manufacturers commensurately, the Cabinet Committee on Economic Affairs (CCEA) approved the changes in the subsidy recommended by DoF in April 2008. However, the subsidy will be subject to revision on the basis of monthly input prices of rock phosphate and sulphur. The CCEA has further recommended that the SSP should be marketed only through large producers that manufacture more than 1 lakh MT of SSP or by manufacturers of urea or NPK to ensure supply of good quality SSP.

This would not only help in boosting the production of SSP but will also reduce the demand pressure for DAP, as currently the prices of DAP are quite high. As SSP contains 16% phosphorous as compared with 46% in DAP, 3 MT of SSP is sufficient to replace 1 MT of DAP. This would not only entail saving of subsidy that is provided by the government but would also encourage indigenous manufacturers to produce SSP using largely indigenous resources. DOF is continuously revising the Nutrient Based Subsidy (NBS) policy giving a boom to SSP producers.

The SSP sector in the country is largely dependent upon the indigenous rock phosphate, which is of inferior grade and is not suitable for production of phosphoric acid. Substantial amount of rock phosphate needs to be imported to also cater to the SSP sector. There are large deposits of inferior grade of rock phosphate in the country, which is not suitable for producing FCO grade SSP with 16% water-soluble P_2O_5 content. The Government can provide for other grades of SSP with lower water-soluble P_2O_5 content under the FCO as also the Concession Scheme so that the unutilised low grade rock phosphate in the country can be gainfully utilised for manufacture of SSP and provide another source of phosphatic nutrient to the farmer.

Super phosphate or super phosphate of lime Ca (H2Po4)2 is a Compound produced by treating rock phosphate with sulphuric acid & phosphoric acid or a mixture of the two. It is the principal carrier of rock phosphate, the form of phosphorus usable by plant & is one of the world's most important fertilizers. Single super phosphate Contain 16 % W.S. phosphate & triple super phosphate contains 46 % W.S. phosphate. It is the cheapest source of phosphate & sulphur to the soil.

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Advantages of SSP Fertilizer:

2. Provides 15% of total phosphate requirement of the country.
3. Lowest price per kg, preferred by small and marginal farmers.
4. Multi-nutrient fertilizer containing P2O5 as primary nutrient and Sulphur and Calcium as secondary nutrients.
5. It is the cheapest source of Sulphur for the soil.
6. Only phosphatic fertilizer which can utilize Indian rock phosphate deposits.
7. Least foreign exchange per unit of P2O5.
8. Utilizes acid effluent from other chemical industry and thus reduces nation's cost of effluent disposal.

Uses of SSP Fertilizer

1. Supplying plants with phosphorus, sulphur & calcium element
2. Fixing plant roots in soil and helping them combat pests
3. PSSP gives plants a better chance to carry out their bio-functions, such as germination, vegetation and ripeness

4. GSSP can be used to fertilise desert and calcareous lands and is perfectly usable in automatic/mechanical fertilisation.

Production Process of Single Super Phosphate

Single superphosphate is produced by the reaction of phosphate rock with sulphuric acid which converts the insoluble (tribasic) form of calcium phosphate to a soluble (monobasic) form.

Major Manufacturers of Single Super Phosphate

Tata Chemicals Ltd, Nirma Ltd, Jubilant Organosys Ltd, Khaitan Chemicals & Fertilizers Ltd, Rama Phosphates Ltd, Liberty Phosphate Ltd are some of the major manufacturers of Single Super Phosphate.

Demand

Taking into account the average consumption level of 81% N through urea, 60% P through DAP, 30% P through complex fertilizers, 10% P through SSP and 68% K through MOP, the product wise demand has also been determined. The table below exhibits the product-wise forecast of fertilizers for FY 09 – FY 12

All India Demand Forecast of Fertilizer Products (Lakh tones) 2009-10 to 2011-12

Year	Urea	DAP	Complex Fertilizer	SSP	MOP*
2009-10	271.35	87.15	85.00	41.75	33.60
2010-11	279.45	91.05	89.00	43.60	35.45
2011-12	287.55	95.10	93.30	45.60	37.40

*For direct consumption, excludes demand for manufacture of complex fertilizers.

Granulated Single Super Phosphate

GSSP in other words is a value addition product form of SSP. Powder form of SSP get dissolved immediately in irrigation water and some parts of it used by plants and balance goes to sub soil with water and remain useless. The powder can be used only during sowing the seeds. It can be used on the growing crops as it get deposited on the leaves of the plants and being slightly acidic, burns them. On the other hand, granulated product rolls down the plant and can be used harmlessly on the standing crops. Advantage is using granulated product is that it is available to the crops for longer time because it get dissolved slowly in water.

Manufacturing Process

SSP powder is fed into Granulator drum where powder SSP gets converted into granular with addition of water droplets. These granules are fed to granules get dried by blowing hot air. Hot air is generated by burning coal in hot air granulator. Later on dried granules are fed to cooler drum where hot granules get cooled and conveyed to screens where 1 to 4 mm granules collected for packing and more than 4 mm are crushed and recycled all together with less than 1 mm size material. The outlet of drier drum and inlet of cooler drum remain connected with a series of cyclones and I D fans & finally with a chimney to remove dust particles and make air free from dust before releasing to atmosphere.

Raw Material

Phosphate

Lack of raw materials for the phosphatic fertilizers poses a major problem for manufacturers. Though there is indigenous capacity for production of rock phosphates it is of inferior quality and requires beneficiation. Thus, India has to import large quantities of rock phosphates. India imports around 5 MMT of rock phosphates, while it produces nearly 1.5 MMT of rock phosphates. Rock phosphate imports of India correspond to around 18% of global trade of rock phosphate. The government has also been encouraging Indian companies to establish joint ventures in production facilities with buyback arrangement in other countries that have rich reserves of rock phosphate.

The spurts in international prices have impacted prices of imported finished fertilizers as well as raw material in India. As a result, subsidy outgo for 2008-09 was about one lakh crore. From July 2008 to January 2010, the prices of the raw materials/intermediates/finished fertilizers have shown a declining trend. The prices in January 2010 in comparison to that of and July 2008 and March 2009 are as follows:

Raw Material/Intermediate/ Fertilizers	July 2008	March 2009	January 2010
DAP	1291.90	414.00	499.13
MOP	725.00	767.50	381.25
Urea FOB	783.00	305.63	306.88
Phos Acid, India (C&F)	2200-2310	650-760	610-627.50
Ammonia (C&F)	571.10	261.00	327.88
Sulphur (C&F)	846.00	57.00	139.50
Rock (C&F)	384.00	301.00 (in Jan, 09)	142.50
Sulphuric Acid (C&F) Brazil	360.00	0.00-0.50	35.38

Sulphuric Acid

Sulphuric acid, which is derived from sulphur, is an intermediate in the manufacture of phosphoric acid and certain grades of phosphatic fertilizers. India does not have any reserves of sulphur and only moderate quantities of sulphur are available as recovered from the oil and gas sector. The requirement of sulphur is imported from Iran, UAE, Saudi Arabia, Kuwait, Bahrain, Qatar etc.

Sulphuric acid is one of the most important chemical having wide range of use in the chemical and fertilizer industries. Sulphuric acid is called a mother of all chemicals, Fertilizer industries are the main user of sulphuric acid. Sulphuric acid is used for the manufacture of water treatment chemicals like Ferric Alum, Ammonia Alum which are used in bulk for purification of water. Similarly, sulphuric acid finds large application for the manufacture of salts of phosphates which are being increasingly used as detergents and for the manufacture of Cattle Feed. Besides this, there is requirement of sulphuric acid in the manufacture of Dyes and varieties of chemicals.

Production of sulphuric acid is used to assess the industrial growth of any country.

There are about 140 sulphuric acid plants having an estimated annual installed capacity of 12 million M.T. Though sulphuric acid plants are spread over across the country but they are mostly located in most industrialized states like Gujarat, Maharashtra, Tamil Nadu, W.Bengal, and Uttar Pradesh.

Most of these plants use elemental sulphur as raw material while a few plants operate on gasses from copper and zinc smelters to produce sulphuric acid. Large plants have been set up by Hindustan Zinc Ltd., in Rajasthan, A.P and Kerala and Hindustan Copper Limited in Khetri (Rajasthan) and Birla Copper Ltd. In Gujarat which are based on gasses from sulphide ores. Normally sulphuric acid plants operate around 70% installed capacity.

According to fertilizer statistics reported by FAI for the year 2009-10, production of single super phosphate was about 31 lakhs M.T and Phosphoric acid (100% P2O5) was 21 lakhs M.T.

Based on production of SSP and Phosphoric acid, sulphuric acid requirement works out to 11 Lakhs for SSP and 58 Lakhs for P.A. Combined requirement was 69 Lakhs M.T.

Movement of fertilizer

The major share in transportation of fertilizers is of the Railways. During 2008- 09, Railways had moved about 41.35 million tonnes of the fertilizers produced indigenously imported in the country. During the current year, about 37.73 million tonnes of fertilizer produced and imported in the country has been moved during the period April-January, 2010.

Measures of Support for fertilizers

For sustained agricultural growth and to promote balanced nutrient application, it is imperative that fertilizers are made available to farmers at affordable prices. With this objective, urea being the only controlled fertilizer, is sold at statutorily notified uniform sale price, and decontrolled phosphatic and potassic fertilizers are sold at indicative maximum retail prices (MRPs). The problems faced by the manufacturers in earning a reasonable return on their investment with reference to controlled prices, are mitigated by providing support under the New Pricing Scheme for urea units and the Concession Scheme for decontrolled phosphatic and potassic fertilizers. The statutorily notified sale price and indicative MRP is generally less than the cost of production of the respective manufacturing unit. The difference between the cost of production and the selling price/ MRP is paid as subsidy/concession to manufacturers. As the consumer prices of both indigenous and imported fertilizers are fixed uniformly, financial support is also given on imported urea and decontrolled phosphatic and potassic fertilizers.

In recent union budget of India 2010-11, Finance minister of Indian Govt. has included fertilizer or infrastructure Project and all incentives will be passed to fertilizer sector. This announcement in budget is going to be real boost for fertilizer industries.

Key Issues of Fertilizers

Key Success Factors	Demand Drives
❖ Tight Control on Costs ❖ Increasing productivity, energy and process efficiencies ❖ Managing environment regarding prices ❖ Product Mix ❖ Distribution Channel Network management	❖ Government policies, particularly those concerning pricing subsidies and imports. ❖ Farmgate price of urea and market price of phosphatic at any given point of time. ❖ Food grain production during kharif, Rabi seasons
Business Concerns	**Future Prospectus**
❖ Large number of small sized SSP Plants ❖ Poor efficiencies and capacity utilisation ❖ Substitution effect – urea subsidies skew fertilizer demand away from Phosphatic fertilizers ❖ Dumping of phosphatic fertilizers from South East Asia	❖ SSP Fertilizer demand likely to grow at 3.5% per annum during next 5 years ❖ Demand for phosphatic fertilizers will be influenced by urea pricing, urea availability apart from prices of SSP itself

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Summing up:

Prospectus of fertilizer industry hinges on the regulatory policies issued by the government.

Demand

Growing population and shrinking land resources have led to vertical expansion of agriculture, that is, have increased the number of crop cycles. Fertilizers play an important role in increasing the fertility of the soil and thus productivity. However, fertilizer consumption also depends on various agriculture-related factors such as soil quality, farming methods, cropping pattern, rainfall and irrigation patterns, different geographical aspects, calamities, availability of technology and information, varieties and quality of seeds as well as access to capital and credit and other inputs. Moreover, macro oriented factors such as crop-related market forces and fertilizer pricing policies also influence fertilizer consumption.

Current Growth Drivers

Entry of organised retail in the agro market will lead to balanced use of fertilizer to optimise production and quality. The Budget FY09 announced several other measures such as reduction of customs duty on phosphoric acid, which will help bring down the cost of phosphatic fertilizers, and customs duty exemption on naphtha imports for fertilizer sector, which will help bring down the cost of manufacturing fertilizers. Moreover, higher agricultural credit disbursement and farmer debt relief package, and increased outlay towards irrigation projects in the successive budgets of FY09 and FY10 are also going to drive demand for fertilizers.

Fertilizer consumption over the years has contributed significantly to a sustained improvement in the production of food grains in India. The consumption of fertilizers has increased manifold since India attained independence. The annual consumption of fertilizers in nutrient terms (N, P and K) increased from 0.07 MMT in FY 02 to 22.57 MMT FY08, and the per hectare consumption, which was less than 1 kg in FY 02, increased to about 116.51 kg (estimated) in FY08. The increase in area under high yielding variety seeds (HYV), gross irrigated area and gross cropped area and practice of crop rotation has led to increased use of fertilizers.

Demand estimates for the Eleventh Plan Period had been computed by FAI, keeping in view the trend in the consumption of fertilizers, additional area to be brought under irrigation under the Bharat Nirman Program, normal level of rainfall additional area under HYV, prices of fertiliser nutrients. According to the forecast, the average growth per annum for total nutrients (N+P+K) on the base level consumption of FY07 has been determined as 4.10% for the Eleventh Plan period. The details of the NPK break-up during FY09 to FY12 are shown in the table below:
All India Demand Forecast of Fertilizer Nutrients (Lakh Tonnes) 2009-10 to 2011-12

Year	N	P2O5	K2O	Total	Ratio N:P:K	Ratio
2009-10	153.90	66.80	29.65	250.35	5.2:2.3:1	2.3:1
2010-11	158.50	69.80	31.30	259.60	5.1:2.2:1	2.3:1
2011-12	163.10	72.90	33.00	269.00	4.9:2.2:1	2.2:1

Agriculture – Backbone of India

The Indian Agriculture Industry is on the brink of a revolution that will modernize the entire food chain, as the total food production in India is likely to double in the next ten years.

Agriculture which accounts for one fifth of GDP provides sustenance to two-thirds of our population. Besides, it provides crucial backward and forward linkages to the rest of the economy. Successive five-year plan have laid stress on self-sufficiency and self-reliance in food grains production and concerted efforts in this direction have resulted in substantial increase in agriculture production and productivity. This is clear from the fact that from a very modest level of 52 million MT in 1951-52, food grain production rose to about 233.88 million MT in 2008-09.

In India's success in agriculture sector, not only in terms of meeting total requirement of food grains but also generating exportable surpluses the significant role played by chemical fertilizers is well recognized and established. Keeping in view the vital role played by chemical fertilizers in the success of India's green revolution and consequent self-reliance in food-grain production, the Government of India has been consistently pursuing policies conducive to increased availability and consumption of fertilizers in the country. As a result, the annual consumption of fertilizers in nutrient terms (N, P & K), has increased from 0.7 lakh MT in 1951-52 to 249.09 lakh MT 2008-09, while per hectare consumption of fertilizers, which was less than 1 Kg in 1951-52 has risen to the level of 128.60 Kg (estimated) in 2008-09.

As of now, the country has achieved near self-sufficiency in production capacity of urea with the result that India could substantially manage its requirement of nitrogenous fertilizers through the indigenous industry. In case of phospatic fertilizers, nearly 50% of domestic requirement is met through indigenous production. Even for that, the raw materials and intermediates for are largely imported. As for potash (K) since there are no viable sources/reserves in the country, its entire requirement is met through imports

Fertilizers Introduction

Fertilizers have played a significant role in the success story of India's agriculture sector. Fertilizers have not only played a vital role in the success of India's green revolution and its self-reliance in food grain production but have also aided the country in generating surplus food grain for exports.

The fertilizer sector is an energy-intensive sector as it requires various fuels such as natural gas, associated gas, fuel oil and naphtha, low sulphur heavy stock and coal as raw materials for production.

Fertilizers can be categorised as organic, which is composed of organic matter, or inorganic, which is made of inorganic chemicals or minerals. They can also be naturally occurring compounds or synthetic. The fertilizers provide essential nutrients to the soil to aid the growth of plants. The nutrients required by plants are generally classified into three categories such as:

- Primary nutrient - nitrogen, phosphorus, and potassium
- Secondary nutrient - calcium, sulphur, magnesium
- Micronutrient - boron, chlorine, manganese, iron, zinc, copper and molybdenum.

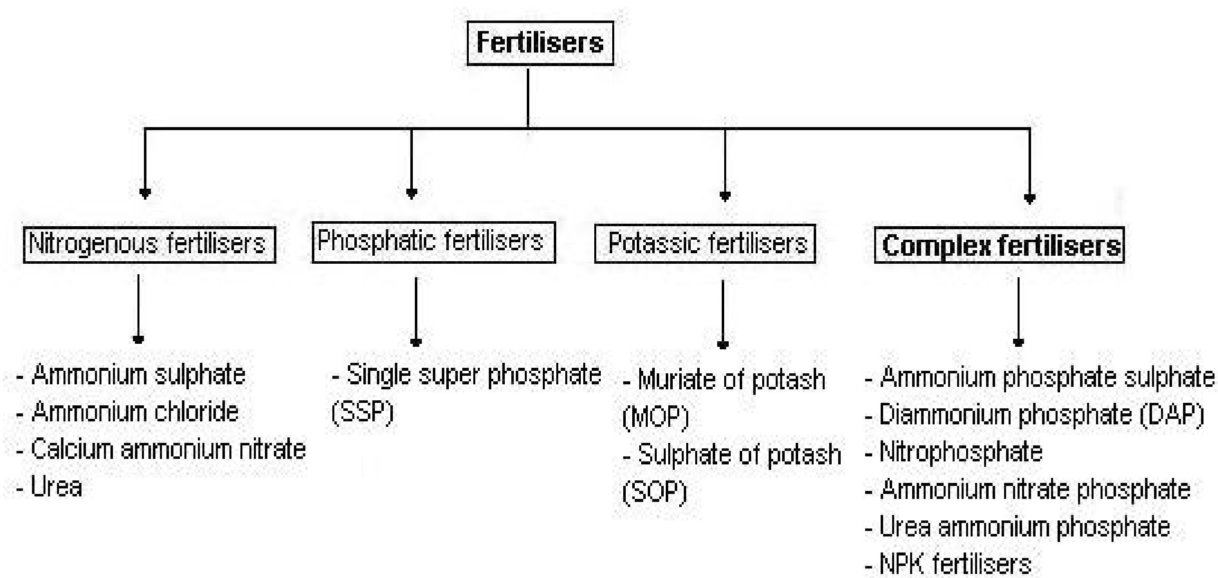
Industry Size and Structure

The Indian fertilizer industry is broadly divided into three segments - nitrogenous (N), phosphatic (P) and potassic (K) segments. Sulphur is considered as the fourth major plant nutrient after N, P and K due to its widespread deficiency in Indian soils. Urea, ammonium sulphate, calcium ammonium nitrate (CAN) and ammonium chloride are the nitrogenous fertilizers produced in India and single superphosphate (SSP) is the only phosphatic fertilizer that is produced in India.

Additionally, nutrients are combined to produce several complex fertilizers. Production of complex fertilizers include DAP (Diammonium Phosphate), several grades of nitro phosphates and NPK complexes. Urea, DAP; SSP and Muriate of Potash (MOP) are the most commonly used fertilizers. Among these, urea and DAP are the main fertilizers that are produced indigenously. Due to the lack of viable resources or reserves of potash in India, the entire feedstock requirement for potassic fertilizers are imported.

Continuous use of chemicals leads to decrease in organic carbon, reduction in microbial flora of soil, increasing acidity and alkalinity and hardening of soil. To overcome the deficit, bio-fertilizers are used which are mainly ready to use live formulates of such beneficial microorganisms that help in mobilising the availability of nutrients by their biological activity. The bacterial organisms present in the bio-fertilizers either fix atmospheric nitrogen or solubilise insoluble forms of soil phosphate that help build the soil health in general.

Over the years India has emerged as the third-largest producer of fertilizer in the world. According to the statistics provided by the Department of Fertilizers (DoF), at present there are around 56 large-size fertilizer units in India that manufacture a wide range of nitrogenous and phosphatic/complex fertilizers. Out of these 56, 30 (as on date 28 are functioning) units produce urea, 21 units produce DAP and complex fertilizers, and 5 units produce low analysis straight nitrogenous fertilizers. Apart from these, 9 units produce ammonium sulphate as a by-product. Besides, there are about 72 small and medium-scale units that produce SSP.



Growth of Fertilizer Industry

The industry made a very humble beginning in 1906, when the ***first manufacturing unit of Single Super Phosphate (SSP)*** was set up in Ranipat near Chennai with an annual capacity of 6000 MT. The Fertilizer & Chemicals Travancore of India Ltd. (FACT) at Cochin in Kerala and the Fertilizers Corporation of India (FCI) in Sindri in Bihar (now Jharkhand) were the first large sized - fertilizer plants set up in the forties and fifties with a view to establish an industrial base to achieve self-sufficiency in food-grains. Subsequently, green revolution in the late sixties gave an impetus to the growth of fertilizer industry in India and the seventies and eighties then witnessed a significant addition to the fertilizer production capacity.

Presently, there are 56 large size fertilizer plants in the country manufacturing a wide range of nitrogenous, phosphatic and complex fertilizers. Out of these, 30 (as on date 28 are functioning) units produce urea, 21 units produce DAP and complex fertilizers 5 units produce low analysis straight nitrogenous fertilizers and the remaining 9 manufacture ammonium sulphate as by product. ***Besides, there are about 72 medium and small-scale units in operation producing SSP***. The sector-wise installed capacity is given in the table below: -

<u>Sector-Wise, Nutrient-Wise installed capacity of Fertilizer Manufacturing Unit as on 31.3.2009</u>

The units in the fertilizer industry in India operate in public, private and co-operative sector, with the private sector occupying a larger share in the manufacturing capacity. According to the data released by the Department of Fertilizer, out of the total installed capacity of 120.61 lakh metric tonnes (MMT) of the nitrogen segment as on March 31, 2009, the private sector alone accounted for 44.73%. In the phosphate segment to the private sector accounted for a majority share of 62.08% in the total installed capacity of 5.7 MMT.

Sr. No.	Sector	Capacity (Lakhs MT)		% Share	
		N	P	N	P
1.	Public Sector	34.98	4.33	29.00	7.65
2.	Co-operative Sector	31.69	17.13	26.27	30.27
3.	Private Sector	53.94	35.13	44.73	62.08
4.	Total	120.61	56.59	100.00	100.00

The installed capacity as on 31.3.2009 has reached a level of 120.61 lakh MT of nitrogen and 56.59 Lakh MT of Phosphatic nutrient, making India the 3rd largest fertilizer producer in the world. The production of fertilizers in nutrient terms during 2008-09 was 108.70 Lakh MT of nitrogen and 34.64 lakh MT of Phosphate. The estimated production for 2009-10 is 119.68 lakh MT of nitrogen and 43.52 lakh MT of Phosphate.

The rapid build-up of fertilizer production capacity in the country has been achieved as a result of a favourable policy environment facilitating large investments in the public, co-operative and private sectors.

Self Sufficiency in Fertilizer Sector

Out of three main nutrients namely nitrogen, phosphate and potash, (N, P&K) required for various crops, indigenous raw materials are available mainly for nitrogenous fertilizers. The Government's policy has hence aimed at achieving the maximum possible degree of self-sufficiency in the production of nitrogenous fertilizers based on utilisation of indigenous feedstock. Prior to 1980, nitrogenous fertilizer plants were mainly based on naphtha as feedstock. A number of fuel oil/LSHS based ammonia-urea plants were also set up during 1978 to 1982.

In case of phosphates, the paucity of domestic raw material has been a constraint in the attainment of self-sufficiency in the country. Indigenous rock phosphate supplies meet only 5-10% of the total requirement of P2O5. A policy has therefore been adopted which involves mix of three options, viz, domestic production based on indigenous/ imported rock phosphate, imported sulphur and ammonia; domestic production based on indigenous / imported intermediates, viz. ammonia and phosphoric acid; and third, import of finished fertilizers. During 2008-09 roughly 65% of the requirement of phosphatic fertilizers was met through the first two options.

In the absence of commercially exploitable potash sources in the country, the entire demand of potassic fertilizers for direct application as well as for production of complex fertilizers is met through imports.

Performance of Fertilizer Industry

The five year plans for the Indian economy has always given importance to attain self sufficiency in food grain production. As chemical fertilizers have played a significant role in meeting the total food grain requirements, the government has taken policy measures over the years to ensure adequate availability and distribution of these fertilizers to the farmers.

Plan Performance

The installed capacity and production of fertilizers in the country at the end of eighth five year plan, in the terminal year of the ninth plan and at the beginning of 5th year of tenth plan (2006-07) are indicated below:

Production of Fertilizers (In MT)

Source: Annual Report - Department of Fertilisers 2008-09

The fertilizer production increased from 90.4 MT in FY91 to 146.3 MT in FY02. However, during the Tenth Plan Period, the fertilizer production registered a moderate growth and along with it the capacity expansion of the industry had also remained by and large stagnant. Fertilizer production grew by an average 2.0% during FY03-FY07 which could be mainly attributed to the absence of fresh investment and non-implementation of a number of projects that were envisaged to be implemented during the Tenth Plan.

While the growth in production has been sluggish during the Tenth Plan period, growth in the fertilizer production declined successively during FY08 and FY09; as a result, capacity utilization witnessed moderation over the last few years. Nonetheless, the domestic industry's capacity utilization was more or less at a par with the global fertilizer industry's level of capacity utilization. The total installed capacity of fertilizers, which was 119.6 MT of nitrogen and 53.6 MT of phosphate as on March 31, 2004, marginally increased to 120.6 MMT of nitrogen and 56.59 MT of phosphate as on March 31, 2009. The capacity utilization for nitrogen during FY08 was 90.4% which remained largely unchanged at 90.1% during FY09 while for phosphate it was 67.3% during FY08 which came down to 61.2% during FY09.

The level of production of nitrogenous and phosphate fertilizers over the last few years was less than the targeted level as shown in the table below.

Targeted vs. Actual Level of Production of Fertilizers

		Nitrogen (MMT)	Phosphate (MMT)
FY03	Target	1,161.53	481.91
	Actual	1,056.15	390.42
FY04	Target	1,118.08	464.06
	Actual	1,093.57	380.04
FY05	Target	1,140.58	492.59
	Actual	1,133.52	406.73
FY06	Target	1,181.13	466.30
	Actual	1,135.45	422.13
FY07	Target	1,144.83	482.08
	Actual	1,157.79	451.72
FY08	Target	1,190.81	491.44
	Actual	1,090.00	380.73
FY09	Target	1,189.78	443.43
	Actual	1,086.97	346.43

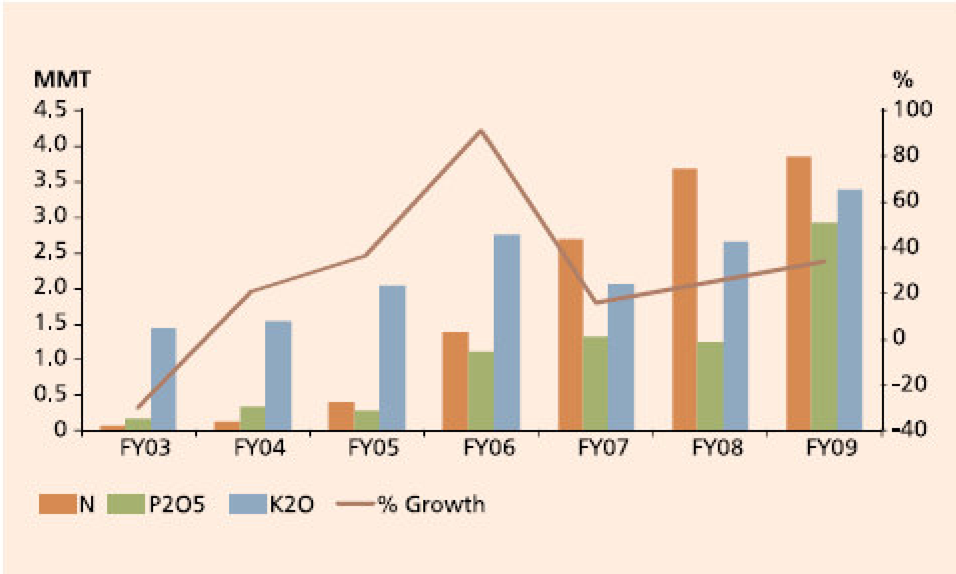
Source: Annual Report - Department of Fertilisers 2008-09

Investments in the Fertilizer Industry

The investment in the fertilizer industry witnessed a rapid growth rate over the successive plan periods for creation of new capacities and expansion of the existing units. The amount increased to ₹ 154.77 bn by the end of the Eight Plan and to ₹ 256.44 bn by the end of the Ninth Plan. During the Tenth Plan, the total investments increased marginally by 2.64% to ₹ 263.22 bn. There was hardly any investment during the 10th Plan. The total investment in the fertilizer sector by the end of 2005-06 was ₹.259.23 bn. The growth in production capacity was almost stagnant during the 10th Five Year Plan.

Imports of Fertilizers

The DoF has arranged timely imports of urea and other fertilizers to ensure its availability to farmers in required quantities. India imports substantial quantities of raw materials and finished fertilizers such as urea, ammonia, phosphoric acid, rock phosphate, sulphur, DAP and MOP.



Source: Annual Report - Department of Fertilisers 2008-09

Over the past few years, the import dependence for the supply of urea, phosphatic fertilizers and DAP has increased as the domestic production has not been sufficient to meet the demand, thus leaving a gap between demand and supply. The entire demand for potassium fertilizer is met through imports as the domestic sources of potash are of low-quality and are uneconomical for exploitation.

The raw materials needed for phosphatic and potassic fertilizers (high-grade rock phosphate and phosphoric acid, sulphur etc) are also not available in India, and are imported by manufacturers in substantial quantities to meet domestic demand and the manufacturers are thus subject to the exchange rate and international price volatility. International prices of both intermediates and finished fertilizers have shown a rising trend during the last few years. This has also led to an increase in the subsidy outgo. To support the domestic fertilizer production, the government has announced a cutback in the customs duty on crude and unrefined sulphur from 5% to 2% during FY09 and has exempted naphtha from the import duty. The DAP imports of India primarily comes from the US, apart from Jordon and CIS countries. During FY08, India imported large quantities of DAP from China as well.

India is capable of attaining self-sufficiency in urea production considering the current availability and projected availability of hydrocarbon (natural gas) resources in India; natural gas is an important feedstock for urea. In the past years, the import dependence has increased in the sector due to the lack of significant investments and rising demand and supply gap. India has been importing urea from the UAE and the CIS countries continuously over the years; however, currently China has been emerging as the largest-importing country.

Fertilizer Subsidy

The fertilizer subsidy scheme was launched in India to ensure adequate availability of fertilizers at affordable prices to farmers and to promote a balanced fertilizer application to enhance farm productivity and food security. However, the fertilizer subsidy policy that places regulatory controls over production, distribution and prices has eliminated market forces, encouraged imports of fertilizers and thus led to burgeoning of the subsidy provided by the government.

Moreover, since the government grants subsidy on only 15 fertilizers namely urea, DAP, MoP, SSP and 11 complexes, in practice only these 15 types of fertilizers are effectively sold and consumed. Thus, the intention with which the subsidy scheme was started remains unaccomplished. Not only has the current fertilizer scheme promoted skewed fertilizer consumption resulting in nutrient deficiency in soil but also it has also rendered the fertilizer industry uncompetitive. The fertilizer companies do not have the incentive to launch niche fertilizers or incorporate micronutrients and other improvisations to existing ones.

Another concern is the fact that there has been a delay in the release of subsidy to the fertilizer companies over a period of several months which has even sometimes extended to several years. This was because of undue delay in the issue of sales certification by the state government against which the manufacturers or importers selling decontrolled P or K fertilizers are able to settle their subsidy claims.

The subsidy on fertilizers has been increased sharply over the last few years. The details of fertilizer subsidy over the last few years are as below:-

Years		Subsidy Released			Total Subsidy Disbursed	Liabilities Carryover To next yr	Net incidence of Subsidy
	Urea	Indigenous (P & K)	Imported (P & K)	Total (P & K)			
2002-03	7788	2488	737	3225	11013		
2003-04	8509	2606	720	3326	11835	2002	17498
2004-05	10986	3977	1165	5142	16128	3372	20841
2005-06	11749	4500	2050	6550	18299	5914	28826
2006-07	15354	6648	3950	10958	25952	8788	36550
2007-08	23204	10334	6800	17134	40338	5000	111614
2008-09	33901	32957	32958	65555	99456	17158	74214
2009-10*	25258	15447	16351	31798	57056		

* Estimated

Given the importance of fertilizer pricing and subsidization in the overall policy environment, which has direct implications with reference to the growth and development of agriculture and sustainability of the fertilizer industry, the need for streamlining the subsidy scheme in respect of urea producing units had been felt for a long time.

The MRP of the DAP/NPK/MOP has been constant from February 2003 to 17.6.2008. Then Department of Fertilizers introduced nutrient based subsidy in June 2008 and accordingly, revised the MRP of NPK Complex Fertilizers downwards w.e.f. 18.6.2008. However, the MRP of the other fertilizers remained the same. The MRP of fertilizers is shown in the table below:-

Product	From 12.3.2003 to 17.06.2008	From 18.6.2008
Urea	4830	4830
Di Ammonium Phosphate (DAP)	9350	9350
Muriate of Postash (MOP)	4455	4455
Mono- Ammonium Phosphate (MAP) W.e.f 1.4.2007)	9350	9350
Triple Super Phosphate (TSP) (w.e.f 1.4.2008)	7460	7460
Single Super Phosphate (SSP) (w.e.f 1.5.2008 to 30.06.2009), all india MRP	**3400**	**3400**
Ammonium Sulphate (AS) (w.e.f 1.7.2008)		10350

Prices of Major fertilizers, such as Urea, DAP and MOP and fertilizer inputs such as Ammonia, Sulphur, Rock Phosphate and Phosphoric acid increased manifold during 2008-09. This resulted in steep increase in prices of both finished fertilizers as well as intermediates and consequently led to substantial increase in subsidy outgo of the Government.

Nutrient Based Subsidy

In its new policy, GoI has also approved a shift from the current product-based subsidy mechanism to NBS with effect from April 1, 2011. According to NBS, the subsidy will be fixed individually for each nutrient: Nitrogen (N), Phosphorus (P), Potash (K), and Sulphur (S).

It is expected that NBS to encourage balanced consumption of fertilizers by eliminating variances in the degree of subsidization for a specific nutrient across different fertilizers. Further, the GoI has announced an additional subsidy for subsidised fertilizers containing other secondary nutrients and micro nutrients (except S) so as to encourage their consumption along with primary nutrients.

It is noted that any sharp increases in the prices of fertilizers and their inputs may be required to be passed on to farmers in the form of higher MRPs as the subsidy per nutrient would largely remain fixed under NBS. However, doing so would be a challenge for the industry, given the high price-sensitivity of fertilizers.

Briefing of the Subsidy

❖ The Per Kg NBS for Nutrient "N" "K" "P" and "S" for 2011-12 w.e.f 1st April 2011 for SSP would be as follows:

Sr. No.	Nutrients	NBS per Kg of Nutrient (₹)
1.	"P"	32.338
2.	"S"	1.677
3.	"N"	27.153
4.	"K"	26.756

Accordingly, Per MT NBS for Powdered SSP and Granulated SSP meeting quality specifications as per the FCO for 2011-12 w.e.f 1st April 2011 would be Rs. 5559 per MT, which would be inclusive of cost of freight.

BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Red Herring Prospectus, including the information contained in the section titled "Risk Factors" on page 13 of the Draft Red Herring Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms "We", "Us" and "Our" refers to Our Company. Unless stated otherwise, the financial data in this section is as per our consolidated financial statements prepared in accordance with Indian Accounting Policies set forth in the Draft Red Herring Prospectus.

Overview

Company Background

Madhya Bharat Agro Products Limited (MBAPL) is one of the flagship companies of Ostwal Group of Industries recognized as one of the quality SSP (Single Super Phosphate) manufacturers in India in Non-Government Sector. SSP is used in large quantities for replenishing "P" (Phosphorus) in the soil which gets depleted steadily with each crop. This is preferred phosphate fertilizer by the farmers as it provides much needed nutrients "S" along with "P" unlike other fertilizer. SSP industry enjoys price concession by the Govt. of India which protects this industry for long run sustainability.

Considering this we chose SSP Fertilizer as our product few years back and now we are committed to the development of Agriculture in our country through our establishment of Integrated State of Art Unit of Mineral Beneficiation wherein Beneficiated Rock Phosphate Plant, Single Super Phosphate and Granulated Single Super Phosphate plant and ancillary Plant of Sulphuric Acid will be established.. SSP is sold in form of Powder, boronoted and granular.In states of MP and Chattisgarh the SSP in powder form is preferred by the farmers. But in other states like Rajasthan, Gujarat, Maharashtra, Punjab, UP, large number of farmers prefer the SSP in Granular form. SSP being in substance form becomes easier to farmers to spread in the land, which makes less wastage as compared to SSP Powder

At present company has planned to set up an Integrated state of art Unit of Mineral Beneficiation wherein Beneficiated Rock Phosphate, Single Super Phosphate and Granulated Single Super Phosphate and an ancillary Plant of Sulphuric Acid will be established.

- Beneficiated Rock Phosphate (BRP) Plant with an Installed capacity of 99000 TPA (Processing) which will process the low grade rock phosphate into high grade rock phosphate.
- Sulphuric Acid Plant with an installed capacity of 49500 TPA and the same would be used a raw material for manufacturing of SSP.
- Single Super Phosphate (SSP) Plant with an capacity of 120000 TPA
- Granulated Single Super Phosphate (GSSP), another form of SSP with some value addition which is in granulated form unlike SSP which is in powder form.

The entire production of BRP project and Sulphuric Acid will be consumed by the SSP Plant to be set up in Unit II and surplus if any would be sold in the open market. It will substantially reduce the raw material cost, thereby enhancing the profitability of the Company. The Company has entered into an MOU with MP State Mining Corporation for a period of 20 years for supply of low-grade rock phosphate from their Heerapur Mines.

Further Output of SSP unit will be divided in two parts one for sale in the market and another to be converted in GSSP i.e. SSP in granulated form.

With the implementation of said projects, Madhya Bharat would be an Integrated state of art plant wherein the complete cycle of manufacturing BRP, Sulphuric Acid, SSP and GSSP will be manufactured.

Madhya Bharat is having ISO 9001:2008 certification for SSP Plant of Unit I and BRP plant of Unit II

In the year 1997, MBAPL was incorporated by Mr. Shailendra Jain envisaging to implement an SSP Plant and the same was successfully implemented in the year 1999 with an installed capacity of 60000 TPY. In the same year i.e. 1999, company was converted from private ltd to public limited. In the initial period of incorporation of the company there was Drought situation in the state and further due to non availability of right quality of raw material at right time and collective effect came out as the plant did not come out as a profitable venture in the initial years after its commencement. In the year 2004 the company was taken over by Ostwal Group of Industries.

In the year 2002-03 the operations of the company was closed and it was referred to BIFR to register as a Sick Company, During the pendency of the approval, the said company was taken over by Ostwal Group of Industries in September 2004 and its operations were revived in a time span of just one and half year and the loss making venture was converted into a profitable one and all the dues were paid off. MBAPL production was restarted after takeover in January 2005 by Ostwal Group of Industries.

After taking the charge of MBAPL an MOU was signed with Shriram Fertilizers & Chemicals a unit of DCM Shriram Consolidated Ltd. for marketing our product in the state of MP, Chattisgarh and Uttar Pradesh for the year 2005-06 and till date we are continuously dealing with them and every year we sign a fresh MOU with them. Also relationships with RSMML were revived and at present they are one of the major raw material suppliers to our Company. Further dues of Dena Bank were all paid off on OTS basis. After takeover Mr. Praveen Ostwa has managed the company as Managing Director for 4 years which was then after taken over by present managing Director Mr. Pankaj Ostwal.

In a time span of Six years company have shown its thrive towards achieving the targeted goals and has booked a sale of approx ₹. 3600 Lakhs in the year ending 2008-09 with a profit margin of 3.34% against a turnover of ₹. 400 Lakhs in the year ending 2004-05. The high jump in turnover of FY 2008-09 was due to highest inflation in the prices of finished goods, which got declined in FY 2009-10, due to reduction in sales price and also there was change of government policy in respect of market price and subsidy on the SSP, which was made effective from 1st May 2010 onwards, wherein SSP manufactures were eligible for subsidy of ₹ 4400 per MT considering this company kept on holding stocks of finished goods till that period.

In the current year FY 2010-11, company has achieved turnover of approx. ₹ 3300 Lakhs till November 2010.

As an addition to the SSP Product Line, company is also involved in the trading business of agriculture commodities and Textile fabrics since 2007-08 after addition of textile business and agriculture commodities as other objects of Object clause of Memorandum of Association. In the year 2007-08 trading business of Textile fabrics counted for 1.22 % out of total turnover and the same was increased to marginal extent of 1.54% in 2008-09 and reduced to the level of 0.13% in 2009-10 and accounted for 1.52% till 30th November 2010.

We have full fledged Research and Development department which concentrates on quality parameters and assurance and undertakes experiment to enhance the productivity of the fertilizer to be manufactured. No Permission from State or Central Government or Ministry of Fertilizer is required in order to run a R & D unit, but we have to comply with the Standards and Parameters as set up by the Department of Fertilizer.

OSTWAL

Group Profile

Madhya Bharat Agro Products limited is a part of Ostwal group Industries involved in activities like Textiles, Fertilizers, Bio- Fertilizers, Mineral Beneficiation, Textiles, Seeds and Pesticides, Import & Export of Agro commodities etc. having group turnover of Rs. 100 Crores. The Group is led by Mr. Mahendra kumar Ostwal, Pankaj Ostwal and Praveen Ostwal. Ostwal group of Industries is having its different business in its different companies.

Our Competitive Strength

❖ **Experienced management team and motivated employee**

We have a highly experienced and qualified management team. Our MD is Chartered Accountant having Eight years of experience of Mineral beneficiation plant and Fertilizer Industries & belongs to Ostwal family mainly having their stake in Mineral beneficiation Fertilizers & Bio-fertilizers, Pesticides, import export of agro commodities and Reality sector etc. The other directors of our Board comprises of persons having rich experience in the same field that gives diversified insights and also help us in identifying new business avenues. This is backed by motivated and qualified staff that is instrumental in our business growth. Our associates are also governed by qualified and experienced managers. The policies are drafted by the top management and implemented by the staff.

❖ **Business Strategy**

We strive hard for complete transparency and satisfaction of our customers with an unwavering thrust and focus on professional excellence and integrity. We also are keen to expand through acquisition, expansion to avail business synergies, investment in related companies, & integration of activities whether backward or forward. In keeping with this philosophy, we will focus on increasing our customer base of our products, give them a platform of choice to transact and support them with quality research as well as on capturing the significant growth opportunities across the spectrum.

❖ **Potential for Growth**

Company has deployed resources in terms of technology, people and processes to manage the business. We have a strong image in to the market with the product development and have full demand of the product with the customers.

❖ **Modern Infrastructure and Integrated Facilities**

The unit is located in Banda Industrial Area in the District Sagar, (M.P.) and enjoys good infrastructure like electricity, water, roads, labour, proximity to port, raw material suppliers and market for finished products which has a vital demand in the market & with this scenario we are concentrating on expanding the production capacity and backward integration. We will increase our strength into the market by developing excellence in all fields.

❖ **Cost Effective sourcing and Locational advantage**

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to gauge our procurement of raw materials in timely manner and being one of the prominent players in the industry we are also able to source these materials at a competitive price. Further, our manufacturing unit situated within the state of Madhya Pradesh is ensured with sufficient raw material which is locally procured. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms of raw material sourcing manufacturing and labour costs and enable us to address the western markets efficiently.

Details of the business of the Issuer

Location and Installed Capacity of the Project

Existing (Unit I)– Our Existing Plant of SSP Fertilizer is situated at Mauja No 245, Halka No. 76, and Kh. No. 28,37,120/1 & 121/1, Village Rajova, Thasil & District - Sagar, Madhya Pradesh in an area of approx 1.22 Hectare with an Installed capacity of 60000 TPA

In the Existing Unit premises, we have different shed for storage of different material like Rock Phosphate, SSP (Loose and Packed) and Sulphuric Acid as mentioned below :-

- ✓ 20X50 meter, 1000 M for loose SSP Storage with Crane wherein 4000 MT can be stored
- ✓ 30X40 meter, 1200 M for Rock Phosphate Storage wherein 4000 MT can be stored.
- ✓ 20X50 meter, 1000 M for Plant & Machinery
- ✓ 30X50 meter, 1500 M for packed stock storage
- ✓ 20X40 meter, 800 M lean to shed for Packed SSP Storage wherein approx 3000 MT can be stored.

Proposed (Unit II)- The proposed Integrated Unit Comprising BRP, Sulphuric Acid, SSP and GSSP would be located at Halka No: 19/86 Kahsra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh. Company has already acquired necessary land measuring 92700 Sq mtrs allocated by M.P. Government at Banda Industrial Area.

Plant & Machinery, technology, process etc

Existing (Unit I)– Our Plant is completely equipped with all required machinery to achieve targeted production with lathe machine, grinder etc to manage day to day maintenance at factory site itself.

Further we have fully equipped laboratory to test Rock Phosphate, Sulphuric Acid and SSP samples as required based on parameters set by the Ministry of Fertilizer on regular basis

Details of Plant & Machinery at our existing site

Name of the Machine	Specifications	Name of the Supplier	Quantity (Nos)
E.O.T. Grabbing Crane	1. Capacity of Crane-5.00T/- hr 2. Height of Crane-9.00 mts 3. L.T. Speed-80 mts/Min	Dhanlaxmi Enterprises	One
Sigle Paddle Mixer	1. Mixer Capacity-15 T/-hr 2. No. of Paddles in Chamber Section-6 Nos 3. No. of Paddles in Kneader Section -26 Nos 4. Length of Mixer-4.380 mts 5. Length of Shaft-5.500 mts 6. Dia of Mixer at Kneader Section -800 mm 7. RPM of Mixer-45 RPM 8. Dia of Mixer at Chamber Section-1200 mm	Sahahrnpur Engineering Pvt Ltd	One
Den Drive	1.Capacity of Den-12 MT/hr 2. Length of Den-9.00 mts 3. Dia of Den-1.090 mts 4. Height of Den-1.330 mts 5. Time Required for Material outlet-39 min	Sahahrnpur Engineering Pvt Ltd	One
Ventury Scrubber	1. Scrubbing Tower, Scrubbing Pump-7.5 HP, RPM-2900 2. Ventury-20 HP Motor, RPM-2900 3. Scrubbing Tower-2 4. Scrubbing Tower-3 5. Water Separator 6. I.D. Fan –RPM-1440	Sahahrnpur Engineering Pvt Ltd	One
Usha Mill Model BM - 8	1. Usha Mill BM-8 2. Two Roller Motor-120 HP 3. Blower Motor-100 HP	Ushmill Hydro Systems Pvt. Ltd	One

Proposed – Plant & Machinery for the proposed project of BRP would be majorly indigenous machines except one machinery which will be imported. The company has already identified all Plant & Machineries to be acquired out of the net proceeds of the Issue & for machines worth ₹ 365.54 lakhs orders are yet to be placed.

Orders for Plant & Machinery for other three projects namely GSSP, SA and SSP are yet to be placed and will be done in due course of time

The details of all these machines including cost, names of suppliers and dates of placing orders are mentioned on pages 69 under the head of "Object of the Issue" of this Draft Red Herring Prospectus.

Collaborations, any Performance guarantee or assistance in marketing by the collaborators.

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any company.

Technology

Manufacturing of SSP involves Flotation Process Technology and is proven with satisfactory performance. Flotation process is widely used in India and across the world and there are no chances of any failure of technology in the Project.

At present there are only two units dealing in BRP and they are KPL (Krishana Phoschem Limited) in Private Sector and RSMML in public sector and both are using Flotation Process for manufacturing process of BRP and the same technique will be used by Madhya Bharat Agro Products Limited.

Technology involved in BRP entails crushing/screening and wet grinding in closed circuit with hydrocyclones followed by Flotation. Further, SSP require treatment of BRP with Sulphuric Acid in definite Proportion.

GSSP is value addition to SSP production, and it is in the form of granules and for the same powdered SSP has to pass through a process wherein the same is converted from powder form to Granulated form and no specific technology is involved.

Infrastructure facilities for Raw Materials and Utilities like Water, electricity etc

Our Registered Office is situated at Bhilwara, Rajasthan and the same is equipped with Information Technology like Computer systems, Server, relevant Software and other Communication equipments, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Raw Materials

Existing Unit I (SSP)

The basic raw materials required for manufacturing SSP is Beneficiated Rock Phosphate (BRP), Sulphuric Acid and water. We have an established supplier base with whom we have being dealing for years. We have stringent quality control checks before any consignment of Raw material is accepted since it has a direct impact on the quality of Finished Product. Our Major Supplier for Rock Phosphate is our group Company i.e. Krishana Phoschem Ltd (KPL), Meghnagar, M.P. and RSMML (Rajasthan State Mines and Minerals Limited) for low grade phosphate and High Grade Phosphate . Our requirement of Sulphuric Acid is procured from Hindustan Zinc Limited.

Of the total requirement of raw material approx 81% of raw material is procured from KPL and 19% of raw material is procured from RSMML. We are not importing any kind of raw material as the same is available in required quantity.

Proposed Unit II

Beneficiated Rock Phosphate Plant

In proposed Beneficiated Rock Phosphate (BRP) Plant, the main raw material required is “Rock” and along with it Sodium Silicate, Sodium Oleate etc is mixed so as to convert this low grade rock phosphate into high grade rock phosphate and this low grade rock phosphate is abundantly available in the Heerapur Mines which are under control of Madhya Pradesh State Mining Corporation (MPSMC). We have entered into an MOU with MPSMC for purchase of low-grade rock phosphate for a period of twenty years.

Rock Phosphate

Phosphate Rock or Rock Phosphate is a non-detrital sedimentary rock which contains high amounts of phosphate bearing minerals. Rock phosphate is mainly used for the production of Single Super Phosphate. It is also used in Animal feed supplements, food preservatives, anti corrosion agents, cosmetics, fungicides, ceramics, water treatment and metallurgy.

Sodium Silicate

It is also known as water glass or liquid glass, available in aqueous solution and in solid form, soluble in water, producing an alkaline solution. There are various states of this compound; all are glassy, colorless, and soluble in water. Sodium Silicate is stable in neutral and alkaline solutions. In acidic solutions, the silicate ion reacts with hydrogen ions to form silica acid, which when heated and roasted forms silica gel, a hard, glassy substance. Sodium Silicate powder is a water soluble silicate, generally assumed as a combination of alkali metal oxide, silica and water. It is widely used as basic chemical material.

Sodium Oleate

Sodium Oleate occurs as a white to yellowish powder, or as light brown-yellow coarse powder or lumps. As a fatty acid, sodium oleate is not generally found free in nature, but rather occurs as a component of more complex naturally occurring lipids. In its isolated form, however, the substance exudes a tallow-like scent and is a white crystalline solid at room temperature.

Grinding Media

Phosphate rock is the raw material used in manufacture of most commercial phosphate fertilizers. In its unprocessed state, phosphate rock is not suitable for direct application, since the phosphorus it contains is insoluble. This rock is derived from naturally-occurring ores. To transform the phosphorus into a plant-available form and to obtain a more concentrated product, phosphate rock is processed using sulphuric and/or phosphoric acid. The process begins by grinding phosphate rock to fine material. Primary size reduction generally is accomplished by grinding mill media.

In other words, grinding mills are commonly used in the phosphate industry to reduce particle size.

Quality Measures

Quality is the main thing for our product as the same is required to be of specific quality complying with parameters as set by Ministry of Fertilizers. BRP is itself of specific quality & even the process of BRP production is also approved by Govt. Agencies. Raw materials are received in Trucks & after weight, the same is off-loaded in our Raw Materials shed, for storage

Sulphuric Acid

Sulphuric Acid itself is a basic raw material to our SSP Plant. Main raw material for sulphuric Acid is Sulphur and our company would be purchasing the same from Bina Refinery (Madhya Pradesh), Reliance Industry, Jamnagar, Gujarat and Indian Oil Corporation

Single Super Phosphate Plant

The main raw material required for manufacturing SSP is Beneficiated Rock Phosphate and Sulphuric Acid and both these materials will be manufactured in house and so there wouldn't be any problem for availability of these raw materials.

Granulated Single Super Phosphate Plant

The main raw material required for GSSP is SSP in powder form which is manufactured in house by our company and so there would be no problem is availability of the same.

Power

Unit I Single Super Phosphate Plant

We have been sanctioned load of 300 of KVA from MPPKVV (M.P. POOR KSHETRA VIDYUT VITARAN CO.LTD) which meets our entire requirement of Power. At present we don't have any DG set arrangement

Unit II

Beneficiated Rock Phosphate Plant

An application for connection of 800KVA on 33KV industrial feeder is made to MPPKVV (M.P. POOR KSHETRA VIDYUT VITARAN CO LTD) on 17th July 2010.

Single Super Phosphate & Granulated Single Super Phosphate Plant

As GSSP plant is coming up at the same location of BRP, wherein an application for 800kVA connection is made to MPPKVV there would not be any hurdle to obtain additional power supply from the said authority and application for the same will be made in due course of time.

Sulphuric Acid Plant

In case of Sulphuric Acid, steam generated from chemical reaction in turbine during the manufacturing process will generate sufficient power for the said plant and excess if any will be sold out to the state government.

Pollution

Unit I SSP

We have received Authorization letter from MP Pollution Control Board under Hazardous Wastes (Management Handling & Transboundary Movement) Rules 2008 for operating a facility for generation, collection, treatment, storage, transport and dispose hazardous waste and the same is valid upto 2013. As stated in the Authorization letter the hazardous waste would be Spent Oil and could be reused as Lubricant Oil.

Unit II

BRP

We have applied for Environmental clearance for our Rock Phosphate Beneficiation Plant at Sorai Industrial Area, Tehsil Banda, Dist. Sagar (M.P.) vide letter dated 01.05.2010 to State Level Environmental Impact Assessment Authority (SEIAA).

SSP, GSSP and Sulphuric Acid

Application for the clearance from Pollution Control Board will be applied in due course of time.

Water

Existing Unit I- Single Super Phosphate

Our water requirement is for production process and for general purpose also. Water requirement is fulfilled through open well at factory site and through boring.

Proposed Unit II

Beneficiated Rock Phosphate Plant

For New Project of BRP, an estimated water requirement would be of 300 ^{m3} / day as per the application made by the company to Central Ground Water Authority.

Single Super Phosphate, Granulated Single Super Phosphate and Sulphuric Acid Plant

SSP, GSSP and Sulhpuric Acid plant are coming at the same location of BRP, so there would not be any problem in availability of water and application to Central Ground Water Authority will be made in due course of time for requirement of additional water.

Logistics – The unit is located at such a location that it has cost advantage for the product. The unit is situated 80 km from M.P.S.M.C, Heerapur, Sagar, B.G. Railway siding is only 10 km from factory. The Truck availability is at very competitive rates because our plant is only a bulk production plant at Sagar.

The Proposed location is well connected with Road, Railway tracks so as to have complete logistics requirement for shifting raw material and finished goods from one place to another.

Human Resource

We have experienced Promoter and management whom we rely on to anticipate industry trends and capitalize on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain these talented people. Our senior management team consists of experienced individuals with diverse skills in manufacturing, engineering, international business and finance.

We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the Fertilizer industry. We have a policy of providing the necessary training to our new employees and workers. We view this process as a necessary tool to maximize the performance of our employees.

As on 31st March 2011 we have the total strength of 61 permanent employees (including workmen) in various departments. The details of which is given below:

Sr. No.	Particular	Employees
1.	Management & Finance	8
2.	Administrative & Marketing	15
3.	Production & Maintenance	15
4.	Skilled & Semi Skilled Labour	23
	Total	61

We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we have good relationship with our employees. We seek to adopt an open culture and a participative management style, to enable us to maximize the benefits from the knowledge and skills of our management.

Effluent Treatment

Existing Unit:-

The manufacture of Fertilizers involves generation of residues and discharges which may lead to pollution of air, water or soil if not treated and disposed in an appropriate manner. We have in place management controls and systems, which control and prevent processes, residues and discharges from polluting the air, ground or water.

The noxious gases which are evolved during the reaction of acid and rock are hydrogen fluoride and silicon tatrafluoride. These gases are, therefore, held up in the den to control gas nuisance and pollution.

From mixer the gases are passed through a ventury scrubber and finally through a separator (I and II). The scrubbed gases are sucked by an I.D. fan and go to the atmosphere through the MSRP chimney. The gases coming out are now pollution free.

The effluent water from the scrubbing tower is taken into pits and solid particles are allowed to settle down. The effluent is being re-circulated to the Silica and H_2SiF_6 storage pit to attain concentration of 12% H_2SiF_6. This liquid effluent is re-circulated for dilution of Acid in the mixer and separated Silica used as filler in cured SSP. Thus there is no liquid and Solid effluent will be discharged from the either within or outside the premises.

Proposed Unit II

Beneficiated Rock Phosphate Plant

As the main raw material used is the Rock phosphate which is crushed into small pieces with water and approx 50% of the material crushed comes as a wastage and the same is used by Brick manufacturers and there are many Brick manufacturers and no special treatment is required as the same is pollution free.

Single Super Phosphate

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Granulated Single Super Phosphate

GSSP being a value addition to SSP and so there is no need of any Effluent Treatment.

Sulphuric Acid

Effluent Treatment plant is designed to treat all liquid effluents from the Sulphuric Acid plant. Normally liquid effluents are acidic due to leakages and seepages of acid from Pumps, Cooler and Tanks.

Liquid effluents are treated with milk of lime to neutralize acidity, It is ensured that any liquid effluent from plant has P-H between 7.5 to 8 only. Milk of lime is prepared in the slurry tank using powder hydrated lime, Measured quantity of milk of lime is added.

Whereas gases from stack are treated in venture scrubber with caustic soda solution to remove any unheated or unabsorbed Sulphur dioxide or Sulphur trioxide gases.

Products Details –

Single Super Phosphate

<u>Nature of the Product</u>

Our Product SSP is Consumer based in nature. It is directly being used by the farmers for improving the fertility of land.

<u>Application of our Product</u>

Our Product Single Super Phosphate (SSP) is boon for farmers to improve the productivity levels of their soil which get eroded each year and this fertilizer can be used in all types of land.

SSP is used in large quantities for replenishing “P” (Phosphorus) in the soil which gets depleted steadily with each crop. This is preferred phosphate fertilizer by the farmers as it provides much needed nutrients “S” along with “P” unlike other fertilizer. SSP industry enjoys price concession by the Govt. of India which protects this industry for long run sustainability.

<u>Benefits of SSP</u>

- Provides 15% of total phosphate requirement of the Country
- Lowest price per kg, preferred by small and marginal farmers
- Multi-nutrient fertilizer containing P_2O_5 as primary nutrient and Sulphur and Calcium as secondary nutrients
- It is the cheapest source of Sulphur for the Soil

- Only Phosphatic fertilizer which can utilize Indian rock phosphate deposits
- Least foreign exchange per unit of P2O5
- Utilizes acid effluent from other chemical industry and thus reduces nation's cost of effluent disposal.

Manufacturing Process- SSP

RAW MATERIAL (Rock Phosphate)

↓

FEED HOPPER

↓

CONVEYING SYSTEM

↓

MIXER+ ACID(Exothermic Reaction)

↓

SLURRY SINGLE SUPER PHOSPHATE

↓

DEN (for dry and Complete Reaction)

↓

DEN CUTTER (For cutting in Powder Form)

↓

FINISHED SHED (Godown

↓

PACKING (HDPE Bags)

↓

DESPATCH (For Sale)

Step Wise Manufacturing Process

- There are two basic raw materials, namely Rock Phosphate and Sulphuric Acid which are used for manufacturing of SSP.

- Rock Phosphate is stored in yard and Sulphuric Acid in MS fabricated tanks.

- Rock is fed into rock hopper with the help of EOT crane. Rock from rock hopper is conveyed to mixer through belt conveyors. In mixer, acid and rock are mixed together with the help of Paddles. About 65% reactions take place in the mixer.

- Mixer discharges slurry to den. Den is a slow rotating machine where reaction completed upto 90% and noxious gases go to scrubber section where gases are scrubbed in presence of water and finally pollution free gases go to the atmosphere with the help of ID fan and chimney.

- In this process in den, slurry gets hard and it is discharged to godown through cutter in powder form. This powder is known as Single Super Phosphate (SSP).

- This powder remains in piles for 5-6 days to complete the reaction. Thereafter, it becomes ready for packing and dispatch.

Proposed Business:

<u>Beneficiated Rock Phosphate</u>

Manufacturing of BRP

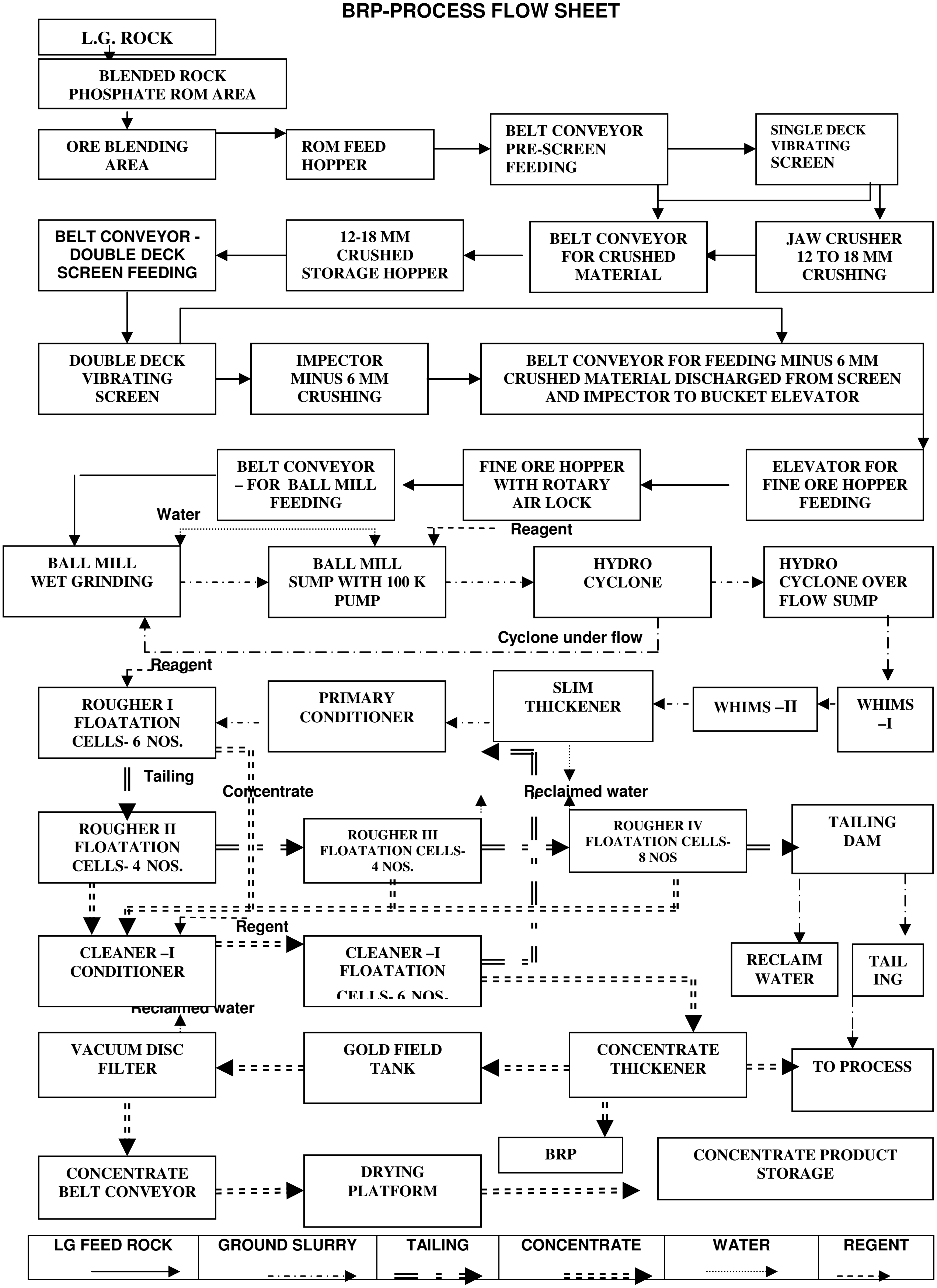
Beneficiated Rock Phosphate (BRP) is Industrial product in nature as the same is used as raw material by Manufacturing Units producing SSP (Single Super phosphate).

The basic raw material used is Rock Phosphate since beneficiation is a process done on Rock Phosphate to remove its impurities. Beneficiation is a process by which valuable constituents of an ore are concentrated by means of a physical separation.

Phosphate rock or rock phosphate is a non- detrital Sedimentary rock which contains high amounts of phosphate bearing Minerals. Rock phosphate is mainly used for the production of single super Phosphate, which is mainly used as fertilizers. Phosphorus from rock phosphate is also used in animal feed supplements, food preservatives, anti Corrosion agents, cosmetics, fungicides, ceramics, water treatment and metallurgy.

“Beneficiation is a process by which valuable constituents of an ore are concentrated by means of a physical separation process. As one of the initial steps of extractive metallurgy, the main purpose is to prepare the ore prior to downstream purification processes. The most common mineral beneficiation processes include: sample preparation, comminution, size classification, and concentration.

BRP-PROCESS FLOW SHEET



Manufacturing Process

The process for rock phosphate ore beneficiation entails following unit operations:- namely-

a) Crushing and Screening
b) Wet Grinding and Classification
c) Froth Flotation
d) Solid-Liquid Separation
e) Tailing disposal and water reclaimation.
f) Reagent Preparation and distribution
g) Quality Control
h) Support Facilities

Crushing and Screening

ROM Ore (200 mm) is received in the plant through trucks/dumpers and is weighed in the company's weigh bridge before getting unloaded in ore stock pile. The crushed ore is dumped into ore hopper with the help of JCB.

Ore from the hopper is fed to a belt conveyor by the help of ore feeder/apron feeder. The ore is crushed in a Jaw Crusher. The ore is fed to a D.D.Vibrating screen. Oversize material of +50 mm size is fed to Roll Crusher/Hammer crusher and the under size (-10 mm) I gravitates on the belt conveyor. The Belt conveyor takes the material to the 300 tons capacity Fine ore bin. A Tramp iron magnet installed on the conveyor removes any iron material.

All the transfer points of the conveyor belts and vibrating screen/Roll crusher shall be provided with dust extraction ducting. Whereas, ore stock yard shall have an adequate water spray arrangement to suppress dust.

Grinding & Classification

Ore is fed to belt conveyor with the help of ore feeders/table feeders. The belt conveyor feeds the material into grate discharge Ball Mill (size-2400 mm diax 3600 mm length) driven by 300 KW 3.3 KV Motor. Electronic Belt Weigh Scale mounted on the belt conveyor records the ore feed rate and totalize the quantity on shift/daily/monthly basis.

Water is added in the feed chute and Mill Discharge sump to regulate the pulp density for the efficient grinding and classification ahead. Feed belt conveyor is driven by variable A.C frequency drive motor. Wet ground slurry is pumped to Hydro cyclones (1Op+1Sb)) with the help of special slurry pumps (100 K Wilfley) (1Op+1Sb). Ore is normally ground to < 75 microns.

Over flow from the Hydro cyclones is fed to the Magnetic Separator for the removal iron oxide. Non-Magnetics are taken to thickener and non-magnetics gravitate to MS Tank.

Non magnetic slurry thickened to 35-40% solids is fed to 2400mm dia x 2400mm ht HDO MSRL conditioner. The conditioned pulp is floated in series of 100 cft Denver Flotation Cells. The phosphate concentrate produced from Denver Flot., cells is called as 'Rougher' concentrate (RHC). RHC is cleaned in 60 cft Galigher Flot., cells (called Cleaner and Re-cleaner cells) twice to yield final phosphate product having + 32% P_2O_5. Tailings from Cleaner cells and Re-cleaner cells are recirculated in reverse order. Tailing (P_2O_5-<6%) from Rougher cells constitute final Tails which are pumped to Settling ponds.

Adequate number of slurry pumps, Concentrate pumps and Air Blowers/Fans are installed for transferring slurry/pulp from one stage to other for efficient processing. All operating pumps have stand by pumps to ensure trouble free operation

Solid-Liquid Separation

Final Phosphate concentrate and Tailings are pumped to respective 12m dia x 3 m SWH Thickeners for the concentration of solids. Over flow water from both the thickeners and other settling tanks are pumped to 'Reclaimed water' storage tanks for the use in the process. Fresh make-up water from the company's bore wells and other sources/AKVN are stored in the Ground storage tank and Over Head storage tanks.

Phosphate concentrate thickened to +50% solids is pumped to Over Head Storage agitated tank. Phosphate concentrate is fed to Belt Press Filter for filtering the concentrate. Filtrate from the filter is recycled.

The product is conveyed to storage shed through belt conveyor. Belt weigh scale is installed on the belt to record weight of the product.

Tailing disposal and water reclaimation

Water is reclaimed from the thickeners and tailing dam which is re-used in the process plant. The reclaimed water quality is monitored for suspended solids and P-H. Alum is used as flocculent to facilitate fast settling of solids.

Reagent Preparation and distribution

Flotation process requires some flotation reagents/chemicals which help to selectively float the phosphate and depress waste/gangue minerals like silica, iron, aluminium oxide and carbonates. The reagents are: - a) Sodium oleate, b) sodium silicate c) Starch .

All these reagents are added in dilute solution form (5 to 10% solution) at different pre-selected locations with the help of reagent feeders.

Plant has adequate facility to store reagents, prepare solutions and distribution system.

Single Super Phosphate

Manufacturing Process for SSP in Unit II would be same as in Unit I

<u>Granulated Single Super Phosphate</u>

Brief Nature of Product

GSSP in other words is a value addition product form of SSP. Powder form of SSP get dissolved immediately in irrigation water and some parts of it used by plants and balance goes to sub soil with water and remain useless. The powder can be used only during sowing the seeds. It can be used on the growing crops as it get deposited on the leaves of the plants and being slightly acidic, burns them. On the other hand, granulated product rolls down the plant and can be used harmlessly on the standing crops. Advantage is using granulated product is that it is available to the crops for longer time because it get dissolved slowly in water.

Manufacturing Process

SSP powder is fed into Granulator drum where powder SSP gets converted into granular with addition of water droplets. These granules are fed to granules get dried by blowing hot air. Hot air is generated by burning coal in hot air granulator. Later on dried granules are fed to cooler drum where hot granules get cooled and conveyed to screens where 1 to 4 mm granules collected for packing and more than 4 mm are crushed and recycled all together with less than 1 mm size material. The outlet of drier drum and inlet of cooler drum remain connected with a series of cyclones and I D fans & finally with a chimney to remove dust particles and make air free from dust before releasing to atmosphere.

Sulphuric Acid

Since Sulphuric Acid is the main raw material required for Single Super Phosphate (SSP) production and will be capitvely consumed with the unit for manufacturing existing and proposed capacity of SSP.

Manufacturing Process

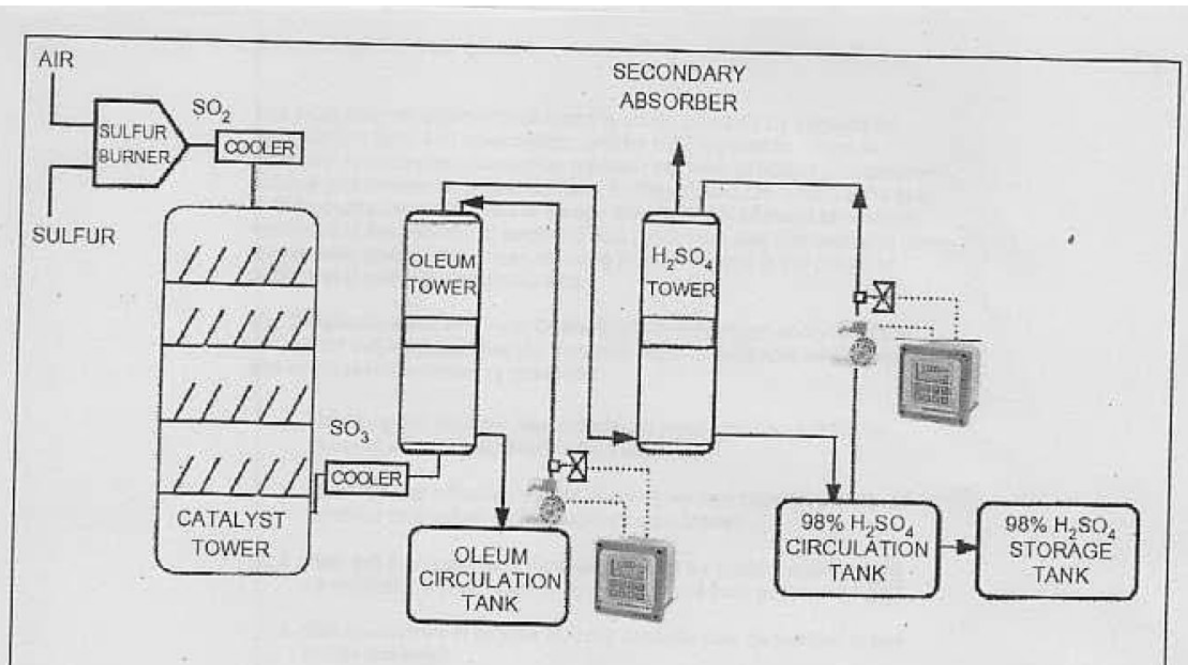


FIGURE 1. Sulfuric Acid Manufacturing

The main steps in the manufacture of Sulphuric Acid by the Contact Process from elemental sulphur consists of burning of elemental sulphur to sulphur dioxide and then converting sulphur dioxide to sulphur trioxide in presence of vanadium pent oxide catalyst and finally dissolving the sulphur trioxide so formed in sulphuric acid to produce strong Sulphuric Acid. Strong sulphuric acid is diluted to 98-98.5% concentration by addition of known quantity of water through a rotameter.

Sulphur is melted in the Sulphur Melting Pit (MP-101) by passing steam at 6-8 kg/cm2/g pressure. The temperature of molten sulphur is maintained at about 125-1400C and molten sulphur is kept agitated by an agitator in the melting pit so that solid impurities do not settle down in the melter pit. Molten Sulphur overflows/underflows to settling pits and finally to the pumping zone area. Clean sulphur is pumped to the sulphur Burner by sulphur pumps (P-101 A/B) where it is burnt in excess of dry air to give sulphur dioxide. Flow of sulphur is regulated by a steam jacketed valve and molten sulphur is sprayed under pressure inside the sulphur burner. Dry air is fed to the sulphur burner after scrubbing the atmospheric air with Sulphuric Acid in Drying Tower (DT-101). The combustion gases from the sulphur burner containing 10% SO2 at a temperature around 9700C are cooled down to 4300C in waste heat boiler (WB-101).

Cooled gases are now passed through Hot Gas Filter (HGF-101) where any dirt, dust etc. is removed which may choke the catalyst beds. Clean SO2 bearing gases from HGF-101 are fed to the first stage of a four stage converter (CR-101), where partial conversion of sulphur dioxide to sulphur trioxide takes place in the presence of vanadium pentaoxide (V2O5) catalyst. The conversion achieved in the four stage converter is as high as 99·85%.

The heat liberated due to Exothermic reaction is recovered after each Stage of Conversion. The gases from the first stage are passed through Super-heater cum Boiler-II to raise steam at 40 kg/cm2 (g) and 3800C. The heat from the second stage is utilized to raise the temperature of gases from Intermediate Absorption Tower (IAT-101) to the reaction temperature of gases in the Hot Heat Exchanger (HHE-101).

SO3 produced by the catalyst conversion of SO2 converter is absorbed in Sulphuric Acid of 98-98.5% concentration. The Intermediate Absorption is carried after the third stage of conversion. The gases from third stage of the converter are first cooled down to 200-2400C in Cold Heat Exchanger (CHE-101) and Economizer (EC 101). Gases are then absorbed in sulphuric acid in the Intermediate Absorption Tower (IAT-101).

The temperature of the gases from the intermediate Absorption Tower is raised to the reaction temperature of 4300C after passing them through Cold Heat Exchangers (CHE-101) and Hot Heat Exchanger (HHE-101).

Final absorption is carried out after the fourth stage of conversion. The gases from fourth stage are cooled to 150-1800C in the Economiser (EC-101) and absorbed in concentrated sulphuric acid in the Final Absorption Tower (FAT-101).

The absorption efficiency at both stages of absorption is 99·99%. The Sulphuric Acid from the Drying Tower (DT-101), Intermediate Absorption Tower (IAT-101) and Final Absorption Tower (IAT-101) flows by gravity to the Process Acid Tank (PAT-101) where it is diluted to about 98-98·5% concentration. The acid from the process acid tank (PAT-101) is cooled to 60-700C in Acid Cooler (PHE) by cooling water and fed continuously to the Final Absorption Tower, Intermediate Absorption Tower and Drying Tower by Process Acid Pumps P-110 A/B.

Concentration of acid in Process Acid Tank (PAT-101) is maintained at 98-98·5% by the addition of water through the dip pipe. 98-98·5% acid is continuously withdrawn and cooled in product PHE before sending it to the acid storage tanks.

Scrubbing Unit (SC-101) has been provided to keep SO2 level within permissible limits during start-up only. Neutralization Pit (NPT-101) to neutralize acidic effluent resulting out of spillage / leakage etc. Neutralizing Pit Drain Pump P-107 A/B has been provided to re-circulate the effluent in the pit when caustic soda is added to neutralize acidic water. When neutral pH is attained the effluent is pumped out from the neutralization pits to the drain or the liquid from Neutralization pit is pumped to plantation

Quality Control
Quality control laboratory is set up for analyzing samples of SSP and GSSP and ore for every batch manufactured and received from mine and regular samples from the process of various streams, reagents and effluents. Rock phosphate samples are analyzed by volumetric/gravimetric methods and use of Instruments like P-H meter, Spectorscope, Electronic weigh Balance, Oven, Muffle furnace etc.

Slurry sample preparation requires vacuum filtration and drying. Samples are preserved for some period as Reference samples.

Support Facilities
Plant would be equipped with support facilities to ensure smooth operation with minimum down time. The support facilities may be summarized as under:-

a) Front End Loader
b) J.C.B
c) D.G.Set- 125 KVA
d) EOT Cranes/Grab crane
e) Lathe Machine
f) Shaper/Drill Machine (Verticle)
g) Plate Bending Machine
h) Special tools & Tackles
i) Electric Chain Pulley Blocks of 1,2 & 5 Tons
j) Computer/Soft ware/PBX/PAX etc

Our Market:

Our Company has entered in to an Memorandum of understanding with Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd for sale of the SSP for the period of 5 years from 2011- 2016. The breakup of sales to Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd and other parties is shown below :-

(₹ in lakhs)

Sales & other Income	31.3.08	% of total sales	31.3.09	% of total Sales	31.3.10	% of total Sales	30.11.10	% of total Sales
Sales SSP	1125.41	95.73	3568.72	96.74	2044.74	93.42	3252.94	97.23
Other Sales	13.70	1.17	93.63	2.54	108.04	4.93	71.20	2.13
Other Income	36.51	3.10	26.56	0.72	36.01	1.65	21.48	0.64

Proposed Unit II

In case of Beneficiated Rock Phosphate Plant and Sulphuric Acid Plant , the whole output will be consumed by our Proposed Single Super Phosphate Plant and considering same no marketing arrangements are required for BRP and Sulphuric Acid.

Whereas for Single Super Phosphate and Granulated Single Super Phosphate, our company is yet to entered into any marketing tie up with any company. Further we may approach Shriram Fertilizer & Chemicals, a unit of DCM Shriram Consolidated ltd for purchase of SSP and GSSP.

Tie up with RSMML and KPL

At present to meet our raw material (mainly BRP) requirement for our SSP unit we purchase raw material from RSMML (Rajasthan State Mines & Minerals Limited) and from one of our group company Krishana Phoschem Limited (KPL). Approx 81% of our raw material requirement is met through KPL and 19 % is purchased from RSMML.

At present we don't have any agreement with KPL for purchase of Raw material being an associate concern, and also no agreement with RSMML for purchase of raw material.

The following table illustrates the concentration of raw material among our top suppliers

Supplier	31.3.08	% of total Purchase	31.3.09	% of total Purchase	31.3.10	% of total Purchase	30.11.10
KPL	414.98	72.14	1292.33	76.05	1348.17	81.09	653.01
RSMML	160.26	27.86	406.85	23.95	314.29	18.91	448.55

The Company has entered into an agreement with Madhya Pradesh State Mining Corporation limited to provide low grade Rock phosphate for its new unit for manufacturing BRP which again will be used as raw material in Unit I, from its Tigora and Mardeora Mines confirming around +18%-20% P205 grade to the extent of Maximum 93000 tonnes yearly in equal quarterly installments for 20 years.

Our Customers

The following table illustrates the concentration of our sales among our top customers

<table>
<tr><th>Customer</th><th>31.3.08</th><th>% of total Sales</th><th>31.3.09</th><th>% of total Sales</th><th>31.3.10</th><th>% of total Sales</th><th>30.11.10</th></tr>
<tr><td>Top Customer</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Top 5 Customer</td><td colspan="7" rowspan="2">100% SSP Sales to DCM Shriram in 2008, 2009, 2010 and upto 30.11.2010</td></tr>
<tr><td>Top 10 Customer</td></tr>
</table>

<u>Competitors</u>

SSP is one of the fertilizers which is in bulk demand in India and there are few dedicated players in this line of activity. There are certain few peer companies whose one of the products manufactured is SSP; they are manufacturing other complex fertilizers along with manufacturing SSP. Our Competitors in this line of activity are Liberty Phosphate Ltd, Rama Phosphates Ltd, Basant Agro Tech (India) Ltd and Shiva global Agro Industries Ltd

We believe our experience and understanding of fertilizer industry positions us well to compete with new and existing entrants to Fertilizer industry specially in the line of SSP.

<u>Marketing Set up</u>

Existing: - The Company has entered into Memorandum of Understanding for sale of entire production of SSP with Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd.The entire SSP Production is sold to the Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd as per the prevailing market prices. Since there is an acute shortage of SSP fertilizer in India, hence there is always a demand for the product. There is a good demand of SSP in nearby states like Chhatisgarh, Uttar Pradesh and in Madhya Pradesh itself.

The Company's quality of products is very well acceptable in the market due to its high class lab testing arrangements.

Proposed: - In case of Beneficiated Rock Phosphate Unit, the entire output would be captively consumed in by our proposed SSP plant, despite in case if any spare portion of output is required to be sold in the market, there is huge demand of the product in the market so there would be no problem to sell the product in the open market if required at any time.

Similarly for Sulphuric Acid, no market arrangement is required since the same will be captively consumed by SSP unit.

For SSP and GSSP, company has not entered into any marketing arrangement and the same will be done in due course of time.

Business Strategy

Our vision is to become one of the major Fertilizer manufacturers by providing cost-effective and quality products. In line with this vision, our strategy is to capitalize on our core strengths and thus enhance the volume of our business. We intend to focus on our existing product with specific emphasis on the following as a part of our growth strategy:

❖ **To increase our scale of operation by undertaking an increase in existing production capacity.**

With the increased demand of Fertilizer in the Agriculture Industry and demand from our clients, we realized the need for increasing our capacity from the existing one.

Further government policy is also supporting SSP production by announcement of new subsidy policy based on nutrients i.e. Nutrient Based Subsidy.

❖ **To strengthen our relationships with existing client and to develop relationship with new client to add them in our Portfolio.**

Our Company has been dealing exclusively with Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd who is the sole buyer of our existing product (SSP) 100% and we have been dealing with them from a long time.

We will further consolidate and strengthen our relationship with existing client by providing them with quality products and at the same time will consistently develop new relations.

❖ **To continue focus on product development through constant research and Development**

Our Company continues to focus on research and development as a core thrust of our business. We intend to continuously develop nutrient enriched fertilizer for our customers to satisfy their requirement. We believe constant research and development would enable us to remain ahead of competition and also to help customers with lower costs and enhance their efficiency.

We also focus on process improvements to bring down operational costs and enhance the quality of products. Through an in-house quality control and research and development, we have created our own knowledge database and are providing new products to our customers. Our Company makes continuous efforts to apply modern techniques in the manufacturing process as a practice, in order to achieve better quality products.

❖ **To strengthen our competitive position**

There is wide gap between the demand and supply of SSP in the market, there are certain other players in the same field but also these companies are in manufacturing of other complex fertilizers where in our existing unit is dedicatedly in manufacturing of SSP and now after further set up integrated unit, it would be one of the company having Integrated plant in private sector.

❖ **To make optimal utilization of resources**

Our Company constantly endeavors to improve our productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We regularly analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and timely correct the same. This helps us in improving efficiency and putting resources to optimal use.

❖ **Explore potential acquisition and partnership opportunities**

The Company intends to explore opportunities for expanding its reach in the Fertilizer industry through potential acquisitions as and when such opportunities arise. The Company also intends to develop business partnerships with other major fertilizer manufacturing companies to capitalize on business opportunities to further increase its profile in the rapidly consolidating Fertilizer industry

❖ **Increase geographical presence**

We intend to further expand the scale of our operations, explore new distribution channels and increase our reach and customers base domestically. As the Indian market is filled with various opportunities in this industry will accordingly help to increase customer's base.

❖ **Grow existing product lines with value added products like Phosphoric acid, MAP manufacturing etc.**

With the motto of development with the product line as the industry is one of its kinds in order to achieve overall development & growth in this industry by taking initiatives for development of new product as value addition thereto. We intend to achieve operational efficiencies and maximize revenues through efficient use of technology, focused marketing and optimum use of our resources

❖ **Technical Know How development**

We have qualified & experienced technocrats in our management team who are working on improving the technology for better efficiency of the plant.

Installed Capacity

Name of the Product	**Installed Capacity (TPA)**	**Capacity Utilisation**						
		2008	2009	2010	2011	2012	2013	2014
Existing								
SSP (MT) In %	60000	32475	30445	48127	54600 91%	57000 95%	57000 95%	57000 95%
PROPOSED PROJECT								
BRP (MT)	99000 (Processing) 49500 BRP	NA	NA	NA	NA	37125 (Processing) 18562.5 (6 months)	79200 (Processing) 39600 (Year)	84150 (Processing) 42075 (Year)

(In %)						75%	80%	85%
GSSP (MT)	90000	NA	NA	NA	NA	NA	27000 (6 months)	57600 (Year)
(In %)							60%	64%
Sulphuric Acid	49500	NA	NA	NA	NA	NA	18562.5 (6 months)	39600 (Year)
							75%	80%
SSP (Further expansion)	120000	NA	NA	NA	NA	NA	36000 (6 months)	76800 (Year)
							60%	64%

Captive Consumption Table

Beneficiated Rock Phosphate Plant to Single Super Phosphate

Particulars	Installed	2012-13	2013-14	2014-15
Beneficiated Rock Phosphate	99000 (Processing)	39600	42075	44550
Transfer : to SSP Plant	120000	20160	42075	43680
Sales		19940	0.00	870

Sulphuric Acid to Single Super Phosphate

Particulars	Installed	2012-13	2013-14	2014-15
Sulphuric Acid	49500	18562.50	39600	39600
Trf to SSP	120000	12960	27648	28080
Sales		5602.50	11952	11520

Single Super Phosphate to Granulated Single Super Phosphate

Particulars	Installed	2012-13	2013-14	2014-15
Single Super Phosphate	120000	36000	76800	78000
Trf to GSSP	90000	27000	57600	58500
Balance sold in the market		9000	19200	19500

Intellectual Property Rights

Presently, though company is having brand name "Dhanlaxmi" registered in its name but the same is unused as the product is being sold to Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd under their brand name "Shriram"

Registration details are mentioned below:-

SR. No.	Trade Mark / Trade Name	Trade Mark Number	Issuing Authority	Class	Date of Application	Date of Registration
1.	Dhanlaxmi	843156	Govt. of India, Trade Mark Registry	1	--	12/10/2006

Insurance

Our Company has insured our assets, liabilities and stocks through various insurance policies pursuant to our Unit I (SSP), details of which are as under.

Vehicle Insurance

Sr. No.	Name of the Policy	Insured with	Description	Policy No	Policy Period	Premium (Amount in ₹)	Limit of Liability (Amount in ₹)
1.	Private Car package Policy	The Oriental Insurance	Honda Civic VMT RJ 06 CA 4815	242400/31/2011/3601	16/7/2010 to 15/7/2011	23856.00	750000
2.	Private Car Package Policy	The Oriental Insurance	Jeep MP 15 A 1799	153700/31/2011/1291	14/9/2010 to 13/09/2011	3447.00	750000
3.	Motor Insurance Cover Note	Cholamandalam General Insurance	M&M XYLO E-8	7960659	13/08/2010 to 12/08/2011	12840.00	NA
4.	Vehicle Insurance	United India Insurance	Honda Activa MP04 SA 6813	190103/31/10/01/00009165	28/09/2010 to 27/09/2011	608.00	100000
5.	Miscellaneous class D Vehicles Package Policy	The Oriental Insurance	HMT Tractor & Bull Loader MP15AA 3404	242400/31/2011/5068	8/29/2010 To 28/08/2011	6481.00	NA
6.	Two Wheeler Package Policy	Bajaj Allianz General Insurance	Hero Honda Passion Plus	OG-11-2302-1802-00004468	6/9/2010 to 6/8/2011	543.00	100000

			MP 09 MD 0994				
7.	Motorised Two Wheelers Package Policy	The Oriental Insurance company Ltd	Hero Honda Glamour RJ 06 SK 1711	242400/31/2011/4172	30/07/2010 to 29/07/2011	878.00	100000
8.	Motorised/ Two Wheeler Policy package	The Oriental Insurance Company Ltd	Hero Honda Shine MP 15 MB 8043	45100031100100004892	04/09/2010 to 03/09/2011	590.00	24750
9.	Motor Vehicle Insurance	National Insurance	Wagon R New Xvi	100074788	26/07/2010 to 25/07/2011	12425.00	377345
10.	Motor Vehicle Insurance Cover note	Iffco-Tokio	Honda Unicorn	70742435	23/08/2010 to 22/8/2011	1028.00	57784/-
11.	Motor Insurance	The Oriental Insurance Company Ltd	TVS-Centra	242502/31/2011/10693	15/01/2011 to 14/01/2012	510.00	18,400
12.	Motor Insurance	The new India assurance company ltd	Force motor tempo trax	45100031100100011261	16/02/2011 to 15/02/2012	17091.00	7,50,000

Unit I (SSP) - Mauja No 245, Halka No. 76, and Kh. No. 28,37,120/1 & 121/1, Village Rajova, Thasil & District - Sagar, Madhya Pradesh

Sr. No.	Name of the Policy	Insured with	Description	Policy No	Policy Period	Premium (Amount in ₹)	Sum Insured (Amount in ₹)
	Standard Fire & Peril Policy	The Oriental Insurance company ltd	Plant & Machinery, Stock, Building	153700/11/2011/146	09/07/2010 to 08/07/2011	95547.00	12,60,00,000

Group Accident Policy

Sr. No.	Name of the Policy	Insured with	Description	Policy No	Policy Period	Premium (Amount in ₹)	Sum Insured (Amount in ₹)
1.	Group Personal Accident	The Oriental Insurance Company Ltd	Normal Risk	242400/48/2011/3641	27/01/2011 to 26/01/2012	12376.00	68,00,000
2.	Workmen Compensation	The Oriental Insurance Company Ltd	General Risk	242400/48/2011/3590	20/01/2011 to 19/01/2012	36912.00	1700000 & 1000000
3.	Nagriksuraksha Group Policy	The Oriental Insurance Company Ltd	Group Accident Policy	242400/48/2011/1088	08/07/2010 to 07/07/2011	4026.00	1,25,000
4.	GPA-Named Policy Schedule	The Oriental Insurance Company Ltd	Medical Insurance	242400/48/2011/1970	17/09/2010 to 16/09/2011	4004.00	2200000

Public Liability Insurance

Sr. No.	Name of the Policy	Insured with	Description	Policy No	Policy Period	Premium (Amount in ₹)	Sum Insured (Amount in ₹)
1.	Public Liability	The Oriental Insurance Company Ltd	Accident Policy	242400/48/2011/3643	27/01/2011 to 26/01/2012	50750.00	--

Cash Insurance

Sr. No.	Name of the Policy	Insured with	Description	Policy No	Policy Period	Premium (Amount in ₹)	Sum Insured (Amount in ₹)
1.	Cash Insurance	The Oriental Insurance Company Ltd	Various risk covered as described in policy	242400/48/2011/3640	27/01/2011 to 26/01/2012	25507.00	Varied Amounts as mentioned in Policy

There could be some insurance policies which would be on expiration and for the same our company has made application for the renewal of the same to the concerned authorities.

Insurance Details of MBAPL Unit II – Beneficiated Rock Phosphate Plant

Sr. No.	Name of the Policy	Insured with	Description	Policy No	Policy Period	Premium (Amount in ₹)	Sum Insured (Amount in ₹)
1	Cash Insurance	The Oriental Insurance	Various risk covered as described in policy	243400/48/2011/2788	01/12/2010 to 30/11/2011	6695.00	1,05,00,000
2	Motor Vehicle Insurance	National Insurance	New Estilo VXI/Maruti Zen VXI	120258449	22/09/2010 to 21/09/2011	7283.00	304892.00
3	Motorcycle/ Scooter Policy & Package	National Insurance Co Ltd	TVS Star City	320203/31/11/6200000225	09/04/2011 to 08/04/2012	748.00	30600.00
4	Motor Vehicle Cover note	Shriram General Insurance	M&M Bolero Camper	582092	25/07/2010 to 24/07/2011	15334.00	464550.00
5	Misc. and Special type of Vehicles Package Policy	United India Insurance Co.Ltd.	JCB 3DX- HDT	190302/31/10/01/00000449	15/04/2011 to 14/04/2012	14199.00	15,00,000.00

Indebtedness

At present company has taken Overdraft facility of Rs. 45 lakhs against Fixed Deposit Receipt of Rs. 50 Lakhs from State Bank of Bikaner and Jaipur at the rate of 11.65%. The main purpose for this loan is to have smooth operation of day to day transaction of purchase of raw material and other operating activities. No other security is offered for Overdraft facility.

Our Company is availing following Term Loan and Working Capital facilities from the following bank, details of which are as under:-

Name of the Lender	Sanction Amount (₹ in lakhs)	Purpose	Amount O/s as on 28.04.2011	Interest Rate per annum	Repayment Schedule	Security (Combined Security)	Period
Indian Overseas Bank							
Term Loan	1000.00	For Plant & Machinery	1000.00	BR+4.00%	To be repaid in 24 quarterly installments of ₹ 41.67 Lakhs & last installment being ₹	1st Charge by way of hypothecation of Company's movable assets of Unit – II including movable plant and Machinery, machinery spares, tools and	12 months subject to renewal

<table>
<tr><td></td><td></td><td></td><td></td><td></td><td>41.59 lakhs to be commenced after 12 months of moratorium period from the date of 1st availment. Interest is to be serviced as and when debited to the account on actual basis every month</td><td rowspan="2">accessories, furniture, fixtures, vehicles and all other movable assets present and future, intangible, goodwill, uncalled capital, present and future.

1. 1st Charge in the form of Mortgage of assets of the company's immovable properties at Unit-II (present and future) at Village – Sorai, District – Sager in MP

2. Charge on Assets M/s Tedco Granite Ltd, a group company

Corporate Guarantee of M/s Tedco Granite Ltd with net worth of ₹ 623.33 lakhs.</td><td></td></tr>
<tr><td>Cash Credit Facility</td><td>150.00</td><td>Working Capital purpose</td><td>Yet to be availed</td><td>BR +3.75%</td><td>On Demand</td><td>12 months subject to renewal</td></tr>
</table>

Additional Terms and Conditions

a) The company has to produce the documents/ quotations/ invoices as required by the Bank / facility agent evidencing the purchase of the fixed assets done from reputed suppliers of Plant & Machinery.

b) Statutory auditors Certificate to be provided for end use of funds within 3 months from the date of distribution.

c) Periodical Inspection at regular intervals as per extent guidelines of our bank to be undertaken. All Inspection/ audit charges, documents/ legal charges etc. in connection with the credit facility to be borne by the borrower.

d) Promoters will meet increase in costs overrun / time overrun (if any) from its internal accruals or by the promoters bringing in additional equity capital or interest free unsecured loan.

e) The bank will have the right to examine at all times, the company's books of accounts and to have the company's project sites inspected from time to time, by officer(s) of the bank and/ or qualified auditors or concurrent auditors appointed by the bank and / or technical experts and or/ managements consultants or other persons of the banks choice . Cost of such inspections will be borne by the company.

f) Unsecured loans to be paged in business and letter of undertaking in to be obtained and held with documents.

g) Party to close accounts with other banks, No Due Certificate and credit Report to be obtained and ensured that no adverse features are reported therein.

h) Subject to enjoy credit facilities exclusively from us. Branch to obtain letter of Undertaking to this effect & ensure that all transaction are routed through the account and end use of the funds to be constantly monitored.

Further company has to take prior permission from the bank before undertaking any activity mentioned below:-

i) Affect any change in their Capital structure; this may affect bank's interest adversely.

j) Formulates any scheme of amalgamation or reconstruction.

k) Undertaking any new project or expansion or modernization scheme or make any capital expenditure other than those estimated/projected in the CMA data, without obtaining the bank's approval.

l) Undertake guarantee obligations on behalf of any other borrower/ organisation.

m) Sell, assign, mortgage, alienate or otherwise dispose of any of the assets of the borrower financially to a significant extent.

n) Undertaking any activity other than those indicates in the object clause of the memorandum of association of the company.

o) Permit any transfer of the controlling interest or make any drastic change in the managements set up.

p) Divert / utilize bank's funds to other sister /associate /group concern.

Details of Immovable Property

Registered Office

Particulars	Details
Name of the Parties	Madhya Bharat Agro Products Ltd And Mr. Mahendra Kumar Ostwal
Description of Property	5-O-1, Basement Office, R.C. Vyas Colony, Bhilwara- 311 001, Rajasthan.
Date of agreement	17th November 2010
Rent Paid	₹ 1.00 per month
Usage	To be used as Registered Office of the Company
Details of Charges	Charge with LIC Housing Finance against Home Loan.

Factory Unit: Unit I – SSP

Particulars	Details
Name of the Parties	Madhya Bharat Agro Products Private Ltd Mr. Ram kishan Prasad Mr. Ramadhar Prasad Mr. Shravan Kumar
Description of Property	Mauja No 245, Halka No. 76, and Kh. No. 28,37,120/1 & 121/1, Village Rajova, Thasil & District – Sagar, Madhya Pradesh.
Date of agreement	20.11.97 (Registered Ownership)
Consideration Paid	₹1.35 Lakhs (including taxes and duties)
Usage	Establishment of Unit I wherein SSP is produced
Area (Approx)	1.22 Hectare (Approx. 12332.60 Square Meters)
Details of Charges	The said property is kept as security with our Marketer Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd against the advances paid by them to for purchase of Raw Material.

We confirm that the above mentioned sellers are not in any way related to Promoters /Directors of our Company.

Location of Proposed Project

Lease Deed Agreement dated March 18, 2010 entered into by and between District Trade & Industries Centre, Sagar, MP ("Lessor") and Mr. Pankaj Ostwal ("Lessee") (the "Agreement")

Particulars	Details
Name of the Parties	General Manager, District Trade & Industries Centre and Mr. Pankaj Ostwal on behalf of MBAPL
Description of Property	Halka No: 19/86 Kahsra no. 166/1, Village: Sorai, Tehsil: Banda, Distt. Sagar, Madhya Pradesh
Area	92700 sq meter
Date of agreement	18th March 2010
Lease Rent Paid	₹ 293070/- (Including Stamp Duty and Registration Charges) ₹ 16496 /- to be paid every year ₹ 49488- paid as security deposit for three years
Usage	Establishment of Beneficiated Rock Phosphate Plant
Details of Charges	Mortgaged to Indian Overseas Bank

Other Immovable properties purchased

(A)

Particulars	Details
Name of the Parties	Madhya Bharat Agro Products Limited and Mr. Surendra kumar Yadav
Description of Property	Agricultural Land Mauja: Dilakhedi, Patvari Halka No. 21/86, Rajasva, Niriksha Mandal Bharaol, Banda, Sagar, Madhya Pradesh. The said land comprises of Khasara No 468/1, 468/2, 468/4 and 469/1
Date of agreement	30th June 2010
Consideration Paid	₹ 4.41 lakhs (including taxes and duties)
Area	0.72 Hectare (approx 7278.26 Square Meters)
Usage	For future expansion
Details of Charges	No Charges

(B)

Particulars	Details
Name of the Parties	Madhya Bharat Agro Products Limited And Mr. Ramavatar Yadav
Description of Property	Agricultural Land Mauja: Dilakhedi, Khasra No: 469/3 Patvari Halka No. 21/86, Rajasva, Niriksha Mandal Bharaol, Banda, Sagar, Madhya Pradesh.
Date of agreement	30th June 2010
Consideration Paid	₹ 5.08 lakhs (Including taxes and duties)
Area	0.83 Hectare (approx 8390.21 Square Meters)
Usage	For Future expansion
Details of Charges	No charges

Particulars	Details
Name of the Parties	Madhya Bharat Agro Products Limited And Mr. Krishna Kumar Yadav
Description of Property	Mauja: Dilakhedi, Khasra No:468/5 and 468/6, Patvari Halka No. 21/86, Rajasva, Niriksha Mandal Bharaol, Banda, Sagar, Madhya Pradesh.
Date of agreement	30th June 2010
Consideration Paid	₹ 3.98 lakhs (Including taxes and duties)
Area	0.71 Hectare (approx. 7177.17 Square Meters)
Usage	For Future expansion
Details of Charges	No Charges

We confirm that the above mentioned sellers are not in any way related to promoters /Directors of our Company.

Property to be purchased out of the proceeds of the Issue

For details please refer to the Section titled “Objects of the Issue” beginning on Page 69 of this Draft Red Herring Prospectus.

KEY INDUSTRY REGULATIONS 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 below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice.

General

For the purpose of the business undertaken by our Company, we may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For details of such approvals, please refer to the section titled "Government/Statutory Licenses, Registrations & Approvals" starting from page no. 239 of this Draft Red Herring Prospectus.

The relevant provisions of some of the regulations and policies applicable to us are given below

- The Essential Commodities Act, 1955
- Industries (Development and Regulation) Act, 1951
- Industrial Disputes Act, 1947
- The Employee's Provident Funds and Miscellaneous Provisions Act, 1952
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- Workmen Compensation Act, 1923
- The Payment of Gratuity Act 1972
- The Payment of Wages Act 1936
- Factories Act 1948
- Equal Remuneration Act, 1979
- The Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Employees State Insurance Act, 1948
- Income Tax Act, 1961
- Central Sales Tax Act (CST)
- Foreign Trade (Development and Regulation) Act, 1992
- Electricity Act, 2003
- Value Added Tax (VAT)

<u>INDUSTRIAL LAWS</u>

Essential Commodities Act, 1955

The Essential Commodities Act, 1955 gives powers to control production, supply, and distribution etc. of essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability of the Central Government have issued the powers under the Act, various Ministers / Departments of the Central Government have issued Control Orders for regulating production / distribution / quality aspects / movement etc. pertaining to the commodities which are essential and administered by them.

The Essential Commodities Act is being implemented by the state Government/UT Administrations by availing of the delegated powers under the same Act. The state government / UT Administrators have issued various control orders to regulate various aspects trading in Essential Commodities such as food grains, edible oils, pulses sugar etc. The central government regularly monitors the action taken by the state government /UT Administrators to implement the provisions of the Essential Commodities Act, 1955the ACT.

Fertilizers Control Order 1985

Govt. of India, to promote the fertilizer industries in India & to control the quality & prices of fertilizer has issued such order which contains mainly the following provisions:

In this Order, unless the context otherwise requires:
"Act" means the Essential Commodities Act, 1955 (10 of 1955).

"Fertilizer" means any substance used or intended to be used as a fertilizer of the soil and/or crop and specified in Part A of Schedule I and includes a mixture of fertilizer and special mixture of ferti1isers provisional fertilizer ,customized fertilizer, Bio-fertilizers specified in Schedule III and Organic fertilizers specified in Schedule IV;

"Compound or complex fertilizer" means a fertilizer containing two or more nutrients during the production of which chemical reaction takes place

"Controller" means the person appointed as Controller of Fertilizers by the Central Government and includes any other person empowered by the Central Government to exercise or perform all or any of the powers, or as the case may be, functions of the Controller under this Order.

PRICE CONTROL

Fixation of prices of fertilizers
The Central Government may, with a view to regulating equitable distribution of fertilizers and making fertilizers available at fair prices, by notification in the Official Gazette, fix the maximum prices or rates at which any fertilizer may be sold by a dealer, manufacturer, importer or a pool handling agency.

The Central Government may having regard to the local conditions of any area, the period of storage of fertilizers and other relevant circumstances, fix different prices or rates for fertilizers having different periods of storage or for different areas or for different classes of consumers.

No dealer, manufacturer importer or pool handling agency shall sell or offer for sale any fertilizer at a price exceeding the maximum price or rate fixed under this clause.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 ("Industrial Disputes Act") provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act.

The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or lay off or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

Factories Act, 1948

The Factories Act, 1948 ("Factories Act") defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act provides that the occupier of a factory, *i.e.* the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed there under, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and/or with a fine up to ₹ 1 lakhs or both, and in case of such violation continuing after conviction, with a fine of up to ₹.1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than ₹. 0.25 lakhs in the case of an accident causing death, and ₹ .5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine would be ₹. 3 lakhs and in case such contravention results in death or serious bodily injury the fine would be a minimum of ₹. 0.35 lakhs and ₹ 0.10 Lakhs, respectively.

Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to ₹. 500.

Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Payment of Wages Act 1936

Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than ₹10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

Industrial (Development and Regulation) Act, 1955

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector.

An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

The Employees State Insurance Act, 1948

The Employees State Insurance Act 1948, ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury.

The ESI Act extends to the whole of India. It applies to all factories (including government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing 20 or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify.
A factory or other establishment, to which the ESI Act applies, shall continue to be governed by its provisions even if the number of workers employed therein falls below the specified limit or the manufacturing process therein ceases to be carried on with the aid of power, subsequently.

The ESI Act does not apply to the following:

3. Factories working with the aid of power wherein less than 10 persons are employed;
ii. Factories working without the aid of power wherein less than 20 persons are employed;
iii. Seasonal factories engaged exclusively in any of the following activities viz. Cotton ginning, cotton or jute pressing, decortications of groundnuts, the manufacture of coffee, indigo, lakhs, rubber, sugar (including gur) or tea or any manufacturing process incidental to or connected with any of the aforesaid activities, and including factories engaged for a period not exceeding seven months in a year in blending, packing or repackaging of tea or coffee, or in such other process as may be specified by the Central Government;
iv. A factory which was exempted from the provisions of the Act as being a seasonal factory will not lose the benefit of the exemption on account of the amendment of the definition of seasonal factory;
v. Mines subject to the Mines Act, 1952;
vi. Railway running sheds;
vii. Government factories or establishments, whose employees are in receipt of benefits similar or superior to the benefits provided under the Act and Indian naval, military or air forces.

The appropriate Government may exempt any factory or establishments or class of factories or establishments or any employee or class of employees from the provisions of the ESI Act. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto ₹. 0.10 Lakhs per month is entitled to be insured under the ESI Act. However, apprentices engaged under the Apprentices Act are not entitled to the ESI benefits. Coverage of part time employees under the ESI Act will depend on whether they have contract of service or contract for service with the employer. The former is covered whereas the latter are not covered under the ESI Act.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 (the "Gratuity Act"), an employee in a factory is deemed to be in 'continuous service' for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work due to the fault of the employee. An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed ₹ 3.50 Lakhs.

Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965 (the "Payment of Bonus Act") an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. 'Allocable surplus' is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or ₹. 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to ₹. 1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident fund, pension fund and deposit linked insurance fund for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make contributions to the funds mentioned above.

Foreign Trade (Development and Regulation) Act, 1992

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This legislation read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Electricity Act, 2003

The Electricity Act, 2003 has been recently introduced with a view to rationalize electricity tariff, and to bring about transparent policies in the sector. The Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatization of the state electricity boards. The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector.

POLLUTION LAWS

Environment (Protection) Act, 1986

The Act provides for the protection and improvement of environment and for matters connected therewith, and the prevention of hazards to human beings, other living creatures, plants and property.

‘Environment’ includes water, air and land and the inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organisms and property.

The Water (Prevention and Control of Pollution) Act, 1974

The Act provides for the prevention and control of water pollution and the maintaining and restoring of wholesomeness of water. “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 Air (Prevention and Control of Pollution) Act, 1981

The Act provides for prevention, control and abatement of air pollution. ‘Air Pollution’ means the presence in the atmosphere of any ‘air pollutant’, which 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 Hazardous wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 provides for control and regulation of hazardous wastes as defined under the Rules discharged by the operations of undertakings. Prior consent of the Pollution Control Board must be obtained for any new outlet or unit, likely to discharge sewage or effluent.

Equal Remuneration Act, 1979

The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

Central Sales Tax Act (CST)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify 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. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Service Tax

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assesses is required to pay Service tax in TR 6 challan by fifth 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 half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

Value Added Tax ("VAT")

VAT is a system of multi-point levy 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 Sales Tax Officer of the respective State.

HISTORY AND OTHER CORPORATE MATTERS

History and Major Events

Our Company was incorporated by Mr. Shailendra Jain on 22.10.1997 as "Madhya Bharat Agro Products Private Limited" under the provisions of the Companies Act, 1956 with Registrar of Companies, Madhya Pradesh, Gwalior and subsequently, the name of the our company was changed to "Madhya Bharat Agro Products Limited" on 11.06.1999 vide a fresh Certificate of incorporation on becoming a Public Limited Company.

On 24.09.2004, Ostwal group of Industries took over the company from Mr. Shailendra Jain and it became one of the flagship companies of Ostwal group of Industries. Our promoters have been associated with Fertilizer industry for a period of past 8 years. We have State of art technology for manufacturing SSP and have a marketing tie up with Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd. In order to provide cost effective products to farmers, our company is envisaged for going for backward integration by setting up plant of Beneficiated Rock Phosphate, Granulated Single Super Phosphate and Sulphuric Acid and also increase in installed capacity of its existing product Single Super Phosphate.

Further in 2009, the registered office of the company was shifted to Bhilwara, Rajasthan, to control the overhead cost, better management control on account of new board members are residing in Bhilwara.

Plant

Our Manufacturing plant is situated at Village Rajova, Sagar, and Madhya Pradesh in an area of approx 1.22 Hectare (Approx. 12332.60 Square Meters) with an Installed capacity of 60000 TPA.

Major Events

Year	Events
1997-98	Incorporation of Company as Private Limited
1998-99	Set up of SSP Plant
1999-00	Converted into Public Limited Company Production of SSP Started
2002-03	Operations of the Company was closed and referred to BIFR for registration as Sick Company
2004-05	Company was taken over by Ostwal Group of Industries All the dues of Dena Bank, RSMML and other creditors were paid off Re-Started the production in January 2005
2005-06	Loss making unit was converted into profitable venture by the new management team.
2010-11	Got ISO 9001:2008 certification for SSP Plant of Unit I and BRP Plant of Unit II

Changes in Registered Office of our Company:

Previous Registered Address	New Registered Address	Date of Board Meeting	Purpose
376, Clerk Colony, Pardesi Pura, Indore, Madhya Pradesh	5-O-1, R.C. Vyas Colony, Bhilwara, Rajasthan	5th May 2009	Controlling Stake of the company was acquired by the existing promoters who are permanent resident of Bhilwara.
1454 Rajkiran Building, Wright Town, Jabalpur, Madhya Pradesh	376, Clerk Colony, Pardesi Pura, Indore, Madhya Pradesh	30th October 2004	Since the company was taken over by new management
1454 Rajkiran Building, Wright Town, Jabalpur, Madhya Pradesh			Since Incorporation

Changes in Memorandum of Association since Incorporation:-

Since Incorporation, the following changes have been made to Memorandum of Association of the Company:

Date	Nature of Alteration
February 2, 1999	The initial authorised share capital increased from ₹ 50 lakhs (Fifty Lakhs) to ₹ 150 Lakhs (One hundred and Fifty Lakhs) divided into 1, 50,000 shares @ ₹ 100 each ".
June 11 , 1999	The name of the company being changed to Madhya Bharat Agro Products Limited from Madhya Bharat Agro Products Private Limited.
December 24, 2008	Object Clause changed by insertion of new clauses to "Other Objects" (Clauses 6,7 & 20) To carry on the business of all type of cottons as purchasers, sellers, importers, exporters and commission agent and to carry on the business of manufacturers, dealers importers, exporters, merchants, agents in textile goods as wholesalers, semi wholesalers, retailers as also installation of power looms and establishing process houses for bleaching, dyeing, printing, calendaring and other processing of textiles goods and to act as commission agent. To carry on the business of manufacturers, exporters, importers, purchasers and sellers and distributors of synthetic fiber yarn fabrics and manmade fabrics. To carry on the business as brewers, distillers and manufacturers of and merchants and dealers in wine, spirits, beer malts, grains, gases, fuels and energy and powers, materials of all kinds descriptions, seafood products and to deal in all agricultural inputs such as implements, machinery, fertilizers, pesticides, seeds, and any other commodities and things.
23rd February 2009	The registered office clause II amended by substituting the words "State of Madhya Pradesh" by words "State of Rajasthan" due to change in Registered office of the company.
June 1, 2009	The Capital Clause amended on conversion of Preference Share Capital to Equity Share Capital and now the Authorized Share Capital Stands at ₹150 Lakhs Equity Share Capital.

August 1, 2009	Alteration in Clause V of Memorandum of Association to include the Sub division the Existing Equity Shares of Nominal Value of ₹100 each into nominal value of ₹ 10 each
August 1, 2009	Increase in authorized share capital from ₹ 150 lakhs (One Fifty Lakhs) from ₹ 1200 Lakhs (Twelve Hundred Lakhs) divided into 1,20,0000 shares @ ₹. 10 each ".
July 10, 2010	Increase in authorized share capital from ₹ 1200 lakhs (Twelve Hundred Lakhs) from ₹ 2200 Lakhs (Twenty Two Hundred Lakhs) divided into 2,20,0000 shares @ ₹. 10 each ".

Business Arrangements

Marketing Tie up –

Existing Single Super Phosphate Unit I

Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd

The Company has entered into an agreement with Shriram Fertilizers & Chemicals Limited, a unit of DCM Shriram Consolidated Ltd to undertake the marketing of its existing product SSP in Madhya Pradesh and Chhattisgarh. Further, company has entered into an MOU with Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd Certain brief details about Shriram Fertilizers & Chemicals, a unit of DCM Shriram Consolidated Ltd are as under:-

Place of Registration	ROC- Delhi
Year of Incorporation	06/02/1989
CIN	L74899DL1989PLC034923
Paid up Share Capital (In ₹.)	Rs. 33.18 Crores
Turnover of the last financial year of Operation	Rs. 3630.00 Crores

Proposed Unit II

In case of Beneficiated Rock Phosphate Unit, the entire output would be captively consumed in by our proposed SSP plant, despite in case if any spare portion of output is required to be sold in the market, there is huge demand of the product in the market so there would be no problem to sell the product in the open market if required at any time.

Similarly for Sulphuric Acid, no market arrangement is required since the same will be captively consumed by SSP unit.

For SSP and GSSP, company has not entered into any marketing arrangement and the same will be done in due course of time.

Sourcing Tie up

Existing Single Super Phosphate Unit I

In our existing SSP unit we are purchasing raw material namely Beneficiated Rock Phosphate from our group company Krishna Phoschem Limited and RSMML and the same will be continued in future.

Proposed Unit II
MP State Mining Corporation Ltd
The Company has entered into an agreement with Madhya Pradesh State Mining Corporation limited to provide low grade Rock phosphate for its new unit for manufacturing BRP which again will be used as raw material in Unit I, from its Tigora and Mardeora Mines confirming around +18%-20% P205 grade to the extent of Maximum 93000 tonnes yearly in equal quarterly installments.

Certain brief details about Madhya Pradesh State Mining Corproation Limited are as under:-

Place of Registration	Madhya Pradesh
Year of Incorporation	1962
CIN	U01410MP1962SGC000937
Paid up Share Capital (In Rs.)	Rs. 2.19 Crores
Turnover of the last financial year of Operation	5693.28 Lakhs

Sulphuric Acid

Sulphuric Acid itself is a basic raw material to our SSP Plant. Main raw material for sulphuric Acid is Sulphur and our company would be purchasing the same from Bina Refinery (Madhya Pradesh), Reliance Industry, Jamnagar, Gujarat and Indian Oil Corporation and no formal agreement is entered for the same and will be entered in due course of time.

Subsidiaries

Our Company does not have any subsidiaries as on date of filing of the Draft Red Herring Prospectus.

Corporate Profile of the Company

❖ **Description of the Activities of the Company**

Our Company is involved in the production of high quality Single Super Phosphate (SSP). SSP is used in large quantities for replenishing “P” (Phosphorus) in the soil which gets depleted steadily with each crop. This is preferred phosphate fertilizer by the farmers as it provides much needed nutrients “S” along with “P” unlike other fertilizer. SSP industry enjoys price concession by the Govt. of India which protects this industry for long run sustainability.

Company is also involved in the trading business of Fabrics, being Bhilwara, a textile hub and in order to have an advantage of surplus cash resources, the company has started trading in textile, but our main focus is the fertilizer business only.

❖ **Description of the Services of the Company**
We at present are not providing any kind of services.

❖ **Description of the Main Products of the Company**

Single Super Phosphate (SSP) – Existing Product
Beneficiated Rock Phosphate (BRP) – Proposed Product
Granulated Single Super Phosphate (GSSP) – Proposed Product
Sulphuric Acid (SA) **-** Proposed Product

❖ **Details of growth of the company**

Since Takeover of the company, it has been growing steadily and showing a constant growth trend and will boost up again after announcement of NBS (Nutrient Based Subsidy) by the Government. Our turnover and profitability for last three years has been as follows:

(₹ in Lakhs)

Particulars	31.03.2010*	31.03.2009	31.03.2008
Total Turnover	2152.78	3662.35	1139.11
PBDIT	194.57	238.92	111.84
PAT	84.18	122.47	60.34

* Reason for booking less Turnover in the year 2009-10 as compared to 2008-09 was the announcement of Revised Nutrient Based Subsidy (NBS) by the Central Government, being applicable from 1st May 2010.

Injunction of restraining orders: Nil

The Technology, managerial competence and capacity built up: For details of the same kindly refer to pages 124, 173 and 140,of this Draft Red Herring Prospectus.

Details regarding acquisition of business/ undertakings, mergers, amalgamations, reserves, revaluation of assets

Takeover

In the initial period of incorporation of the company there was Drought situation in the state and further due to non availability of right quality of raw material at right time and collective effect came out as the plant did not come out as a profitable venture in the initial years after its commencement.

In the year 2002-03 the operations of the company was closed and it was referred to BIFR to register as a Sick Company, During the pendency of the approval, the said company was taken over by Ostwal Group of Industries in September 2004 and its operations were revived in a time span of just one and half year and the loss making venture was converted into a profitable one and all the dues were paid off. MBAPL production was restarted again after takeover in January 2005 by Ostwal Group of Industries.

All the dues of Dena Bank who was the only secured creditor were paid off and also settlement was done with RSMML and other creditors and no dues were pending after takeover of the company.

Main Objects of our Company

Our main objects as contained in our Memorandum of Association are:

To carryon in India or Elsewhere the business to manufacture, process, produce, formulate, mix, disinfect, clean, wash, dilute, concentrate, compound, segregate, pack, repack, add, remove, heat, grade, freeze, ferment ate, reduce, improve, buy, sell, resell, Distribute, dispose, handle, market, procure, supply, adatia, stockiest, liasioner, deal in all types of gas based, natural or manmade fertilizers and chemicals whether nitrogenous, phosphatic, potash or otherwise such as single super phosphate, triple super phosphate, phosphate rock, sodium silica floride, lime rock phosphate, urea, sulphur, gypsum, silicone fluoride, vanadium pentoxide, oleuim, Sulphuric acid, Zink Sulphate, silicone dioxide, phosphoric acid, nitric acid, hydrochloric acid, soda ash, caustic soda, chlorine based chemicals, chloride and other organic salts, by products, derivatives, compounds, residues, waste, whether straight, complex or mixed and whether granulated or otherwise and to manufacture, import, export, process, trade in insecticides, germicides etc.

Total number of Shareholders of Our Company

As on the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 15. For more details on the shareholding of the members, please see the section titled “Capital Structure” at page 53.

Shareholders Agreements

Our Company has not entered into any shareholders agreement as on the date of filing this Draft Red Herring Prospectus.

Other Agreements

Except as stated elsewhere in this Draft Red Herring Prospectus and except various agreements/contracts, which have been entered in regular course of business with our suppliers, customers and lenders, there are no other material agreements or contracts.

Strategic Partners

Our Company has not entered into any strategic partners as on the date of filing this Draft Red Herring Prospectus.

Financial Partners

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

Guarantees

As on the date of filling the DRHP no Corporate Guarantee is given by our Company.

Our Management

Under our Articles of Association, our Company is required to have not less than three (3) directors and not more than twelve (12) directors. Our Company currently has four (4) directors on Board of which two (2) are Independent directors and two (2) are Executive Directors. The following table sets forth current details regarding our Board of Directors:

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Red Herring Prospectus:-

Name, Designation, Father's Name, Occupation, DIN and Term	Address	Qualification	Date of Appointment	Other Directorships
Mr. Pankaj Ostwal **Designation:** Managing Director **Age :** 33 Years **S/o** Mr. Mahendra Kumar Ostwal **Occupation :** Business **DIN :** 02586806 **Status:** Executive & Non Independent **Nationality:** Indian	5-0-1 R C Vyas Colony, Bhilwara – 311 001, Rajasthan	Chartered Accountant. Having experience of more than Eight years	June 5 2010 **Term:** Holds office for a period of 5 years till 4th June 2015.	Nil
Mr. Amit Jain **Designation:** Whole Time Director **Age:** 30 Years **S/o** Mr. Ladhu Singh Lodha **Occupation:** Business **DIN :** 01732490 **Status:** Executive & Non Independent **Nationality:** Indian	F- 522, Behind UIT, Opp Naval Vidhya Bharti School, Subhash Nagar, Bhilwara (Rajasthan)	M Com. Having experience of more than 7 years.	August 14, 2007. Term: Change in designation to Whole Time Director w.e.f 1st July 2010 for a period of five years till 30th June 2015.	1. Seasons Agro Chem India Pvt Ltd 2. Nirmal Realinfrastructure Pvt Ltd
Mr. Arvind Kothari **Designation:** Independent Director **Age:** 40 Years **S/o** of Mr. Himmat Singh Kothari **Occupation:** Business **DIN:** 03268623 **Status:** Non Executive & Independent **Nationality:** Indian	32- Kothari Bhawan, Kashipuri Bhilwara Rajasthan	B.Com. Having experience of more than 16 years	September 20, 2010. **Term :** Liable to retire by rotation	NIL

Mr. Sushil Kumar Surana **Designation:** Independent Director **Age:** 50 Yrs **S/o** Mr. Chand Mal Surana **Occupation :** Business **DIN :** 01918651 **Nationality:** Indian	92 , Rajendra Marg Bhilwara, Rajasthan	Diploma in Mechanical Engineering	September, 20' 2010. **Term:** Liable to retire by Rotation	1. Unizyp Plaster Board Private Ltd

Note: *None of the above mentioned Directors are on the RBI List of willful defaulters as on date and are acting or have acted as directors in the preceding five years of any listed company whose shares have either been suspended from trading by stock exchanges and/or under any order or directions issued by the stock exchanges or any company who is delisted from the stock exchanges in the preceding five years.*

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

There is no service contracts entered into by the directors with the issuer providing for benefits upon termination of employment.

None of the Promoters Directors or persons in control of our Company has been or is associated in any company as Director which have been/ were suspended from being traded on the Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd.

Except statutory benefits upon termination of their employment in our Company or retirement, No officer of our Company, including the directors and key Managerial personnel are entitled to any benefits upon termination of employment.

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

Mr. Pankaj Ostwal aged 33 years, is Managing Director of our Company. He is a Chartered Accountant by qualification. He assisted in managing the company since takeover of company from old management by Ostwal group of Industries, i.e. 2004. He was appointed as Managing Director by resolution in the EGM, dated 30th June 2010 for a term of five years with effect from 5th June 2010.

He is young and dynamic person, having a corporate environment from childhood being son of Mr. M.K. Ostwal, founder and chairman of Ostwal Group of Industries. He is having Eight years experience in the fertilizer as well as textile Sector. He started his career in 2003 with Tedco Granite Limited, Bhilwara.

He is presently in charge of finance, macro management, and strategic matters of our company. He is member of Mewar Chamber of Commerce & Industries and also actively associated with MCCI. During his tenure he has visited many foreign countries like Singapore, Malaysia, Europe etc. for business purpose. He has also actively participated in Social Welfare activity through Smt. Nirmaladevi Ostwal Sewa Sansthan by providing Economic & Financial help to poor students for basic as well as higher education and also help to Old age and helpless people.

Mr. Amit Jain aged 30 years and experienced in SSP Industry handles complete day to day operation of our Company. He was appointed as Whole Time Director by resolution in the AGM, dated 20th September 2010 for a Period of 5 Years w.e.f 1st July 2010. He is a Master of Commerce (M.Com) form MDS University, Ajmer, by qualification. He has been on our Board since last two years. He has an experience of more than 7 years in various Industries. He started his career in 2001 with Welworth Suiting Pvt. Ltd and joined Madhya Bharat in 2007. He was the Purchase Manager in Tedco Granite Limited for 3 years before Director of Madhya Bharat in 2007. He is presently in charge of Purchase, Strategic matter of our Company.

Mr. Arvind Kothari aged 40 years is a Non-Executive Independent Director of our Company. He has more than 16 years of experience of in Textile Industry. He joined our Board on September 20th 2010.

Mr. Sushil Kumar Surana aged 50 years. He is Independent Director of our Company and was appointed on September 20th 2010. He holds diploma in Chemical Engineer from Rajasthan Board of Technical Education from Jodhpur. He is having vast experience in Textile Industry. He is director of Unizyp Plaster Board Private Ltd.

BORROWING POWERS OF BOARD OF DIRECTORS

The Board of Directors of our Company has power to borrow up to ₹ 100 Crores as per members resolution passed at AGM of our Company held on 20th September 2010. The extract of the resolution passed by the company authorizing the Board borrowing powers is given herein below:-

Resolved that in pursuant to clause (d) of sub-section (1) of section 293 and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent be and is hereby accorded to the Board of Directors for borrowing for and on behalf of the Company, from time to time, any sum or sums of moneys, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, but so that total amount up to which moneys to be so borrowed under the said clause (d) of sub-section (1) of section 293 shall not at any time exceed ₹ 100 Crores (Rupees Hundred Crores)

For further details of the provisions of our Articles of Association regarding borrowing powers, refer to the section titled *"Description of Equity Shares and the Terms of the Articles of Association* beginning on page 303 of the Red Herring Prospectus.

COMPENSATION AND REMUNERATION TO OUR MANAGING DIRECTOR AND WHOLE TIME DIRECTOR.

Our Directors, as mentioned below have not entered into any service contract (which provides for benefits upon termination of employment) with our Company:

Name of the Director	Designation	Compensation paid for Fiscal 2010
Mr. Pankaj Ostwal	Chairman & Managing Director	₹ 480000
Mr. Amit Jain	Whole Time Director	₹ 186000
Mr. Arvind Kothari	Independent Director	Nil
Mr. Sushil Kumar Surana	Independent Director	Nil

Terms of appointment of our Executive Directors

1. **Terms of appointment and compensation of Mr. Pankaj Ostwal, Executive Managing Director is as follows:-**

   Mr. Pankaj Ostwal joined the Board of our Company on February 24, 2009 as Additional Director and was subsequently appointed as Executive Director on 28th August 2009. Further he was appointed as Executive Managing Director for a period of five years with effect from 5th June 2010 in pursuance of resolution passed by board on 05th June 2010 and by resolution of our shareholders at the EGM held on 30th June 2010 approving the terms of his appointment.

   The significant terms of appointment as contained in the resolution are as follows:-

Particulars	Remuneration
Salary	Salary upto maximum ₹ 25,00,000 Lakhs per annum
Perquisites and Allowances	Perquisites including PF Contribution, gratuity fund and leave encashement shall be paid as per company rules
Minimum Remuneration	Notwithstanding anything contained herein, where in the financial years during the currency of the tenure of the office of the Managing Director, the company has no profits or its profits are inadequate, the company may pay Mr. Pankaj Ostwal, remuneration by way of salary, perquisites and other allowances as per the limits, prescribed under Schedule XIII of the Companies Act, 1956 subject to the conditions mentioned therein.
Term	The Tenure for appointment is five year with effect from 05th June 2010.
Other Condition	At the discretion of the Board, the payment may be made on a pro-rata basis every month or on an annual basis.

2. **Terms of appointment and compensation of Mr. Amit Jain, Whole Time Director is as follows:-**

   Mr. Amit Jain joined the Board of our Company on August 14, 2007 as Additional Director and was subsequently appointed as Executive Whole Time Director in pursuance of resolution passed at Board meeting held on 10th July 2010 and approved by resolution of our shareholders at the AGM held on 20th September 2010 approving the terms of his appointment.

   The significant terms of appointment as contained in the resolution are as follows:-

Particulars	Remuneration
Salary	Salary restricted upto maximum of ₹ 600000 per annum
Perquisites and Allowances	Perquisites including PF Contribution, gratuity fund and leave encashement shall be paid as per company rules
Term and Termination	The Tenure for appointment is five year with effect from 01st July 2010.

SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTOR

Till date we have not paid any sitting fees to our Non-Executive Director.

RELATIONSHIP BETWEEN DIRECTORS

All our Directors are Indian nationals and none of our Directors are “relatives” within the meaning of Section 6 of the Companies Act.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Nitin Mehta, Company Secretary & Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

SHAREHOLDING OF THE DIRECTORS

The Articles of Association do not require the Directors to hold any qualification Equity Shares. The following table details the shareholding of the Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus.

Name of the Director	No. of Shares	% of Paid up Capital
Mr. Pankaj Ostwal	1275230	10.64%
Pankaj Ostwal (HUF)	132720	1.11%
Total	1407950	11.75%

INTEREST OF DIRECTORS

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board, commission payable to our Independent non-executive Directors as well as to the extent of remuneration payable to our executive Directors for their services as executive directors of our Company and reimbursement of expenses payable to them under our Articles of Association. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives or firms, trusts or other entities/ bodies corporate in which they have interest, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our non-Promoter Directors may also be deemed to be interested in the Equity Shares, if any, out of the present Issue that may be subscribed by and Allotted/transferred to the companies, firms and trusts and other entities/bodies corporate in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from.

Further, save and except as stated otherwise in the Chapters titled *"Business Overview"*, *"Our Promoters and their Background"* and Section titled "Financial Information of our company" and "Financial Information of Group Companies beginning on pages 120, 176, 186, 213 respectively, of the Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of the Draft Red Herring Prospectus.

Interest as to Property

Except as stated/referred to in the paragraph titled "Property" beginning on page 148 of the Draft Prospectus, our Directors do not have any interest:

I. In the promotion of our Company; or
II. In any property acquired by our Company within two years from the date of the Draft Prospectus, or proposed to be acquired by our Company.

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name	Date of Appointment	Date of Cessation	Reason
Mr. Ashok Kumar Jain	June 10, 2005	October 29, 2010	Appointment / Resignation
Mr. Pankaj Ostwal	February 24, 2009	--	Appointed as Additional Director
	August 28, 2009	--	Change in Designation as Director
	June 5, 2010	--	Change in Designation as Executive Managing Director
Mr. Amit Jain	August 14, 2007	--	Appointed at Independent Director
	September 20, 2010	--	Change in Designation as Whole Time Director
Mr. Sushil Kumar Surana	September 20, 2010	--	Appointed at Independent Director
Mr. Arvind Kothari	September 20, 2010	--	Appointed at Independent Director

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Rules and Regulations in respect of corporate governance become applicable to the Company at the time of seeking in-principal approval of Stock Exchanges. Our company has taken steps to comply with such provisions, as contained in Equity Listing agreement, particularly those related to composition of Board of Directors, constitution of committees like Audit Committee, Shareholder / Investor Grievance Committee etc., Further our company undertakes to take all necessary steps to comply with all the requirements of the regulations on corporate governance and adopt corporate governance code as per Clause 49 of listing agreement to be entered with Stock Exchanges.

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has 4 Directors out of which 2 are independent directors in accordance with the requirement of Clause 49 of the Listing Agreement of the Stock Exchanges.

Sr. No	Board of Directors	Designation	Status	DIN
1.	Mr. Pankaj Ostwal	Managing Director	Non-Independent and Executive Director	02586806
2.	Mr. Amit Jain	Director	Non-Independent and Executive Director	01732490
3.	Mr. Arvind Kothari	Director	Independent and Non- Executive Director	03268623
4.	Mr. Sushil Kumar Surana	Director	Independent and Non- Executive Director	01918651

In terms of Clause 49 of Listing Agreement, our company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee.
2. Share Holders/ Investors Grievance Committee.

4. *Audit Committee*:

As per Section 292A of the Companies Act, 1956 the audit committee is required to be constituted when the paid up capital is not less than five crore rupees. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on 21st day of September 2010

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of the following Directors:

Name of the Director	Designation	Nature of Directorship
Mr. Arvind Kothari	Chairman	Independent Director
Mr. Sushil Kumar Surana	Member	Independent Director
Mr. Pankaj Ostwal	Member	Non-Independent Director

Our Company Secretary, Mr. Nitin Mehta will act as the secretary of the Committee.

The terms of reference of our Audit Committee are given below:

i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

iv. Appointment, removal and terms of remuneration of internal auditors

v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
- 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 the financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report.

vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.

vii. To monitor the utilisation of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board in this regard

viii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.

ix. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

x. 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.

xi. Discussions with internal auditors on any significant findings and follow up thereon.

xii. Reviewing internal audit reports and adequacy of the internal control systems.

xiii. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.

xiv. 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.

xv. 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.

xvi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

xvii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.

xviii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

5. **Shareholders/ Investor's Grievances Committee**

The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors vide resolution dated 21st September 2010, as per provisions of the Clause 49 of the Listing Agreement for Corporate Governance, for redressing Shareholder/ Investor complaints. Currently the Shareholders / Investors Committee comprises of:

Name of the Director	Designation	Nature of Directorship
Mr. Arvind Kothari	Chairman	Independent Director
Mr. Sushi Kumar Surana	Member	Independent Director
Mr. Pankaj Ostwal	Member	Non-Independent Director

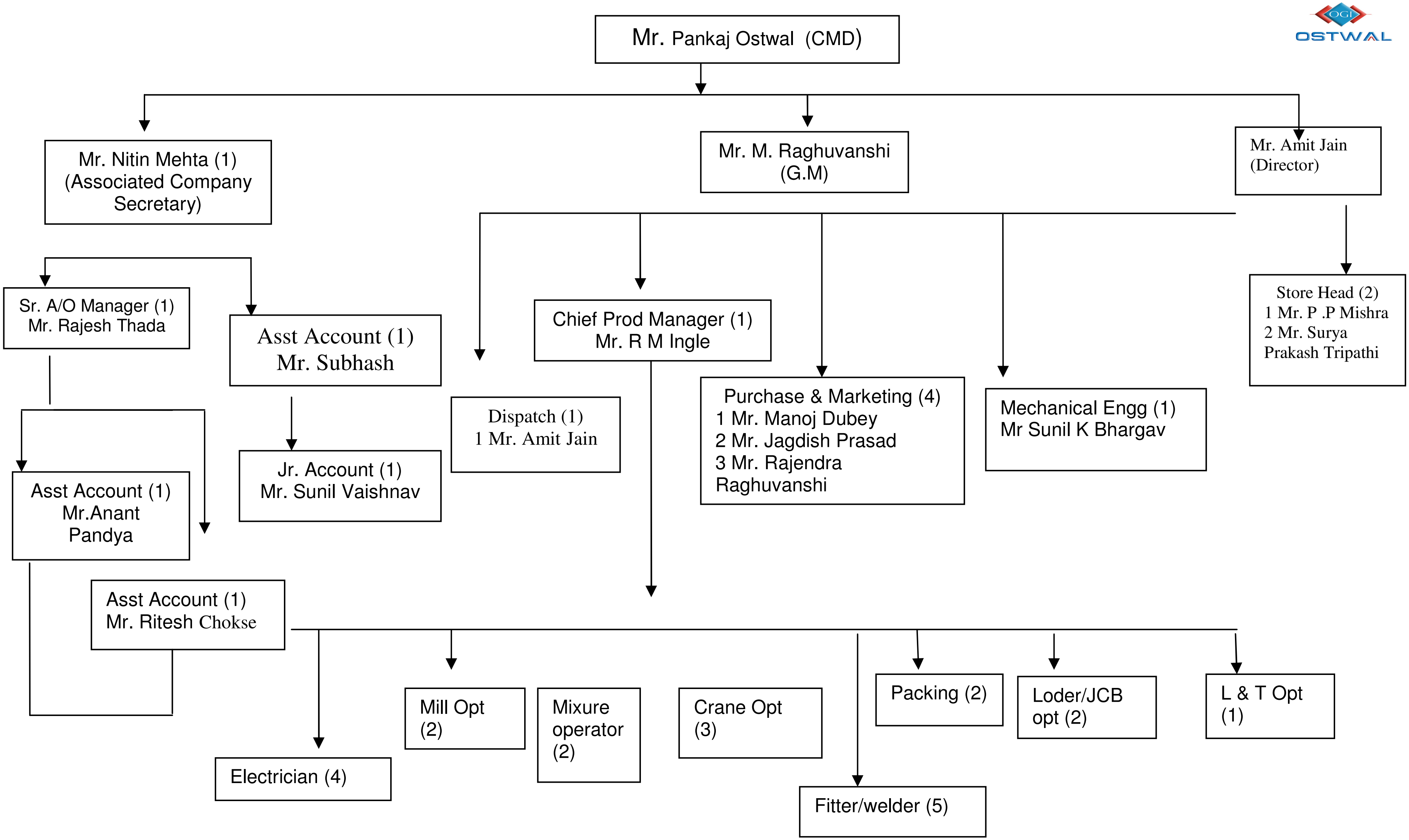
Our Company Secretary, Mr. Nitin Mehta will act as the secretary of the Committee.

The Shareholders'/Investors 'Grievance Committee is responsible for the redressal of shareholders and investors' grievances and oversees performance of the registrars and transfer agents of the Company and recommends measures for overall improvement in the quality of investor services. This committee also monitors the implementation and compliance of our Code of Conduct for Prohibition of Insider Trading pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. In compliance of the provisions of Clause 49 of the listing agreements with the Stock Exchanges and its terms of reference include the following:
This committee will address all grievances of Shareholders/Investors in compliance of the provisions of clause 49 of the Listing agreements with the Stock Exchanges and its terms of reference include the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
3. Issue duplicate/split/consolidated share certificates.
4. Review of cases for refusal of transfer / transmission of shares and debentures;
5. Reference to statutory and regulatory authorities regarding investor grievances; and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.
6. The Investor Grievance Committee has been constituted to resolve promptly and the meetings of the Committee shall be held frequently to dispose of the complaints of shareholders/ investors like non-receipt of shares certificates after allotment, non-receipt of declared dividends, non-receipt of Annual Report and their other queries.

Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Management Organizational Structure


Mr. Pankaj Ostwal (CMD)
Mr. Nitin Mehta (1) (Associated Company Secretary)
Mr. M. Raghuvanshi (G.M)
Mr. Amit Jain (Director)
Sr. A/O Manager (1) Mr. Rajesh Thada
Asst Account (1) Mr. Subhash
Chief Prod Manager (1) Mr. R M Ingle
Store Head (2) 1 Mr. P .P Mishra 2 Mr. Surya Prakash Tripathi
Dispatch (1) 1 Mr. Amit Jain
Purchase & Marketing (4) 1 Mr. Manoj Dubey 2 Mr. Jagdish Prasad 3 Mr. Rajendra Raghuvanshi
Mechanical Engg (1) Mr Sunil K Bhargav
Jr. Account (1) Mr. Sunil Vaishnav
Asst Account (1) Mr.Anant Pandya
Asst Account (1) Mr. Ritesh Chokse
Mill Opt (2)
Mixure operator (2)
Crane Opt (3)
Packing (2)
Loder/JCB opt (2)
L & T Opt (1)
Electrician (4)
Fitter/welder (5)

OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors and Promoters are as follows:-

Name, Age, Designation and Date of Joining	Qualification	Previous Employment	Overall Experience	Remuneration As on 31.3.2011 (₹ in Lakhs)
Mr. SCK Vaid **Age:** 72 Years **Designation :** President **DOJ:** 16th June 2008	B.Sc in MIIChE (Chemical Engineer)	Group General Manager – Rajasthan State Mines and Minerals Ltd	40 Years	6.00
Mr. Manohar Raghuvanshi **Age:** 45 Years **Designation :** General Manager **DOJ :** 1st April 2008	Master Degree in Science	Tedco Granite Ltd	22 Years	3.00
Mr. Nitin Mehta **Age:** 27 Years **Designation:** Associate Company Secretary **DOJ :** 1st July 2010	M.Com, ACS	Ostwal Group of Industries	5 Years	3.11
Mr. Rajesh Thada **Age:** 41Years **Designation:** Sr. Accounts Manager **DOJ :** 1st November 2008	B.Com	Tedco Granite Ltd	17 Years	1.85
Mr. R M Ingle **Age:**49 Years Designation : Production Manager DOJ : 1st February 2011	B.Tech (Chemical Engineering)	M/s Ganga Fertilizer Private Ltd	28 Years	3.45

Note:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.
- The key managerial personnel as disclosed above are not key managerial personnel as defined under Accounting Standard 18.

The details of our key managerial personnel are set out below:

Mr SCK Vaid, aged 72 years, is the **President** of our Company. He carries the overall responsibility for providing strategic leadership and guidance for development of newprojects and businesses and has been associated with the Company since June 16, 2008. Mr. Vaid holds a Bachelors degree in Science MIIChE (Chemical Engineer). Prior to joining our Company he was associated with

Rajasthan State Mines & Minerals Ltd as Group General Manager. He is also a Member of Indian Institute of Chemical Engineers- Kolkata, Indian Institute of Mineral Engineers – Jamshedpur, Society for Environment Engineering & Research Institute- Udaipur & Empanelled as an Arbitrator with Federation of Indian Chamber and Commerce India.

Mr. Manohar Raghuwanshi, aged 45 years is the **General Manager (Marketing)** of our Company. He is responsible for managing the Marketing Operations of our Company. He has been associated with the Company since 2008. Mr. Raghuwanshi holds a Masters Degree in Science.

Mr. Nitin Mehta, aged 27 years, is the **Associate Company Secretary** of our Company. He carries the overall responsibility for the finance, legal, secretarial and also export functions. He joined our company in July 2010. Mr. Nitin holds a Masters degree in Commerce and is a member of the Institute of Company Secretaries of India.

Mr. Rajesh Thada, aged 41 years, is the **Sr. Accounts Manager** of our Company. He carries the overall Responsibility for the finance, Accounts and administration functions. He joined our company in 1st November 2008. Mr. Rajesh holds a Bachelors degree in Commerce and he also brings with him 17 years of relevant experience in the field of Accounts.

Mr. R M Ingle, aged 49 years, is the **production manager** of our company. He looks after the production activities of the company. He joined our company on 1st February 2011. Mr. Ingle holds degree of B Tech in Chemical Engineering and also brings with him approx 30 years of experience in the field of production

Relationship of Key Managerial Person with Promoter/ Directors

All the Key Management Personnel are permanent employees of our Company and are not related to each other or any Director within the meaning of Section 6 of the Companies Act.

Service Contracts

No Service contracts have been entered into with any Key Management Personnel or Director for provision of benefits or payments of any amount upon termination of employment.

Shareholding of the Key Management Personnel

Except as disclosed in the "Capital Structure", none of the Key Management Personnel hold any Equity Shares in our Company.

Bonus or Profit sharing plan for the Key Management Personnel

The Company does not have any profit sharing plan with its Directors or its key managerial personnel. The Company awards performance linked bonuses, as part of remuneration, to its key managerial personnel.

Interest of Key Management Personnel

Except as disclosed in this chapter and as disclosed under *"Annexure XI"* beginning on page 199 of the Draft Red Herring Prospectus, none of our key managerial personnel have any interest in our Company other than to the extent of remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company. We have not paid /given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/give such benefit to any officer as on the date of the Red Herring Prospectus.

Changes in the Key Management Personnel

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Red Herring Prospectus otherwise than by way of retirement in due course.

Name	Designation	Date of Appointment	Date of Cessation	Reason
Mr. Manohar Raghuvanshi	General Manager (Mktg)	1st April 2008	--	Appointment
Mr. S C K Vaid	President	16th June 2008	--	Appointment
Mr. Rajesh Thada	Senior Accounts Manager	1st November 2008	--	Appointment
Mr. Nitin Mehta	Company Secretary	1st July 2010	--	Appointment
Mr. R.S.Tripathi	Chief Production Manager	25th July 2008	3rd February 2011	Resignation
Mr. R M Ingle	Production Manager	1st February 2011	--	Appointment

Employee Stock Option Scheme

As on the date of Filing of DRHP, company does not have any ESOP Scheme for its employees.

Loans taken by Directors/ Key Management Personnel

Our Directors and Key Management Personnel have not taken any loan from our Company. Further, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Relation of the Key Managerial Personnel with our Promoters/ Directors

None of our Key Managerial Personnel are related to our Promoters/Directors.

Turnover of our Key Management Personnel
The average turnover of our Key Management Personnel is very negligible

Payment of Benefit to Officers of our Company (non-salary related)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers

OUR PROMOTERS AND THEIR BACKGROUND

The Following are the promoters of our Company

1. Seasons Agro Chem India Private Limited
2. Mr. Pankaj Ostwal
3. Mr. Praveen Ostwal
4. Mrs. Ekta Jain

Details of our Promoters

Mr. Pankaj Ostwal

Identification Particulars	Details
PAN	AABPO3350Q
Passport No	G 2777147
Voter ID Number	XIU/0062984
Driving License Number	RJ-06/DLC/06/34514
Name of the Bank	HDFC Bank
Bank Account Number	03501000052116

Mr. Pankaj Ostwal aged 33 years, is Managing Director of our Company. He is a Chartered Accountant by qualification. He has assisted in managing the company since takeover of company from old management by Ostwal group of Industries, i.e. 2004. He has more than Eight years experience in the fertilizer as well as textile Sector. He started his career in 2003 with Tedco Granite Limited, Bhilwara.

He is member of Mewar Chamber of Commerce & Industries (MCCI) and also actively associated with MCCI. He has also actively participated in Social Welfare activity through Smt. Nirmaladevi Ostwal Sewa Sansthan by providing Economic & Financial help to poor students for basic as well as higher education and also help to Old age and helpless people. For Further, details in relation to Mr. Pankaj Ostwal see "Our Management" on Page 163.

Mr. Praveen Ostwal

Identification Particulars	Details
PAN	AAFPO1733K
Passport No	F7096892
Voter ID Number	XIU/0062976
Driving License Number	RJ-06/DLC/09/92194
Name of the Bank	HDFC Bank
Bank Account Number	03501000040450

Mr. Praveen Ostwal aged 31 years is one of the promoters of the company and is a Chartered Accountant and has been associated with Ostwal Group of Industries. Initially at the time Madhya Bharat Agro Products Ltd was taken over by Ostwal Group of Industries, Mr. Praveen Ostwal was Managing Director of the Company and subsequently he resigned from his post.

Mr. Praveen Ostwal is brother of Mr. Pankaj Ostwal.

Mrs. Ekta Jain

Identification Particulars	Details
PAN	ABZPK1608C
Passport No	B 3801157
Voter ID Number	XIU/0062992
Driving License Number	RJ/06/DLC/06/34513
Name of the Bank	HDFC Bank
Bank Account Number	03501000052123

Mrs. Ekta Jain aged 33 years is an MBA and is one of the promoters of our Company. Mrs. Ekta Jain is wife of Mr. Pankaj Ostwal

M/s Seasons Agro Chem India Private Limited

Particulars	Details of Company
Date of Incorporation	01/06/2004
CIN	U24219RJ2004PTC019350
Registered Office	Village-Ojayada, Hamirgarh, Bhilwara, Rajasthan
PAN	AAICS2340G
Bank Account	03502560002895
Nature of Business	Manufacturing of all kind & types of Pesticide, insecticide bio fertilizer

The Promoter Company was incorporated as Seasons Agro Chem India Private Limited in the year 2004 under the provisions of the Companies Act, 1956. The Registered office is situated at Village-Ojayada, Hamirgarh, Bhilwara, Rajasthan.

The Board of Directors of the company comprises of Smt. Ekta Jain (Promoter Director) and Mr. Amit Jain (Director).

Shareholding Pattern of Promoter Company as on 31.03.2011

Sr. No	Name	No of Shares	% to total no of shares
1.	Shri Praveen Ostwal	328349	28.42
2.	Smt. Ekta Jain	16700	1.45
3.	Shri Mahendra Kumar Ostwal	20700	1.79
4.	Shri Praveen Ostwal HUF	287100	24.85
5.	Mr. Rajendra Ostwal representing M/s Riddi Siddi Suiting	4112	0.36
6.	Shri Jinendra Jain	20186	1.75
7.	M/s Paneri Textiles Pvt Ltd	12624	1.09
8.	Mr. Dilkhush Shah	85000	7.36
9.	Shri Narendra Jain	85000	7.36
10.	Shri Shambhu lal Shah	47000	4.07
11.	Aklesh Kumar Jain HUF representing Alkesh Textiles	10000	0.87
12.	Smt. Minakshi M Pareek representing Ankur Textiles	8000	0.69
13.	Shri Krishna Pareek representing Bansuri Enterprises	8000	0.69
14.	Shri Madanlal Sharma representing M/s Dau Synthetics	3300	0.29
15.	Shri Ramesh Pareek representing Deepak Textiles	19000	1.64
16.	Shri Mahesh Pareek representing M/s Dipika Silk Mills	4600	0.40
17.	Shri Deepeka Vijay Pareekh representing M/s Gangore Silk Mills)	8000	0.69
18.	Shri Navratan Jain (M/s Gouri Silk Mills)	6600	0.57
19.	Shri Ishtiyak Faiyazahemad Ansari representing M/s Gulmohar Fashion)	15200	1.32
20.	Shri Vijay R Pareekh representing M/s Jagdamba Silk Mills	5300	0.46
21.	Shri Rajendra Pareekh representing	13300	1.15

	Jaysiya Ram Textiles		
22.	Shri Rajendra Pareekh representing M/s Kunjal Textiles)	6200	0.54
23.	Shri Ladhu Singh Lodha	3300	0.29
24.	Shri Poonamchand Ramkaran Pareek representing M/s Laxmi Silk Mills	2600	0.23
25.	Shri Jamana Jat representing M/s Mahadev Arts)	16700	1.45
26.	Smt. Manjuben Mahendra Jain representing M/s Manju Textiles	500	0.04
27.	Shri Santosh Kumar Jha representing M/s Maya prints	16300	1.41
28.	Smt. Chhaya Ben Shah representing M/s Nari Collection	11000	0.95
29.	Smt. Nitu Jain	3000	0.26
30.	Sh. Pankaj Ostwal	7600	0.66
31.	Sh. Pankaj Ostwal HUF	6000	0.52
32.	Sh Ramzan Ali Dyer	6600	0.57
33.	Sh Mahendra Garg representing M/s Rekha Fabrics	4000	0.35
34.	Sh Lokesh Mathur representing M/s Ronak Silk Mills	11400	0.99
35.	Sh Rajendra Prasad Ostwal	4800	0.42
36.	Shri Satya Narayan Nolkha	1300	0.11
37.	Shri Raj Kumar Mathur HUF representing M/s Shailesh Fabrics	7000	0.61
38.	Shantilal Darmachand Shah	1300	0.11
39.	Shri Anil Pandia representing M/s Shreeji Textile	9300	0.81
40.	Sh. Suresh Jain HUF representing M/s Shri Ram Traders	5300	0.46
41.	Smt Sunita Vinod Jain representing M/s Sunita Prints	500	0.04
42.	Shri Surendra Kumar Maroo	1300	0.11
43.	Smt Pushpha Rajendra Pareekh representing M/s Vandevi Silk Mills	13300	1.15
44.	Smt. Vimala Jain representing M/s Vimala Fashion	200	0.02
45.	Shri Vinodkumar Shantilal Golechha representing M/s Vinod Prints	7600	0.66
	Total	1,155,171	100.00

**Mr. Amit Jain the Director of Seasons Agro Chem India Pvt. Ltd but does not hold any equity shares in the company directly and Smt. Ekta Jain holds only 1.45% of the share holding in the company.*

The Brief Financials are given below

(₹. In Lakhs)

Particulars for the year ended	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	NA	NA	96.08	84.21	44.69
Profit/ Loss After Tax	NA	NA	2.61	1.96	2.01
Equity Share Capital	NA	NA	62.69	88.41	88.41
Equity Share Application Money	NA	NA	66.14	33.65	36.65
Reserves & Surplus (Excluding Revaluation Reserve)	NA	NA	46.82	228.84	230.86

- The company is not a listed Company
- The company is neither sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up
- There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the company

Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters has been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Further, we confirm that Permanent Account Number, Bank Account Number, Company Registration Number and addresses of Registrars of Companies where the company is registered have been submitted to the Recognized Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Further, our Promoters have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Additionally, none of the Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

For details pertaining to other ventures of our Promoters refer chapter titled *"Group Companies"* beginning on page 163 of the Red Herring Prospectus.

Relationship of Promoters with each other and with our Directors

Name of the Promoter	Relationship
Seasons Agro Chem India Private Ltd	Mrs. Ekta Jain is the Director and Mr. Amit Jain is the Director of the company
Mr. Pankaj Ostwal	Brother of Mr. Praveen Ostwal and Husband of Mrs. Ekta Jain
Mr. Praveen Ostwal	Brother of Mr. Pankaj Ostwal
Mrs. Ekta Jain	Wife of Mr. Pankaj Ostwal

Acquisition of Control

Present Promoters, were not the Original Promoters of the company, the company was taken over from Mr. Shailendra Jain who was the founder promoter of the company in the year 2004 by Ostwal group of Industries and that time Mr. Praveen Ostwal took the charge of the company as Managing Director.

In order to elaborate about acquisition of the company:- In the year 2002-03 the operations of the company was closed and it was referred to BIFR to register as a Sick Company, During the pendency of the approval, the said company was taken over by Ostwal Group of Industries on 24th September 2004 and its operations were revived in a time span of just one and half year and the loss making venture was converted into a profitable one and all the dues were paid off. MBAPL production was restarted again after takeover in January 2005 by Ostwal Group of Industries.

No formal agreement for acquisition of the company was entered in between original promoters and Ostwal group of Industries. Shares of the original promoter were transferred to new promoter group at the rate of ₹ 5.70 per share. Further provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Listing Agreement are not applicable as the company is not a listed at any stock exchange.

Common Pursuits

Our Group Companies namely Krishana Phoschem Limited, Tedco Granite Limited and our promoter company Seasons Agro Chem India Private Ltd have objects similar to those of our Company. To that extent we may have a potential conflict of interest between the said Group Companies and our Company. Other than this there are no other common pursuits in the business of our Company and our Group Companies. Further, we have not entered into non-compete agreements or understanding with these entities. For further details, of the entities refer to the chapter titled *"Financial Information of our Group Companies"* beginning on page 213 of the Draft Red Herring Prospectus.

Interest of Promoters

Except as stated in ―Annexure XI beginning on page 199 of the Draft Red Herring Prospectus and to the extent of compensation / sitting fees and reimbursement of expenses in accordance with their respective terms of employment, our Promoters do not have any other interest in our business.

Our Promoters may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to the Issue. Our Promoters are also interested to the extent of transactions given under ―*Annexure XI* beginning on page 199 of the Draft Red Herring Prospectus.

All our Directors, Promoters and Key Managerial Personnel 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 any partnership firm in which they are partners as declared in their respective declarations.

Our Directors and Promoters do not have any interest in any property acquired by our Company in the period of two (2) years before filing the Draft Red Herring Prospectus with SEBI or proposed to be purchased/acquired which is to be paid wholly or partly out of the proceeds of the Issue.

As on 30th November 2010, we had availed interest free unsecured loan aggregating ₹ 572 Lakhs from our Directors, shareholders and erstwhile partners. For further details in this regard, please refer to ―Statement of Restated Related Party Transactions beginning on page 199 of the Draft Red Herring Prospectus.

Except as stated otherwise in the Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements and no such payments are proposed to be made to them.

Our Company has entered into separate Rent Agreement with Mr. Mahendra Kumar Ostwal (Father of Mr. Pankaj Ostwal) in respect to our Registered Office which stands in the name of Mr. Mahendra Kumar Ostwal. For further details of the same please refer to heading titled *"Properties"* beginning on page 148 under chapter titled *"Business overview"* and ―Statement of Restated Related Party Transaction beginning on page 199 of the Draft Red Herring Prospectus.

Payment or benefit to our Promoters during the last two years
No payment has been made or benefit given to our Promoters in the two years preceding the date of the Draft Red Herring Prospectus or is intended to be given by us except as mentioned/referred to in this Chapter, and the paragraph titled "Property" on page 148 in the Chapters titled "Business Overview" on page 120 and Related Party Transactions, "Annexure XI" beginning on page 199 under Chapter titled "Auditors' Report And Financial Information of our Company" of the Draft Red Herring Prospectus.

Our Promoter Group

Promoter and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations.

Our Promoters are Seasons Agro Chem India Pvt. Ltd, Mr. Pankaj Ostwal, Mr. Praveen Ostwal and Mrs. Ekta Jain

Our Promoter Group Consists of

A. Individuals related to our promoter

Relationship with Promoter	Mr. Pankaj Ostwal	Mr. Praveen Ostwal	Mrs. Ekta Jain
Father	Mr. Mahendra Kumar Ostwal	Mr. Mahendra Kumar Ostwal	Mr. Shantillal Kanthed
Mother	Late Smt. Nirmala Ostwal	Late Smt. Nirmala Ostwal	Smt. Noratan Devi Kanthed
Spouse	Smt. Ekta Jain	Smt. Nitu Jain	Mr. Pankaj Ostwal
Son	Shreyansh Ostwal	Pratham Ostwal	Shreyansh Ostwal
Son's Wife	NA	NA	NA
Duaghter	Pehal Ostwal Charvee Ostwal	Kavya Ostwal	Pehal Ostwal Charvee Ostwal
Father's Father	Shri Harak Lal Ostwal	Shri Harak Lal Ostwal	Late Shri Vijay Lal Kanthed
Father's Mother	Late Smt. Sunder Bai	Late Smt. Sunder Bai	Late Smt Gulab Devi Kanthed
Mother's Mother	Smt. Bhur Devi Jain	Smt. Bhur Devi Jain	Smt Sohan Devi Hinger
Mother's Father	Late Shri Manohar Singh	Late Shri Manohar Singh	Late Shri Ratan Lal Hinger
Brother	Mr. Praveen Ostwal	Mr. Pankaj Ostwal	NA
Sister	NA	NA	Mr. Kavita Kachhara
Brother's Wife	Smt. Nitu Jain	Smt. Ekta Jain	NA
Sister's Husband	NA	NA	Mr. Harshad Kachhara

B. Companies related to our Promoter Company

Nature of Relationship	Entity
Subsidiary or holding company of such body corporate.	NIL
Any Body corporate in which promoter holds 10% or more of the equity share capital or which holds 10% or more of the equity share capital of the promoter.	Krishana Phoschem Limited Seasons International Private Limited
Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also holds 20% or more of the equity share capital of the issuer	Seasons International Private Limited Tedco Granite Limited Krishana Phoschem Limited.

C. Companies, Proprietary concerns, HUF's related to our promoters

Nature of Relationship	Entity
Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	Seasons Agro Chem India Pvt. Ltd Tedco Granite Limited Nirmala Realinfrastructure Private Limited
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	Seasons International Private Limited Krishana Phoschem Limited
Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent	Pankaj Ostwal (HUF) Praveen Ostwal (HUF) Mahendra Kumar Ostwal (HUF)
Partnership firm in which promoter or any of his relative is having interest.	M/s A. K. Ostwal & Co.

For further details on our Promoter Group refer Chapter Titled "Financial Information of our Group Companies" beginning on page 213 of Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, see Annexure [●] and [●] Notes to Accounts to the financial statements respectively, in "Auditors Report and Financial Information of our company" beginning from page 186 .

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. Further, pursuant to the terms of the term loans obtained by our Company, prior written consent of the lenders of our Company is required to pay any dividends. The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of our Company. Under financing arrangements there are certain restrictions. For Further details see "Financial Indebtedness" on page 145.

Our Company has not declared any dividend in the last five fiscal years.

SECTION V- FINANCIAL INFORMATION

AUDITORS REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

AUDITORS'REPORT

The Board of Directors
Madhya Bharat Agro Products Limited
5-O-1, Basement, R.C. Vyas Colony,
Bhilwara-311 001 (Rajasthan)

We have examined the attached restated financial information of **Madhya Bharat Agro Products Limited** (formerly known as **Madhya Bharat Agro Products Private Limited**) ('MBAPL'or the Company'), as approved by the Board of Directors of the Company, prepared in terms of the requirements of

a) Paragraph B, Part II of Schedule II to the Companies Act, 1956, as amended (the Act')
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and related clarifications and the amendments made thereto from time to time the SEBI Regulations'), and in terms of our engagement agreed upon with you in connection with the proposed issue of equity shares of the Company.

These information have been extracted by the Management from the financial statements for the 9 Months ended on 31 March, 2006, & for the year ended on 31st March, 2007, 2008, 2009, 2010 and for the 8 months ended on **30th November, 2010**. The financial statements for the 9 Months ended on 31 March, 2006 and for the year ended on 31st March 2007, 2008, 2009, 2010 and for the 8 months ended on **30th November, 2010** have been audited by us.

In accordance with the requirements of Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, the Guidance note on Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable, and the terms of our engagement agreed with you, we further report that:

1. The Restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2006, 2007, 2008, 2009, 2010 and as at **30th November, 2010**, examined by us, as set out in Annexure I to this report read with the significant accounting policies and related notes in Annexure XVI are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Summary Statements.
2. The Restated Summary Statement of Profits and Losses of the Company for the 9 Months ended on 31 March, 2006, & for the years ended 31 March, 2007, 2008, 2009, 2010 and for the 8 months ended on **30th November, 2010**, are as set out in Annexure II to this report read with the significant accounting policies and related notes in Annexure XVI are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Summary Statements
3. We have also examined the following financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the 9 Months ended on 31 March, 2006, & for the years ended 31 March, 2007, 2008, 2009, 2010 and for the 8 months ended on 30th November, 2010.

1. Annexure III - Statement of Cash Flow as Restated
2. Annexure IV - Statement of Investment as Restated

3. Annexure V - Statement of Sundry Debtors as Restated
4. Annexure VI - Statement of Loans and Advances as Restated
5. Annexure VII – Statement of Secured Loans as Restated
6. Annexure VIII - Statement of Unsecured Loans as Restated
7. Annexure IX - Statement of Other Income as Restated
8. Annexure X - Statement Contingent Liabilities as Restated
9. Annexure XI - Statement of Related Party Transaction as Restated
10. Annexure XII - Financial Ratios based on Audited Accounts as Restated
11. Annexure XIII - Statement of Capitalisation Statement as Restated
12. Annexure XIV – Statement of Tax Shelter as Restated
13. Annexure XV Statement of Dividend paid/payable restated
14. Annexure XVI – Significant Accounting Policies as Restated

In our opinion, the above financial information contained in Annexure I to XV of this report read along with the significant accounting policies and related notes (Refer Annexure XVI) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance note on Reports in Company's Prospectus (Revised) 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.

Our report is intended solely for use of the Management and for inclusion in the draft offer document in connection with the proposed issue of equity shares of the Company. Our report should not to be used, referred to or distributed for any other purpose without our written consent.

For M/S. ASHOK KANTHER & ASSOCIATES,
Chartered Accountants

ASHOK KANTHER
PROPRIETOR
Membership No:
Firm Registration No.: 50014C

Place: Bhilwara
Date: 4th March., 2011

ANNEXURE - I : Restated Summary Statement of Assets and Liabilities							
							(₹ in Lakhs)
		For the Year /period ended on					
	Particulars	30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
I	**FIXED ASSETS**						
	Gross Block	**928.93**	**753.12**	643.57	332.36	303.96	296.66
	Less ; Depreciation	**185.24**	**165.97**	135.95	122.22	106.80	91.76
	Net block	743.69	587.15	507.62	210.14	197.16	204.90
	Less : Revaluation reserve	263.60	269.74	278.94	-	-	-
	Net Block after adjustment of Revaluation Reserve	480.09	317.41	228.68	210.14	197.16	204.90
	Capital work-in-progress including capital advances	622.40	139.15	2.20	-	18.38	-
		1,102.49	**456.56**	**230.88**	**210.14**	**215.54**	**204.90**
II	**INVESTMENTS**	**123.00**	**123.00**	**123.00**	**123.00**	**-**	**-**
III	**CURRENT ASSETS, LOANS AND ADVANCES**						
	Inventories	709.12	1,135.31	411.22	259.79	101.30	84.85
	Sundry debtors	44.49	19.57	101.25	109.75	100.40	96.90
	Cash and bank balances	37.37	24.93	7.68	7.64	16.52	10.75
	Other current assets-FDR	144.58	131.28	157.91	114.89	6.30	5.96
	Loans and advances	438.62	564.03	188.97	196.23	213.14	74.14
		1,374.18	**1,875.12**	**867.03**	**688.30**	**437.66**	**272.60**
IV	**LIABILITIES AND PROVISIONS**						
	Secured loans	7.20	31.56	54.73	93.18	4.38	5.45
	Unsecured loans	589.10	113.17	37.10	5.10	5.10	50.20
	Current liabilities	473.77	1,078.38	608.65	556.14	308.86	141.84
	Provisions						
		1,070.07	**1,223.11**	**700.48**	**654.42**	**318.34**	**197.49**
V	**DEFERRED TAX LIABILITIES (NET)**	**42.91**	**42.90**	**40.44**	**10.40**	**-**	**-**
VI	**NET WORTH (I+II+III-IV-V)**	**1,486.69**	**1,188.67**	**479.99**	**356.62**	**334.86**	**280.01**
	Represented by:						

VI	**SHARE CAPITAL**						
	Share Capital	1105.81	1,095.62	149.17	149.17	149.17	135.60
	Share Application Money	-	-	-	-	39.48	146.54
		1105.81	**1,095.62**	**149.17**	**149.17**	**188.65**	**282.14**
VII	**RESERVES AND SURPLUS**						
	Securities premium account	91.71	-	86.46	86.46	86.46	-
	Profit and loss account	448.56	116.65	244.36	121.88	61.53	1.03
	Capital Reserve/ Revaluation Reserve	263.60	269.74	278.94	-	-	-
	Total Reserve and Surplus	803.87	386.39	609.76	208.34	147.99	1.03
	Less : Revaluation Reserve	263.60	269.74	278.94	-	-	-
		540.27	**116.65**	**330.82**	**208.34**	**147.99**	**1.03**
VIII	Miscellaneous expenditure						
	(to the extent not written off or adjusted)	159.39	23.60	-	0.89	1.78	3.16
IX	**NET WORTH (VI+VII-VIII)**	**1,486.69**	**1,188.67**	**479.99**	**356.62**	**334.86**	**280.01**

Notes:
1. The accompanying Significant Accounting Policies and Notes to the Restated Financial Information are an integral part of this Restated Summary Statement of Assets and Liabilities.
2. The figures have been Re-grouped, re-arranged & re-casted wherever necessary to reflect the transactions if any and more particularly with the associate/group or promoted companies.
3. Re-stated figures shows clearly the nature of transactions & better reflect the true scenario of company's financial position

ANNEXURE - II : Restated Summary Statement of Profit and Loss Account

(₹. In Lakhs)

Particulars		For the year/period ended on					
		30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
I	**INCOME**						
	Sales						
	Sales of products manufactured	3,252.94	2,044.74	3,568.72	1,125.41	1,220.84	1,089.95
	Sales of products Traded	50.40	2.60	56.60	13.70	-	-
	Sales of product not normally dealt	20.80	105.44	37.03	-	-	-
	Other income	21.48	36.01	26.56	36.51	23.59	0.26
	Increase/ (Decrease) in inventories	(668.10)	655.81	27.70	114.09	(1.05)	(93.27)
		2,677.52	**2,844.60**	**3,716.61**	**1,289.71**	**1,243.38**	**996.94**
II	**EXPENDITURE**						
	Cost of materials	1,785.03	2,311.25	3,044.99	995.17	917.05	702.34

	Staff cost	34.77	41.50	40.23	20.92	21.33	17.30
	Manufacturing and other expenses	78.79	70.66	86.82	43.83	38.50	42.43
	Administrative Expenses	18.80	21.10	20.50	25.60	25.70	21.70
	Selling and distribution expenses	275.68	203.34	284.25	91.08	138.64	127.35
	Interest	86.09	61.56	49.04	17.54	17.23	0.53
	Miscellaneous expenditure written off	-	2.10	0.89	0.89	1.38	1.04
	Depreciation / Amortization	16.45	20.67	17.17	15.42	15.05	10.93
		2,295.61	**2,732.18**	**3,543.89**	**1,210.45**	**1,174.88**	**923.62**
III	**PROFIT BEFORE TAXATION**	**381.91**	**112.42**	**172.72**	**79.26**	**68.50**	**73.32**
	Provision for tax						
	Current tax	50.00	35.71	27.25	8.12	7.65	3.02
	Less: MAT credit entitlement	-	(9.93)	(7.76)	-	-	-
	Deferred tax	-	2.46	30.04	10.40	-	-
	Fringe benefit tax	-	-	0.71	0.39	0.35	0.56
	Net profit after tax	**331.91**	**84.18**	**122.48**	**60.35**	**60.50**	**69.74**
	Surplus brought forward from previous year	116.65	244.36	121.88	61.53	1.03	(68.71)
IV	**Adjusted profit available for appropriation**	**448.56**	**328.54**	**244.36**	**121.88**	**61.53**	**1.03**
	APPROPRIATIONS						
	Amount distributed	-	-	-	-	-	-
	Bonus issue	-	211.89	-	-	-	-
V	**Adjusted available surplus carried to Summary Statement of Restated Assets and Liabilities**	**448.56**	**116.65**	**244.36**	**121.88**	**61.53**	**1.03**

Notes:
The accompanying Significant Accounting Policy and Notes to the Restated Financial Information are an integral part of this Restated Summary Statement of Profit and Loss Account.

ANNEXURE - III : Statement of Restated Cash Flows							
							(₹ in Lakhs)
		For the year or period ended on					
	Particulars	30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Profit before taxation	**381.91**	**112.42**	**172.72**	**79.26**	**68.50**	**73.32**
	Adjustment for:						
	Depreciation / Amortization	16.45	20.67	13.72	15.42	15.05	10.93
	(Profit) / Loss on sale of fixed assets (net)	(0.60)	0.15	3.08	-	-	-
	Interest income	(0.26)	(0.51)	(0.50)	(4.07)	(0.83)	(0.26)
	Miscellaneous Expenditure w/o	-	2.10	0.89	0.89	1.38	1.04
	Interest expenses	86.09	61.48	49.04	17.16	16.85	0.16
	Unrealized exchange difference (net)						
	Dividend income from subsidiary company						
	Provision for doubtful debts and advances (Net)						
	Cash generated from operations before working capital changes	483.59	196.31	238.95	108.66	100.95	85.19
	Adjustment for:						
	(Increase)/ Decrease in inventories	426.19	(724.09)	(151.43)	(158.49)	(16.45)	60.07
	(Increase)/ Decrease in trade and other receivables	(24.92)	81.68	8.50	(9.35)	(3.50)	(7.50)
	(Increase)/ Decrease in Loans and Advances	125.41	(375.06)	7.26	16.91	(139.00)	(50.61)
	Increase/ (Decrease) in current liabilities and provisions	(654.61)	469.73	52.51	247.28	167.02	30.51
	Cash generated from/ (used in) operations	355.66	(351.43)	155.79	205.01	109.02	117.66
	Direct tax paid (Net)	-	25.78	20.20	8.51	8.00	3.58
	Net cash from/ (used in) Operating Activities (A)	**355.66**	**(377.21)**	**135.59**	**196.50**	**101.02**	**114.08**
	CASH FLOW FROM						

B.	**INVESTING ACTIVITIES**						
	Payments made for purchase of fixed assets/ capital expenditure	(662.37)	(246.51)	(37.54)	(10.03)	(25.68)	(15.65)
	Proceeds from sale of fixed assets	0.60					
	(Increase)/Decrease in Public Issue & Preliminary Expenditure	(135.79)	(25.70)				
	Loans (granted)/ received back (net)						
	Interest received	0.26	0.51	0.50	4.07	0.83	0.26
	(Purchase) / Sale of Investments		-	-	(123.00)	-	-
	Dividend received from subsidiary company						
	Net cash from/ (used in) Investing Activities (B)	**(797.30)**	**(271.70)**	**(37.04)**	**(128.96)**	**(24.85)**	**(15.39)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Capital introduced/withdrawn (net)						
	Proceeds from issue of shares	101.90	648.11	-	-	-	(8.23)
	Proceeds from share application money	-	-	-	(39.48)	(7.03)	-
	Proceeds from borrowings (net of repayment)	451.57	52.90	(6.45)	88.80	(46.17)	(84.90)
	Interest paid	(86.09)	(61.48)	(49.04)	(17.16)	(16.85)	(0.16)
	Net cash from/ (used in) Financing Activities (C)	**467.38**	**639.53**	**(55.49)**	**32.16**	**(70.05)**	**(93.29)**
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**25.74**	**(9.38)**	**43.06**	**99.70**	**6.12**	**5.40**
	Cash and Cash Equivalents at the beginning of the year/period	156.21	165.59	122.53	22.83	16.71	11.31
	Cash and Cash Equivalents at the end of the year/period	**181.95**	**156.21**	**165.59**	**122.53**	**22.83**	**16.71**
	Components of Cash and Cash Equivalents at the end of the						

	year/period						
	Cash in hand	0.90	1.11	4.63	4.16	0.07	6.05
	Balance with scheduled banks						
	Current account	36.47	23.82	3.05	3.48	16.46	4.70
	EEFC account						
	Add: Effect of exchange difference (closing)						
	Fixed deposit/ margin money	144.58	131.28	157.91	114.89	6.30	5.96
		181.95	**156.21**	**165.59**	**122.53**	**22.83**	**16.71**

Notes:

1. The accompanying Significant Accounting Policy and Notes to the Restated Financial Information are an integral part of this Statement of Restated Cash Flow.

ANNEXURE - IV : Statement of Restated Investments

(₹. in Lakhs)

Particulars	As at					
	30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
(Trade, Unquoted and Long-term Investment)						
1,230,000 Equity Shares of Rs.10 each fully paid up in Krishana Phoschem Limited	123.00	123.00	123.00	63.00	-	-
Share Application Money in Krishana Phoschem Limited	-	-	-	60.00	-	-
Total	**123.00**	**123.00**	**123.00**	**123.00**	**-**	**-**

ANNEXURE - V : Statements of Restated Sundry Debtors							
							(₹. in Lakhs)
Particulars		As at					
		30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
(Unsecured, considered good unless otherwise stated)							
A.	**Debt outstanding for a period exceeding six months**						
	Subsidiaries / Group companies	-	-	-	-	-	-
	Others	9.32	9.32	34.28	85.57	41.20	46.65
	Total....... A	**9.32**	**9.32**	**34.28**	**85.57**	**41.20**	**46.65**
B.	**Debt outstanding for a period not exceeding six months**						
	Subsidiaries / Group companies	-	-	-	-	-	-
	Others	35.17	10.25	66.97	24.18	59.20	50.25
	Total............B	**35.17**	**10.25**	**66.97**	**24.18**	**59.20**	**50.25**
	Total (A+B)	**44.49**	**19.57**	**101.25**	**109.75**	**100.40**	**96.90**
	Includes:						
I	**Receivables from subsidiaries/group companies**						
	Total	**-**	**-**	**-**	**-**	**-**	**-**
II	**Receivables from other related parties**						
	Total (I+II)	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE - VI : Statement of Restated Loans and Advances						
						(₹. in Lakhs)
Particulars	**As at**					
	30-Nov-10 (8 months)	**31-Mar-10 (12 months)**	**31-Mar-09 (12 months)**	**31-Mar-08 (12 months)**	**31-Mar-07 (12 months)**	**31-Mar-06 (9months)**
(Unsecured and considered good, unless otherwise stated)						
Loans and advances						
Advance to staffs	1.03	0.08	0.25	0.07	4.70	2.68
Capital Advance					1.17	
Security deposits	24.20	25.04	24.54	9.54	9.54	9.54
Loans to others						
Advance Against Property deal	-	176.00	-	-	-	-
Loans from group/sister concerns (ICD)	66.00	105.00	-	158.80	133.90	36.60
Advance against expenses (travelling) & Purchase of P& M	5.00	-	16.40	-	-	-
Advances recoverable in cash or in kind or for value to be received	89.15	0.78	9.37	3.87	54.72	24.25
Prepaid Insurance	0.65	18.00	1.46	0.27	0.25	0.19
Deposits with Government, Public Bodies, etc.						
MAT credit entitlement						
Vat credit	219.27	212.52	124.46	21.39	3.51	
Taxes paid (Advance tax and TDS receivable)	33.32	26.61	12.49	2.29	5.35	0.88
Fringe benefit tax paid						
Total	**438.62**	**564.03**	**188.97**	**196.23**	**213.14**	**74.14**

Notes:
Loans to business associates, suppliers and staff are interest free and short term in the nature.

ANNEXURE - VII : Statement of Restated Secured Loans						
						(₹. in Lakhs)
Particulars	**As at**					
	30-Nov-10 (8 months)	**31-Mar-10 (12 months)**	**31-Mar-09 (12 months)**	**31-Mar-08 (12 months)**	**31-Mar-07 (12 months)**	**31-Mar-06 (9 months)**
Vehicle Loan from bank	7.20	8.07	9.25	3.23	4.38	5.45
Overdraft from banks against FDR	-	23.49	45.48	89.95	-	-
Total	**7.20**	**31.56**	**54.73**	**93.18**	**4.38**	**5.45**

Notes: Securities Offered
Overdraft are taken against FDR of ₹ 100 lakhs (during F Y 2007-08) /₹. 50 Lakhs (from F Y 2008-09) pledged with bank
Vehicle loans are secured against hypothecation of vehicle.

ANNEXURE - VIII : Statement of Restated Unsecured Loans						
						(₹ in Lakhs)
Particulars	**As at**					
	30-Nov-10 (8 months)	**31-Mar-10 (12 months)**	**31-Mar-09 (12 months)**	**31-Mar-08 (12 months)**	**31-Mar-07 (12 months)**	**31-Mar-06 (9 months)**
From Directors*	13.40	6.40	0.90	0.90	0.90	0.00
From Shareholders	-	-	-	-	-	40.05
From Relatives of directors	3.70	4.20	4.20	4.20	4.20	7.05
Project Borrowings-Loan from Corporate Bodies	572.00	102.57	32.00	-	-	-
From Old Directors						3.10
Total	**589.10**	**113.17**	**37.10**	**5.10**	**5.10**	**50.20**

* The loans are interest free.
The above loans have no fixed repayment schedule.

ANNEXURE - IX : Statement of Restated Other Income						
						(₹ in Lakhs)
Particulars	For the Year/period ended on					
	30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
Interest on fixed deposits with banks	5.67	14.29	14.03	-	-	-
Insurance claim	-	-	-	-	21.10	-
Interest on loans and deposits	0.26	0.51	0.50	4.07	0.83	0.26
Profit on sale of fixed assets (net)	0.60	-	-	-	-	-
Grinding Charges	-	19.44	9.83	32.10	-	-
Miscellaneous income	14.95	1.77	2.20	0.34	1.66	-
Total	**21.48**	**36.01**	**26.56**	**36.51**	**23.59**	**0.26**

ANNEXURE - X : Statement of Restated Contingent Liabilities						
						(₹. in Lakhs)
Particulars	As at					
	30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9 months)
Guarantee given to banks in respect of credit facilities sanctioned to group concern in which relative of directors are interested as directors/partners	-	850.00	850.00			
FDR Pledged as a collateral security in respect of credit facilities sanctioned to group concern in which relative of directors are interested as directors/partners	50.00	50.00				
Demand Note By RSMML for royalty amount	32.95	32.95				
Fixed deposit with Central Excise department	24.91	16.92	51.24	11.82	5.75	5.75
Total	**107.86**	**949.87**	**901.24**	**11.82**	**5.75**	**5.75**

ANNEXURE - XI : Statement of Restated Related Party Transactions							
							(₹ in lakhs)
Particulars	**Nature of relation ship**	**As at**					
		30-Nov-10 (8 months)	**31-Mar-10 (12 months)**	**31-Mar-09 (12 months)**	**31-Mar-08 (12 months)**	**31-Mar-07 (12 months)**	**31-Mar-06 (9months)**
Remuneration and allowance							
Mr. Praveen Ostwal	Director (upto 16.08.2007)	-	-	-	1.35	3.60	3.60
Smt. Ekta Jain	Director (upto 01.04.2009)	-	-	4.20	3.60	3.60	3.60
Mr. Pankaj Ostwal	Managing Director (w.e.f. 05.06.2010) (director w.e.f. 24.02.2009)	5.20	4.80	-	-	-	-
Mr. Amit Jain	Director(w.e.f 14.08.2007)	1.24	1.86	1.56	-	-	-
Total		**6.44**	**6.66**	**5.76**	**4.95**	**7.20**	**7.20**
Loans From Directors							
Mr. Pankaj Ostwal	Managing Director (w.e.f. 05.06.2010) (director w.e.f. 24.02.2009)	7.00	-	-	-	-	-
Mr. Amit Jain	Director(w.e.f 14.08.2007)	6.40	6.40	0.90	0.90	0.90	-
	Total	**13.40**	**6.40**	**0.90**	**0.90**	**0.90**	**0.00**
Loans From Share Holders							
K M Jain Tobacco Pvt Ltd		-	-	-	-	-	40.05
	Total	**-**	**-**	**-**	**-**	**-**	**40.05**
Loans From Relatives of Directors							
Seema Ostwal		1.50	1.50	1.50	1.50	1.50	-
Seema Ostwal w/o M P Ostwal		1.10	1.10	1.10	1.10	1.10	-
Vinita Ostwal		1.10	1.10	1.10	1.10	1.10	-
Smt. Smriti Jain		-	-	-	-	-	7.05
Praveen Ostwal HUF		-	0.50	0.50	0.50	0.50	
	Total	**3.70**	**4.20**	**4.20**	**4.20**	**4.20**	**7.05**
Advances against supplies							

M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence			27.56	117.31	138.55	
M/s Seasons International Pvt Ltd	Enterprise in which key management personal and/or their relative have significant influence	194.00					
M/s Tedco Granite Limited	Enterprise in which key management personal and/or their relative have significant influence						
	Total	**194.00**	**0**	**27.56**	**117.31**	**138.55**	**0**
Advances against Property							
M/s Nirmala Realinfrastructure Pvt. Ltd.	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 24.08.2009)	13.00	176.00				
	Total	**13.00**	**176.00**	**0**	**0**	**0**	**0**
Advance received back							
M/s Nirmala Real infrastructure Pvt. Ltd.	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 24.08.2009	189.00					
M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence			186.35	92.45	41.24	
	Total	**189.00**	**0**	**186.35**	**92.45**	**41.24**	**0**
Grinding Charges							

M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence		2.43	0	7.69		
	Total	**0**	**2.43**	**0**	**7.69**	**0**	**0**
Purchases of Raw Material (BRP/Rock)							
M/s Krishana Phoschem Limited	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 06.06.2007)	653.01	1298.17	1292.33	409.98		
	Total	**653.01**	**1298.17**	**1292.33**	**409.98**	**0**	**0**
Investments made							
M/s Krishana Phoschem Limited	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 06.06.2007)				123.00		
	Total	**0**	**0**	**0**	**123.00**	**0**	
Loan from Corporate Bodies							
M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence	284.00	87.00	18.00			
M/s Nirmala Realinfrastructure Pvt. Ltd.	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 24.08.2009)	114.50					
M/s Tedco Granite Limited	Enterprise in which key management personal and/or their relative	368.50		320.43			

	have significant influence						
M/s Seasons International Pvt Ltd	Enterprise in which key management personal and/or their relative have significant influence		43.00				
M/s Krishana Phoschem Limited	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 06.06.2007)		50.00				
	Total	767.00	180.00	338.43	0	0	0
Loan repaid to Corporate Bodies							
M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence	22.50	53.00				
M/s Nirmala Realinfrastructure Pvt. Ltd.	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 24.08.2009)	6.15					
M/s Tedco Granite Limited	Enterprise in which key management personal and/or their relative have significant influence	20.00		306.43			
M/s Seasons International Pvt Ltd	Enterprise in which key management personal and/or their relative have significant influence		40.00				

M/s Krishana Phoschem Limited	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 06.06.2007)	26.82					
Total		**75.47**	**93.00**	**306.43**	**0**	**0**	**0**
Loan given to Corporate Bodies							
M/s Tedco Granite Limited	Enterprise in which key management personal and/or their relative have significant influence	382.24	405.50				
M/s Seasons International Pvt Ltd	Enterprise in which key management personal and/or their relative have significant influence	134.00	51.00				
M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence						121.51
	Total	**516.24**	**456.50**	**0**	**0**	**0**	**121.51**
Repayment received back against loan to corporate bodies							
M/s Tedco Granite Limited	Enterprise in which key management personal and/or their relative have significant influence	323.20	286.50				
M/s Seasons International Pvt Ltd	Enterprise in which key management personal and/or their relative have significant influence	65.00	51.00				

M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence						84.89
	Total	**388.20**	**337.50**	**0**	**0**	**0**	**84.89**
Balance of Investment							
M/s Krishana Phoschem Limited		123.00	123.00	123.00	123.00		
	Total	**123.00**	**123.00**	**123.00**	**123.00**	**0**	**0**
Balance receivable - Loan to Corporate Bodies							
M/s Tedco Granite Limited	Enterprise in which key management personal and/or their relative have significant influence	0	105.00				
M/s Seasons Internatinal Pvt Ltd	Enterprise in which key management personal and/or their relative have significant influence	66.00					
M/s Nirmala Real infrastructure Pvt. Ltd.	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 24.08.2009)		176.00				
M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence		0		158.79	133.93	36.62
	Total	**66.00**	**281.00**	**0**	**158.79**	**133.93**	**36.62**
Balance payable – Loan from corporate bodies							

M/s Seasons Agro Chem India Private Limited	Enterprise in which key management personal and/or their relative have significant influence	256.00	49.57	18.00			
M/s Krishana Phoschem Limited	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 06.06.2007)	23.18	50.00	0	0		
M/s Nirmala Real infrastructure Pvt. Ltd.	Enterprise in which key management personal and/or their relative have significant influence (w.e.f. 24.08.2009)	108.35					
M/s Seasons International Pvt Ltd	Enterprise in which key management personal and/or their relative have significant influence		3.00				
M/s Tedco Granite Limited	Enterprise in which key management personal and/or their relative have significant influence	184.46		14.00			
	Total	572.00	102.57	32.00	0	0	0
Balance payable – Sundry Creditors							
M/s Krishana Phoschem Limited	Enterprise in which key management personal and/or their relative have significant influence	22.98	209.97	234.60	95.19		

	(w.e.f. 06.06.2007)						
Total		**22.98**	**209.97**	**234.60**	**95.19**		

ANNEXURE - XII : Statement of Restated Accounting Ratios

Particulars	30-Nov-10 (8 months)	31-Mar-10 (12 months)	31-Mar-09 (12 months)	31-Mar-08 (12 months)	31-Mar-07 (12 months)	31-Mar-06 (9months)
Earning per Share (EPS) (Rs.)	3.02	2.51	3.29	1.62	1.69	1.94
Net Asset Value (NAV) (Rs.per share)	13.44	10.85	64.71	48.08	45.15	46.21
Return on Net Worth (RONW) (%)	22.33	7.08	25.52	16.92	18.07	24.91
Weighted average No. of Equity Shares outstanding during the year/period	10,985,841	3,360,184	3,725,190	3,725,190	3,589,832	3,589,460
No. of Equity Shares outstanding at the end of the year/period	11,058,090	10,956,190	7,41,730	7,41,730	606,372	606,000

Notes

1. The ratios has been computed as below
2. Earning per share (₹)= Net Profit after tax

   Weighted average number of equity shares outstanding during Year / period

3. Net assets value per share = Net worth excluding revaluation reserve
   ----
   No. of equity shares outstanding as at year/period end

4. Return on net worth = Net Profit after tax X100

   Net worth excluding revaluation reserve

- the above ratios have been computed on the basis of the restated financial information for the respective year/ period

- Earnings per share are computed in accordance with accounting standard (AS) 20 “Earnings per Share” EPS & RONW for the period ended 31st march 2006 and 30th November 2010 are not annualized.

ANNEXURE XIII : Statement of Restated Capitalisation Statement		
		(₹. in Lakhs)
Particulars	**Pre Issue as at**	**Post issue**
	30-Nov-10	
Debts		
Short term debts	589.10	[●]
Long term debts	-	[●]
Total Debts	**589.10**	[●]
Shareholders' Fund		
Share capital (includes application money)	1105.81	[●]
Reserves and surplus	540.27	[●]
Total Shareholders Funds	**1,646.08**	[●]
Total Debts/Shareholders Funds (Ratio)	**0.36**	[●]

Notes:
1. The above ratio has been calculated on the basis of restated financial information of the Company.
2. The post-issue capitalisation statement cannot be calculated at this stage.

ANNEXURE - XIV : STATEMENT OF TAX SHELTERS						
						(₹ in Lakhs)
Particulars	**For the year / period ended on**					
	30-Nov-10 (8 months)	**31-Mar-10 (12 months)**	**31-Mar-09 (12 months)**	**31-Mar-08 (12 months)**	**31-Mar-07 (12 months)**	**31-Mar-06 (9 months)**
Profit before tax as per restated profit and loss account	381.91	112.42	172.72	79.26	68.50	10.52
Tax rate (including surcharge and education cess)	**33.99%**	**33.99%**	**30.90%**	**30.90%**	**33.66%**	**33.66%**
Notional tax as per tax rate on profits (A)	**129.81**	**38.21**	**53.37**	**24.49**	**23.06**	**3.54**
Tax Adjustments						
Permanent Difference						
Donation			1.01			
Total Permanent Difference (B)	**-**	**-**	**1.01**	**-**	**-**	**-**
Timing Difference						
Loss / (Profit) on sale of fixed asset	-	0.15	3.08	-	-	-
Depreciation - including unabsorbed depreciation	-	(7.50)	(88.60)	(80.61)	(43.04)	5.40
Preliminary / Pre Operative Expenses W/o	-	-	-	-	0.49	0.49
Disallowance u/s. 40A(7) - Provision for gratuity	-	-	-	1.35	-	-

Total Timing Difference (C)	**-**	**(7.35)**	**(85.52)**	**(79.26)**	**(42.55)**	**5.89**
Business Losses not set off in past years (D)	-	-	-	-	(25.94)	(111.06)
-						
Total Adjustments (E) = (B+C+D)	**-**	**(7.35)**	**(84.52)**	**(79.26)**	**(68.49)**	**(105.17)**
Tax Expenses / (savings) thereon (F)=(E)*Tax rate	**-**	**(2.50)**	**(26.12)**	**(24.49)**	**(23.05)**	**(35.40)**
Tax payable as per normal provisions (other than 115JB)of the Act (G)	**129.81**	**35.71**	**27.25**	**-**	**0.01**	**(31.86)**
MAT tax rate (H)	**16.609%**	**16.995%**	**11.33%**	**10.30%**	**11.22%**	**8.42%**
Tax under MAT (I)		**19.11**	**19.49**	**8.12**	**7.65**	**3.02**
Tax payable for the year maximum of (G) or (I)	**129.81**	**35.71**	**27.25**	**8.12**	**7.65**	**3.02**
Interest under section 234B & 234C (As per income tax return)		**-**	**0.70**	**0.48**	**0.52**	**0.34**
Short/excess provision adjusted - Interest		**-**				
Total Tax Payable	**129.81**	**35.71**	**27.95**	**8.60**	**8.17**	**3.36**

Notes:
1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account'.

ANNEXURE - XV : Statement of Dividend paid/ payable						
						(₹ in Lakhs)
Particulars	**Year/period ended on**					
	30-Nov-10 (8 months)	**31-Mar-10 (12 months)**	**31-Mar-09 (12 months)**	**31-Mar-08 (12 months)**	**31-Mar-07 (12 months)**	**31-Mar-06 (9 months)**
Dividend proposed/paid	-	-	-	-	-	-

ANNEXURE XVI- Statement of Significant Accounting Policies

(a) The financial accounts have been prepared in accordance with applicable accounting standards and are based on historical convention method and going concern basis

(b) Fixed Assets are stated at cost of acquisition/construction. The cost includes all expenses, incurred on purchases/acquisition.

Depreciation on fixed assets is charged on straight line at rates provided under schedule XIV of the Companies Act 1956. In respect of addition to fixed assets, depreciation is provided on pro-rata basis from the date the assets have been put to use.

(c) The transactions are accounted on accrual basis under the mercantile system of accounting on a going concern basis.

(d) The raw materials, stores & spares and Bags have been valued at cost. Finished goods have been valued at cost or market price whichever is lower.

Cost of inventories comprise of all cost of purchase including cost of conversion and other cost incurred in bringing them to their respective present location and conditions

(e) Sales including price concession from central govt. and recognized at the point of sales to customers/distributors. Any short fall in actual receipt or deduction made by the Government is written off as an expense in the year in which the same is determined.

(f) Benefit to workmen: Contribution to employee benefits plan in form of Provident Fund & Gratuity are charged to the profit & loss account of the year when the contributions are due as per the provisions of the respective statutes.

The Company has taken group gratuity policy with the Life Insurance Corporation of India (LIC) for future payment of gratuity. The gratuity liability is determined based on an actuarial valuation performed by LIC.

(g) Prior period and extra ordinary items and changes in the accounting policies having a material bearing on the financial affairs of the company are disclosed, where applicable

(h) Provisions for current tax is determined in accordance with the provisions of the Income tax, 1961. Deferred tax expenses or benefits are recognized for timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Notes to Accounts

1. The previous year figures have been regrouped wherever considered necessary.

2. During the period company has allotted 101,900 equity shares ₹ @100/- per share(including .₹ 10/- per share for nominal value and ₹ 90/- per share for securities premium).

3. The related expenditure on the BRP Project has been shown under Preoperative expenses unit II of the Company.

4. Company has pledged moveable and Immovable assets of Unit- I (SSP) with Shriram Fertilizer & Chemicals, a unit of DCM Shriram Consolidated Ltd New Delhi against advances to secure advances to the maximum extent of ₹ 10 Crore.

5. The company has revalued its fixed assets on dated 31.3.2009 and thereby a Revaluation Reserves of ₹ 2,78,93,713.13 has been created. During the year the amount of depreciation on fixed assets on increase into the price of fixed assets due to revaluation has been charged to Revaluation Reserves.

6. Contingent Liabilities:

    a. Fixed Deposit of ₹ 24.91 lakhs has been pledged with central excise deptt (P.Y. ₹ 16.92 Lakhs) and ₹ 5000/- (Previous year ₹ 5000/-) has been pledged with sales tax. Also there two FDR of ₹ 50.00 lakhs each out of that One FDR is pledged with SBBJ Neemuch against Overdraft facilities of ₹ 45.00 lakhs taken from bank and other FDR of ₹ 50.00 lakhs is pledged as a collateral security against advances given by the bank to Krishana Phoschem Ltd, a group company for that no guarantee commission has been charged.

b. RSMML had issued demand note on account of increase in royalty amounting to ₹ 32.95 lakhs in FY 2008-09 against which company had filed writ petition before Hon'ble Jodhpur High court and obtain stay order against such demand.

7. Some of the Debtors, Creditors, and advances are subject to confirmation.

8. Preliminary expenditure have been written off over a period of five (5) years and accordingly 1/5 of the said expenditures has been written off during the year.

9. Sundry Creditors include ₹ Nil (P.Y. Nil) payable to Small Scale Industrial Undertakings outstanding for more than 30 days.

   No amount is outstanding to "Supplier" as defined under the Micor, Small and Medium Enterprises Development Act, 2006 as per information received, hence disclosure relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given.

10. Remuneration paid or payable upto 30 Nov 2010 to directors:

Particulars	2010 -2011	2009 – 2010
Salaries & allowances	6,44,000.00	6,66,000.00

11. Auditors remuneration:

Particulars	2010 -2011	2009 – 2010
Audit fees inclusive of consultancy & other matters	RS. NIL	40,000.00

12. Additional information pursuant to provisions of paragraphs 3 & 4 of schedule VI to the companies act, 1956

a) PARTICULARS OF LICENSED AND INSTALLED CAPACITY
(As certified by management being technical capacity matter)

Particulars	2010-11 (upto Nov 2010)		2009-10	
	Licensed	Installed	Licensed (MT)	Installed (MT)
Single Super Phosphate	1,20,000	60,000	60,000	60,000

b) DETAILS OF PRODUCTION AND SALES

Particulars	Production (Qty. MT)	Sales (Qty. MT)	Value of sales (In Rs.)
Single Super Phosphate	32564.561 (50879.761)	45927.5000 (38310.00)	325286169 (204475744)
Low grade rock phosphate		520.00 (245.84)	2080000 (258132)
Trading goods fabrics(mtr)		62862.50 (144060.00)	4767367 (10544679)
Other (Scrap Sales)			280218.00

c) PURCHASES OF FINISHED GOODS

Particulars	2010-11 (upto Nov 2010)		2009-10	
	Quantity	Value (In ₹)	Quantity	Value (In ₹)
Trading Goods-Fabrics (Mtrs)	62862.50	4752398	144060	10517466

e) RAW MATERIALS CONSUMED

Particulars	2010-11 (upto Nov 2010)		2009-10	
	Quantity	Value (In ₹)	Quantity	Value (In ₹)
Single Super Phosphate	2363.663	12838421	15729.16	79638377
Trading Goods-Fabrics (Mtrs)	--	808500	--	808500

e) RAW MATERIALS CONSUMED

Particulars	2010-11 (upto Nov 2010)		2009-10	
	Quantity	Value (In ₹)	Quantity	Value (In ₹)
Rock Phosphate	18534.989	127906837	29259.160	177615859
Sulphuric Acid	11723.239	38331189	18316.716	32925022
Bags Consumed (nos)	718293.00	7512873	986907.00	10067405
Total		173750899		220608286

f) PARTICULARS REGARDING IMPORTED AND INDIGENOUS MATERIALS CONSUMED DURING THE YEAR

Particulars	2010-11 (upto Nov 2010)		2009-10	
	Amount (₹)	%	Amount (₹)	%
Raw Materials				
- Imported	--	--	--	--
- Indigenous	173750899	100	220608286	100
Total				
Stores & Spare				
- Imported	--	--	--	--
- Indigenous	4735375	100	3448580	100
Total	4735375		3448580	100

g) EXPENDITURES IN FOREIGN CURRENCY Rs. 6,01,093.89
(US$ 12763.20)

h) EARNINGS IN FOREIGN CURRENCY NIL NIL

I) CIF VALUE OF IMPORTS NIL NIL

13. Earnings per share:
Calculation of weighted average number of Equity Shares of Rs. 10 /- each:

Sr. No	Particulars	2010-11 (upto Nov 2010)	2009-10
1	Number of shares at the time of beginning of the year	10956190	741730
2	Number of Equity shares issued during the year	101900	10214460
3	Total number of equity shares outstanding	11058090	10956190

	during the year		
4	Not profit after tax available to equity shareholders	33190758	8418235
5	Basic and diluted earning per share	3.02	2.43

14. During the year the company has made the provisions for employees benefits in accordance with the Accounting Standards – 15. The company has taken group gratuity policy with the life Insurance Corporation of India (LIC) for future payment of gratuity, which is based on an actuarial valuation performed by LIC and the amount charged in the Profit & Loss Account is Rs. 339727/- (previous year Rs. 41217)

15. Disclosure of particulars pursuant to 'Accounting Standard – 18 Related Party Transactions"

a. List of related parties:

Key management personnel	1. Pankaj Ostwal
Relatives of key management personnel	Nil
Enterprise in which key management Personnel and / or their relatives have Significant influence	1. M/S Krishana Phoschem

b. Transactions with the related parties.

Name	Particulars	Key management personnel	Relative management personnel	Enterprise in which key management personnel and / or their relatives have significant influence
1. Pankaj Ostwal	Remuneration	5,20,000.00	-	
2. Krishana Phoschem Ltd	Purchase Raw material	-		Rs. 6,53,00,980.00

FINANCIALS OF GROUP COMPANIES

Group Companies

The following companies are our Group Companies:

- → Nirmala Realinfrastructure Private Limited
- → Krishana Phoschem Limited
- → Seasons International Private Limited
- → Tedco Granite Limited
- → A K Ostwal & Co.

1. Nirmala Realinfrastructure Private Limited (NRIPL)

The Company was incorporated as Nirmala Realinfrastructure Private Limited on 25th August 2009 under the provisions of Companies Act, 1956 having CIN No. U45201RJ2009PTC029696 and is currently engaged in the real estate business of buying, selling of land and construction of building, park, resorts etc. The Registered office of the company is 5-O-2, Basement Office, R.C. Vyas Colony, Bhilwara – 3110001, Rajasthan, India.

Board of Directors of NRIPL as on the date of Draft Red Herring Prospectus

Sr. No.	Name of Directors
1.	Mrs Ekta Jain
2.	Mr. Amit Jain
3.	Mrs. Nitu Jain

Particulars of Shareholding as on 09/09/2010 as per Last AGM

Particulars	No of Shares	% to Paid up Capital
Mr. Amit Jain	5000	50%
Mrs. Ekta Jain	5000	50%

The Brief Financials are given below

(₹ In Lakhs)

Particulars for the year ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	NA	NA	0.00
Profit/ Loss After Tax	NA	NA	0.00
Equity Share Capital	NA	NA	1.00
Equity Share Application Money			192.73
Reserves & Surplus (Excluding Revaluation Reserve)	NA	NA	0.00
Earnings Per Share (Basic & Diluted)	NA	NA	NA
Net Assets Value	NA	NA	NA

- ❖ The company is not a listed Company
- ❖ The company is neither sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up
- ❖ There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the company

2. **Krishana Phoschem Limited (KPL)**

The Company was incorporated as Krishana Phoschem Limited on 14th May 2004 under the provisions of Companies Act 1956, having CIN No. U24124RJ2004PLC019288, and is currently engaged in the business of manufacturing Beneficiated Rock Phosphate. Its registered office is situated at 5-O-2 Basement Office, R.C. Vyas Colony, Bhilwara- 311001, Rajasthan.

Board of Directors of KPL as on the date of filling the Draft Red Herring Prospectus

Sr. No.	Name of Directors
1.	Mr. Praveen Ostwal
2.	Mr. Basant Patwa
3.	Mr. Sunil Kothari
4.	Mr. Mahaveer Prasad Ostwal

Particulars of Shareholding as on 13/09/2010 as per Last AGM

Particulars	No of Shares	% to Paid up Capital
M/S Seasons Agro Chem Limited	17,30,000	28.83%
M/s Madhya Bharat Agro Products Ltd	12,30,000	20.50%
Mr. Kanhiyalal Shah	4,25,000	7.08%
Mr. Basant Patwa	3,80,000	6.30%
Mr. Shailendra Garg	3,00,000	5.00%
Mrs. Nitu Ostwal	2,65,000	4.42%
Mr. M.K Ostwal (HUF)	2,35,000	3.92%
Mrs. Ekta Jain	2,20,000	3.67%
Mr. Pankaj Ostwal (HUF)	2,00,000	3.33%
Mr. Praveen Ostwal (HUF)	2,00,000	3.33%
Mr. Shambhulal Shah	1,90,000	3.17%
Mr. Mahendra Garg	1,50,000	2.50%
Mr. Sonali Garg	1,50,000	2.50%
Mrs. Sudha Patwa	1,30,000	2.17%
Mr. Pankaj Ostwal	1,20,000	2.00%
Mr. Praveen Ostwal	75,000	1.25%
Total	60,00,000	100.00%

The Brief Financials are given below

(₹ In Lakhs)*

Particulars for the year ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	735.54	1718.80	2654.18
Profit/ Loss After Tax	46.54	166.13	209.76
Equity Share Capital	370.00	575.00	600.00
Equity Share Application Money	145.00	0.00	0.00
Reserves & Surplus (Excluding Revaluation Reserve)	1.46	167.60	377.36
Earnings per share(EPS)	1.26	2.89	3.5
Net Asset Value(NAV)	10.04	12.91	16.29

*Except Earnings Per Share (NAV) & Net Assets Value (NAV)

- The company is not a listed Company

- The company is neither sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up
- There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the company

3. Seasons International Private Limited (SIPL)

The Company was incorporated as Seasons International Private Ltd on 31st July 2008 under the provisions of Companies Act, 1956 having CIN No. U52190RJ2008PTC027087 and is currently engaged in the business of International trade constituting in import & export both. The categories of products dealt with are all types of agro products, spices, textiles and fertilizers. Company is having its registered office situated at 5-O-1 R.C. Vyas Colony, Bhilwara – 311001, Rajasthan.

Board of Directors of SIPL as on the date of filling the Draft Red Herring Prospectus

Sr. No.	Name of Directors
1.	Mr. Mahendra Garg
2.	Mr. Mukul Kumar Agarwal

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Particulars of Shareholding as on 25.08.2010 as per last AGM

Particulars	No of Shares	% to Paid up Capital
M/S Seasons Agro Chem India Pvt Ltd	41,680	40.00%
Mr. Naresh Chandra Garg	24,500	23.51%
Mrs. Pooja Garg	18,000	17.27%
Mr. Mahendra Garg	9,420	9.04%
Mr. Sunita Garg	5,500	5.29%
Mr. Mukul Kumar Agarwal	5,100	4.89%
Total	1,04,200	100.00%

The Brief Financials are given below

(₹ In Lakhs)*

Particulars for the year ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	NA	5.48	618.60
Profit/ Loss After Tax	NA	0.03	3.08
Equity Share Capital	NA	1.00	10.42
Equity Share Application Money	NA	0.20	0.00
Reserves & Surplus (Excluding Revaluation Reserve)	NA	0.03	87.89
Earnings per share(EPS) (Basic & Diluted)	NA	0.26	2.96
Net Asset Value(NAV)	NA	10.30	94.35

*Except Earnings Per Share (NAV) & Net Assets Value (NAV)

- The company is not a listed Company
- The company is neither sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up
- There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the company.

4. Tedco Granite Limited (TGL)

The Company was incorporated as Tedco Granite Private Ltd on 6th January 1989 under the provisions of Companies Act, 1956 having registration no. 55-34569 and subsequently the name was changed to Tedco Granite Limited w.e.f 25th July 1997 and is currently engaged in the business of manufacturing SSP at its plant situated at Village Ojayada having installed capacity of 400 TPD. Its registered office is situated at Village Ojayada, Hamirgarh, Bhilwara- 311025.

Board of Directors of TGL as on the date of filling the Draft Red Herring Prospectus

Sr. No.	Name of Directors
1.	Mr. Mahendra Kumar Ostwal
2.	Mr. Rajendra Prasad Ostwal
3.	Mr. Ananthakrishnan Venkataramanan

Particulars of Shareholding as on 20.08.2010 as per last AGM

Particulars	No of Shares	% to Paid up Capital
Mr. Mahendra Kumar Ostwal	3,402,500	77.69%
Mr. Heralal Ostwal	3,04,000	6.94%
Mrs. Nirmala Devi Ostwal	2,19,000	5.00%
Mr. R.P Ostwal	1,62,000	3.70%
M/S RSMM Ltd	1,50,000	3.43%
Mr. Pankaj Ostwal	1,07,000	2.44%
Mr. M.K Ostwal (HUF)	21,000	0.48%
Mr. K. L. Ostwal	1,000	0.02%
Mr. Praveen Ostwal	1,000	0.02%
Mr. Mukesh Ostwal	1,000	0.02%
Mr. Girish Ostwal	1,000	0.02%
Mr. Pramod Jaketia	1,000	0.02%
Mr. Prem Singh Kothari	1,000	0.02%
Mr. Ashok Kothari	1,000	0.02%
Mr. Arvind Kothari	1,000	0.02%
Mrs.Ekta Jain	1,000	0.02%
Mr. Harak Lal Ostwal	1,000	0.02%
Mr. S. M Ostwal	1,000	0.02%
S. M Ostwal (HUF)	1,000	0.02%
Pankaj Ostwal (HUF)	1,000	0.02%
Mrs. Snehlata Jain	1,000	0.02%
Mrs. Premlata Bajpai	10	0.0002%
Mr. B.S Shukla	10	0.0002%
Total	43,79,520	100.00%

**Our Promoter Mr. Pankaj Ostwal along with his wife Mrs. Ekta Jain holds 2.46% of shareholding and have no other interest in the company.*

The Brief Financials are given below

(₹. In Lakhs)*

Particulars for the year ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	1806.13	4603.29	2415.92
Profit/ Loss After Tax	62.77	515.31	155.05
Equity Share Capital	380.45	380.45	380.45
Preference Share Capital	57.50	57.50	57.50
Equity Share Application Money	61.76	45.76	45.76

Reserves & Surplus (Excluding Revaluation Reserve)	363.72	545.57	545.57
Earnings per share(EPS) (Basic & Diluted)	16.51	135.45	40.76
Net Asset Value(NAV)	195.60	243.40	243.40

*Except Earnings Per Share (NAV) & Net Assets Value (NAV)

- The company is not a listed Company
- Tedco Granite Limited got registered as Sick Company within the meaning of Sick Industrial Companies (Special Provision) Act, 1995 due to cumulative losses incurred by the company during the period 2000-01 to 2004-05 subsequently the financial position of the company improved and it start earning profit in positive figures and its net worth turned to positive figures as on 31.3.2009 and was discharged by the Bench of BIFR as a Sick Company in the hearing held on 15.09.2009.
- There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the company

5. A K Ostwal & Co.

M/s A K Ostwal & Co is a partnership CA firm registered with The Institute of Chartered Accountant of India having registration no: 107200W on 2nd October 1997. The firm is working in the income tax and company law counseling, auditing, supervision of accounts of clients and / or such other activities which can lawfully be carried on by chartered accountants in practice. Its registered office is situated at Maura gate, Surat.

The partners of the firm:

Sr. No.	Name of the Partners
1.	Ashok Kumar Jain
2.	Praveen Ostwal
3.	Pankaj Rathod

The profit sharing ratio of the partners:

Sr. No.	Name of the Partners	% of Profit
1.	Ashok Kumar Jain	90 %
2.	Praveen Ostwal	5 %
3.	Pankaj Rathod	5 %

The Brief Financials are given below

(₹. In Lakhs)

Particulars for the year ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	6.63	9.53	9.66
Profit/ Loss After Tax	0.23	0.47	0.50
Partners Capital	0.66	1.15	10.62

Listed Companies in the Promoter Group

As on the date of this Draft Red Herring Prospectus, there are no listed companies in the Promoter Group

Sales and Purchases with our Promoter Concern

Our Company has been purchasing major quantity of raw material (Beneficiated Rock Phosphate) for manufacturing of SSP in its Unit I from its promoter group company M/s Krishana Phoschem Limited (KPL). Approx 81% of the raw material is purchased from KPL. We haven't entered into any agreement with KPL.

Details of companies, firms from which promoters have disassociated during the last three years

Our Promoters are Mr. Pankaj Ostwal, Mr. Praveen Ostwal and Mrs. Ekta Jain. Details of their disassociation in the last three year are tabled below:-

Name of the Promoter	Name of the Company	Designation	Year of Disassociation	Reason
Mr. Pankaj Ostwal	A.K. Ostwal & Co.	Partner	2010	Due to surrender of COP
Mr. Praveen Ostwal	Madhya Bharat Agro Products Ltd	Director	2007	Due to Pre-occupation
	Seasons Agro Chem India Pvt Ltd	Director	2009	Due to Pre occupation
Mrs. Ekta Jain	Madhya Bharat Agro Products Ltd	Director	2009	Due to Pre-occupation

Business Interests amongst our Company and Group Companies /Associate Companies

Except as mentioned under *Related Party Transactions, "Annexure XI" beginning on page* 199 *under Chapter "Auditor's Report and Financial Information of our Company" there is no business interest amongst Group Companies/Associate Companies.*

Changes in accounting policies in the last three years

Except as mentioned under the paragraph *Changes in Significant Accounting Policies, "Annexure XVI" beginning on page 208 under Chapter "Auditor's Report and Financial Information of our Company" beginning on page* 186 *of the Red Herring Prospectus*, there have been no changes in the accounting policies in the last three years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Draft Prospectus. You should also read the *Section titled 'Risk Factors' beginning on page 13 of the Draft Prospectus*, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company restated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations, 2009. Our Financial year ends on March 31 of each year except if any mentioned specially.

Business Overview

Our Company is engaged in manufacture of Single Super Phosphate, a form of Fertilizers and is in process of set up an Integrated State of Art Unit wherein Beneficiated Rock Phosphate, Single Super Phosphate, Granulated Single Super Phosphate Plant and ancillary Plant of Sulphuric Acid Plant will be established. We carry out our manufacturing operations at Village: Rajoua, Tehsil & Distt. Sagar (M.P.) and for new project of BRP has allotted us Industrial Land of 92700 Sq. Mtrs.at Village: Sorai, Banda Industrial Area, Distt. Sagar (M.P.) The product manufactured by the company are used by farmers for increase in land fertility and improved agriculture crops.

FERTILIZERS:

Fertilizer Control Order (FCO) defines "Fertilizer": means any substance used or intended to be used as a fertilizer of the soil and/or crop and specified in part A of Schedule I and includes a mixture of fertilizers and special mixture of fertilizers.

Fertilizer is generally defined as "any material, organic or inorganic natural or synthetic which supplies one or more of the chemical elements required for the plant growth". Sixteen elements are identified as essential elements for plant growth, of which nine are required in macro quantities and seven in micro quantities. Carbon, Oxygen, Hydrogen, Nitrogen, Phosphorus, Potassium, Calcium, Magnesium, Sulphur, Boron, Chlorine, Copper, Iron, Manganese, Molybdenum and Zinc are such essential elements. Out of which Phosphorus is Primary Nutrients and Magnesium is Secondary Nutrients and Iron is Macro Nutrients.

Of the 16 elements, carbon, oxygen and hydrogen are supplies by air and water and are. Therefore, not treated as nutrients by the fertilizer industry, the main aim the industry is to provide the primary and secondary nutrients which are required in macro quantities.

Primary Nutrients are normally supplied through chemical fertilizers. They are chemical compounds containing one or more of the primary nutrients and are generally produced by chemical reactions. Whatever may be the chemical compounds, its most important ingredient for plant growth is the nutrient content. The primary nutrients are nitrogen, phosphorus and potassium: however their concentration in a chemical fertilizer is expressed as a percentage of total nitrogen (N) available phosphate (p2o5) and soluble (k2o). Thus ammonium sulphate contains 20.6% N: single superphosphate 16% p2o5 and muriate of potash 60% k2o.

Fertilizers are soil amendments applied to promote plant growth, the main nutrients present in fertilizers are nitrogen, phosphorus, Potassium and other nutrients are added in the smaller amount. Fertilizers are usually applied to soil and also spread on leaves.

Fertilizers are roughly broken up between organic and inorganic fertilizers. Organic fertilizers and some mined fertilizers have been used for many centuries, where as chemically – synthesized inorganic fertilizers were only widely developed during the industrial revolution.

BRP (BENEFICIATED ROCK PHOSPHATE)

Phosphorite, phosphate rock or rock phosphate is a non- detrital Sedimentary rock which contains high amounts of phosphate bearing Minerals. Rock phosphate is mainly used for making of single super Phosphate, which is mainly used as fertilizers. Phosphorus from rock phosphate Is also used in animal feed supplements , food preservatives , anti Corrosion agents , cosmetics , fungicides , ceramics , water treatment And metallurgy.

Sulphuric Acid

Sulphuric acid is one of the most important chemical having wide range of use in the chemical and fertilizer industries. Sulphuric acid is called a mother of all chemicals, Fertilizer industries are the main user of sulphuric acid. Sulphuric acid is used for the manufacture of water treatment chemicals like Ferric Alum, Ammonia Alum which are used in bulk for purification of water. Similarly, sulphuric acid finds large application for the manufacture of salts of phosphates which are being increasingly used as detergents and for the manufacture of Cattle Feed. Besides this, there is requirement of sulphuric acid in the manufacture of Dyes and varieties of chemicals.

SSP (SINGLE SUPER PHOSPHATE)

Super phosphate or super phosphate of lime Ca(H2Po4)2 is a Compound produced by treating rock phosphate with sulphuric acid & phosphoric acid or a mixture of the two. It is the principal carrier of rock phosphate, the form of phosphorus usable by plant & is one of the world's most important fertilizer. Ordinary super phosphate Contain 20 % available phosphate & double super phosphate contains 40 %-50 % available phosphate. It is the cheapest source of sulphur to the soil.

GSSP (Granulated Single Super Phosphate)

GSSP in other words is a value addition product form of SSP. Powder form of SSP get dissolved immediately in irrigation water and some parts of it used by plants and balance goes to sub soil with water and remain useless. The powder can be used only during sowing the seeds. It can be used on the growing crops as it get deposited on the leaves of the plants and being slightly acidic, burns them. On the other hand, granulated product rolls down the plant and can be used harmlessly on the standing crops. Advantage is using granulated product is that it is available to the crops for longer time because it get dissolved slowly in water.

Significant developments subsequent to the last financial year:

After the date of last financial year i.e. November 30, 2010, the Directors of our Company confirm that in their opinion, there have not been any significant material developments except mentioned below:-

1. Term Loan of ₹ 1000 Lakhs borrowed by company for project requirement from Indian Overseas Bank, Bhilwara. Rajasthan.
2. Project is at an advance stage of implementation & a sum of ₹. 2148.97 Lakhs (excluding current assets) has been incurred till 28.04.2011

Key factors affecting the results of operation:

Our Company's future result of operations could be affected potentially by the following factors:

- → Competition from existing players:
- → Capital expenditure including capacity expansion:
- → Growth from unorganized sector and threat from national/regional players:
- → Company's ability to successfully implement our growth strategy:
- → Changes in law & regulations,
- → Changes in political & social conditions in India,
- → The loss of shutdown of operations of our Company at any time due to strike or labour unrest or any other reasons,
- → Changes in prices of Raw Material:
- → Loss due to delay in execution of projects in time,
- → Changes in International market

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the period ended on 30th November, 2010 and for the financial year ended on 31st March, 2010, 2009 and 2008.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, "Annexure XVI" beginning on page 208 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 186 of the Draft Prospectus.*

Revenue Break Up: Our Company is operating in single segment ie. Fertilizers (SSP), so there is no revenue break up.

RESULTS OF OUR OPERATIONS:

(₹. In Lakhs)

Particulars	30-Nov-10 (8 months)	31-Mar-10 (12 Months)	31-Mar-09 (12 Months)	31-Mar-08 (12 Months)
Income				
Income from Operations	3324.14	2152.78	3662.35	1139.11
Increase/ Decrease (%)		(41.22)	221.51	(6.69)
Other Income	21.48	36.01	26.56	36.51
Increase/ Decrease (%)		35.58	(27.25)	54.77
Total Income	3345.62	2188.79	3688.91	1175.62
Increase/ Decrease (%)		(40.67)	213.78	(5.53)
Expenditure				
Operating Cost	2531.92	1726.10	3104.11	924.91
Increase/ Decrease (%)		(44.39)	235.61	(3.31)
Staff Cost	34.77	41.50	40.23	20.92
Increase/ Decrease (%)		3.16	92.30	(1.92)
Administrative and Selling & distribution expenses and Misc exp W/o	294.48	226.54	305.64	117.57
Increase/ Decrease (%)		(25.88)	159.96	(29.06)
Total Expenditure	2861.17	1994.14	3449.98	1063.40
Increase/ Decrease (%)		(42.20)	224.43	(7.02)

PBIDT		194.65	238.93	111.84
% of profit to total income	14.48	9.04	6.52	9.81
Increase/ Decrease (%)		(18.53)	112.91	11.35
Depreciation	16.45	20.67	17.17	15.42
Increase/ Decrease (%)		20.38	11.35	2.46
Profit before Interest and Tax		173.98	221.76	96.80
Increase/ Decrease (%)		(21.55)	129.09	12.91
Interest and Financial Charges	86.09	61.56	49.04	17.54
Increase/ Decrease (%)		25.53	179.59	1.80
Profit after Interest and Before restatement	381.91	112.42	172.72	79.26
Increase/ Decrease (%)		(34.91)	117.92	15.71
Tax Effect	50.00	28.24	50.24	18.91
Increase/ Decrease (%)		(43.79)	165.68	136.38
Profit After Tax	331.91	84.18	122.48	60.35
Increase/ Decrease (%)		(31.27)	102.95	(0.25)

Financial Information for the period ended on 30th November,2010

Revenue from Operation
The turnover the company is ₹ 3324.14 which is 99.35 % of total income during the said period on account of sale of stock held by the company during last year.

Expenditure

Operating Cost
Operating cost of the company is ₹ 2531.92 which is 88.49 % of total expenditure during the said period.

Staff cost
Staff cost is ₹ 34.77 Lakhs which is 1.22 % of the total expenditure during the said period.

Administrative and Selling & Distribution Expenses
Administrative and selling & distribution Expenses is ₹ 294.48 Lakhs which is 10.29 % of the total expenditure during the said period.

Profit before Interest, Depreciation and Tax (PBDIT)
PBDIT is ₹ 484.45 Lakhs which is 14.48 % of total income during the said period.

Depreciation
Depreciation is ₹ 16.45 Lakhs for the said period on account of increase of capital expenditure.

Profit Before Tax
Profit Before Tax is ₹ 381.91 Lakhs on account of government policy for boosting production of SSP

Comparison of Financial Year 2010 with Financial Year 2009

Revenue from Operation
The turnover of the company decreased to ₹ 2152.78 Lakhs for the FY 2010 as compared to ₹ 3662.35 Lakhs during the FY 2009 showing a decrease of 41.22 %, which primarily was due to expected change in government policy in respect of market price and subsidy on the SSP, which was made effective from 1st May, 2010 onwards, and consequentially the company kept on hold the stock till that period.

Expenditure

Operating Cost
Operating cost decreased to ₹ 1726.10 Lakhs for the financial year 2010 as compared to ₹ 3104.11 Lakhs for the FY 2009 showing a decrease of 44.39%. During the FY 2010 raw material consumption cost decreased as compared to the FY 2009 due to lower purchase price of raw material & other purchase costs.

Staff cost
Staff cost increased to Rs. 41.50 Lakhs for the FY 2010 from Rs. 40.23 Lakhs for the year ended March 31, 2009 showing increase of 3.16 % on account of increment in the salary of staff.

Administrative and Selling & Distribution Expenses
Administrative and selling & distribution Expenses have been decreased to ₹ 226.54 Lakhs for the FY 2010 from ₹ 305.64 Lakhs for the FY 2009 showing a decrease of 25.88%. It was due to reduction in freight & business promotion expenses like discount etc which were on very higher side during FY 2009.

Profit Before Interest, Depreciation and Tax (PBDIT)
PBDIT decreased to ₹ 194.65 Lakhs during the FY 2010 from ₹ 238.93 Lakhs for the FY 2009 showing a decrease of 18.53% mainly on account of low turnover due to stock holding position. The profit for the FY 2010 is 9.04 % of the total income from operation as compared to 6.52% of FY 2009.

Depreciation
Depreciation has been increased to ₹ 20.67 Lakhs for the FY 2010 from ₹ 17.17 Lakhs for the FY 2009 showing an increase of 20.38 % due to Capital expenditure of ₹ 246.51 Lakhs during FY 2010.

Interest and Financial Charges
Interest and Financial Charges increased to ₹ 61.56 Lakhs for the FY 2010 from ₹ 49.04 Lakhs for FY 2009 showing an increase of 25.53 %. The absolute increase is attributed to increase in the utilization of advance received from customer for increase in production & stock on hold position.

Profit Before Tax
Profit Before Tax was decreased to ₹ 112.42 Lakhs during the FY 2010 from ₹. 172.72 Lakhs in the FY 2009 showing decrease of 34.91 % on account of low turnover & low income from operations.

Tax
Tax decreased to ₹ 28.24 Lakhs during the FY 2010 from ₹. 50.24 Lakhs during the FY 2009 due to profit on lower side.

Profit After Tax
PAT decreased to ₹. 84.18 Lakhs in FY 2010 from ₹. 122.48 Lakhs for the FY 2009 showing decrease of 31.27 % due to decrease in income from operations.

Comparison of Financial Year 2009 with Financial Year 2008

Revenue from Operation
The turnover of the company increased to ₹. 3662.35 Lakhs for the FY 2009 as compared to ₹. 1139.11 Lakhs during the FY 2008 showing a jump of 221.51 %, which primarily was due to higher production as well as the highest ever inflation in the prices of Raw Material as well as of finished goods & increase of subsidy on the SSP, the present product of the company.

Expenditure

Operating Cost
Operating cost increased to ₹. 3104.11 Lakhs for the FY 2009 from ₹.924.91 for the FY 2008 showing an increase of 235.61 %.During the FY 2009 raw material consumption cost increase as compared to the FY

2008 due to considerable increase in production and highest ever purchase price of raw material. power fuel consumption cost also increased in the FY 2009 as compared to FY 2008 due to increase in rate per unit of energy.

Staff cost

Staff cost increased to ₹ 40.23 Lakhs for the FY 2009 from ₹. 20.92 Lakhs for FY 2008 showing increase of 92.30 %. During the FY 2009 new staffs were recruited further to look after the new project activities to take up backward integration project so consequential increase in employee cost as compared to FY 2008.

Administrative and Selling & Distribution Expenses

Administrative and Other Expenses have been increased to ₹. 305.64 Lakhs for the FY 2009 from ₹. 117.57 Lakhs for the FY 2008 showing an increase of 159.96 %. The main reason behind this was due Increase of outward freight charges & discount given to customers on enhanced prices.

Profit before Interest, Depreciation and Tax (PBDIT)

PBDIT increased to Rs. 238.93 Lakhs during the FY 2009 from ₹. 112.22 Lakhs for the FY 2008 showing an increase of 112.91% mainly on account of sharp boost up in production & turnover. This year was having highest ever inflation also. The profit for the FY 2009 is 6.52 % of the total income from operation as compared to 9.81 % of FY 2009.

Depreciation

Depreciation has been increased to ₹. 17.17 Lakhs for the FY 2009 from ₹. 15.42 Lakhs for the FY 2008 showing an increase of 11.35 % on account of increase in capital expenditure.

Interest and Financial Charges

Interest and Financial Charges increased to ₹. 49.04 Lakhs for the FY 2009 from ₹. 17.54 Lakhs for FY 2008 showing an increase of 179.59%. The absolute increase is attributed to increase in the utilization of advance received from customer for increase in production.

Profit before Tax

Profit before Tax was increased to ₹.172.72 Lakhs during the FY 2009 from ₹. 79.26 Lakhs in the FY 2008 showing an increase of 117.92 % on account of increased production & turnover.

Tax

Tax increased to ₹. 50.24 Lakhs during the FY 2009 from ₹. 18.91 Lakhs during the FY 2008 due to increase in profit.

Profit After Tax

PAT increased to ₹. 122.48 Lakhs in FY 2009 from ₹. 60.35 Lakhs for the FY 2008 showing an increase of 102.95% due to increase in income from operations.

Related Party Transactions

For further information please refer "Annexure XI" beginning on page 199 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 186 of the Draft Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk

Any change in the interest rate on Credit Facilities, will have negative impact on the company's performance.

Exchange Rate Risk

The Company will be subject to exchange risk for its import or export transactions.

Effect of Inflation
Inflation if any on higher side may effect on demand of the product.

Factors that may affect the results of the operations:

1. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

There have been no unusual or infrequent events or transactions that have taken place.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.
There are no significant economic changes that may materially affect or 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 13 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, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.
Our Company's future costs and revenues will be determined by demand/supply situation, government policies.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.
Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.
For details on the total turnover of the industry *please refer to Chapter "Industry Overview" beginning on page 103 of the Draft Prospectus.*

7. Status of any publicly announced new products or business segment.
Our Company has not announced any new product and segment, other than through the Draft Prospectus.

8. The extent to which business is seasonal.
Our Company's business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

Our company is depending only on M/S. Shriram Fertilizers & Chemicals, New Delhi for sale of our product viz SSP. Up till now the company is entering into marketing agreement since last six years. Now our company has executed an agreement for five year period from 1/4/2011 to 31/03/2016 with M/s Shriram Fertilizer & Chemicals, a unit of DCM Shriram Consolidated Limited.

The loss or significant decrease in the volume of business from our major customer for any reason would have an adverse effect on our business, financial condition and results of operations. Moreover, if this customer has to experience liquidity problems or insolvency, we would face credit risk with respect to account receivables from such customer. In addition, our customer may in the future develop and tie up with other manufacturer for marketing the product such event or any delay or default in payment by our customer for product sold may adversely affect our business, financial condition and results of operations.

Further, the income from this customer may vary from year to year, making it hard to forecast future business needs, particularly since we are not the exclusive product supplier to our customer.

As far as raw material is concerned Our Company is relying on only two suppliers for raw material requirement out of which one is our group concern (Krishna Phoschem Limited) and another is Government organization (RSMML) .The financial crisis, non availability of raw material, production disruption, any labour problem in our group concern would have an adverse effect on our business, financial condition and results of operations.

10. Competitive conditions.
Competitive conditions are as described under the *Chapters "Industry Overview" and "Business Overview" beginning on pages 103 and 120, respectively of the Draft Prospectus.*

SECTION VII: LEGAL AND OTHER REGULATORY INFORMATION OUTSTANDINGS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.
Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

1. Contingent Liabilities of our Company as of November 30 2010 :

The Company has the following contingent Liabilities as per audited balance sheet on 30.11.2010

a. Fixed Deposit of ₹ 24.91 lakhs has been pledged with central excise deptt (P.Y. ₹ 16.92 Lakhs) and ₹ 5000/- (Previous year ₹ 5000/-) has been pledged with sales tax. FDR of ₹ 50.00 lakhs is pledged as a collateral security against advances given by the bank to Krishana Phoschem Ltd, a group company for that no guarantee commission has been charged.

b. RSMML had issued demand note on account of increase in royalty amounting to ₹ 32.95 lakhs in FY 2008-09 against which company had filed writ petition before Hon'ble Jodhpur High court and obtain stay order against such demand.

2. Outstanding Litigation / Proceedings involving Our Company and Material Developments.

A. Litigation involving our company.- Madhya Bharat Agro Products Limited

Cases filed against our Company	
Criminal Cases	
Civil Cases	There are no civil cases pending against our company
Income Tax	There are no cases pending with regard to Income Tax
Indirect Tax	There are no cases pending with regard to Indirect taxation
Potential Litigation	There is no such potential matter which may become legal matter
Cases filed by our Company	
Criminal Cases	The company has not filed any criminal cases against anybody
Civil Cases	The company has filed a writ petition at Hon'ble Rajasthan High Court against The State of Rajasthan, through the Secretary, Department of Finance, Government of Rajasthan, Jaipur & others.

	In respect of demand raised by The Rajasthan State Mines & Minerals Limited, Udaipur (Raj.) giving therein retrospective effect in the prices of Rock Phosphate supplied to the Company. The case may involves monetary liability of ₹ 32,94,846/-. Hon'ble High Court has stayed the recovery proceeding against such demand.
Income Tax	There are no cases or petitions filed by our company to Income Tax Department
Indirect Tax	There are no cases or petitions filed by our company to Indirect Tax Department
Potential Litigation	There is no such potential matter which may become legal matter.

Note :If the above mentioned case is adjudicated against our company, then our company has to pay out the amount involved in the case.

B. Litigation involving our directors

As on date there are no cases which have been filed by or against any of our Promoter or Directors.

Litigation/ Notices involving our Promoter Company.

Seasons Agro Chem India Pvt Ltd

Cases filed against our Promoter Company (Seasons Agro Chem India Private Ltd)	
Show Cause Notice	Sample of Companies Product i.e. Sulfur Dust 85% D.P. were taken of Batch no. SDB -369 & SDP-358 were sent for testing by authorized official u/s.33 (1) of Insecticide Act 1968 & on failure of Sample under testing report, a Show Cause notice dated 14.10.2010 were issued . The company has now submitted to the respective Appellant Authority for re-testing & not to initiate legal proceedings.
Civil Cases	There is no Civil case filed against our Company.
Income Tax	There are no cases with regard to Income Tax.
Indirect Tax	There are no cases with regard to Indirect Tax.
Potential Litigation	There is no such potential matter which may become legal matter
Cases filed by our Company	
Criminal Cases	The company has not filed any criminal cases against anybody
Civil Cases	The company has not filed any civil cases against anybody
Income Tax	The Company has not filed any petition or appeal to Income Tax Authority
Potential Litigation	There is no such potential matter which may become legal matter

C. Litigation involving Promoter Group Entities

As on date there are no cases which have been filed by or against of any of the entities forming a part of promoter Group except mentioned below:

Tedco Granite Limited

Cases filed against our Sister Concern (Tedco Granite Limited)	
Criminal Cases	There are at present 23 cases running against the company involving sample violation as per Fertilizer Control Order 1985. Details of the same has been tabulralized below:

Civil Cases	There are no civil cases pending against our company
Income Tax	1) Commissioner of Income Tax -VI , New Delhi has filed An appeal against the Company to the Hon'ble High Court of Delhi against ITA No.1691/Del/2007,Order dt.22/1/2010 by ITAT, Delhi Branch 'H' Delhi, at New Delhi. The facts of the case are that the assessee filed return of income on 31.10.2001 declaring loss of ₹.57251810/-. The assessment was completed on 31.12.2003 u/s 144 read with section 143(3)(ii) determining the total income at ₹. 29552863/-. The assessee moved an appeal before the ld.CIT (Appeals), who passed the order on 29.7.2004, in which the appeal of the assessee was partly allowed. The AO had also initiated penalty proceedings u/s 271(1)(c). These proceedings were disposed off on 29.3.2006 by levying penalty of ₹. 5430665/-. The penalty was levied in respect of the following additions made in the assessment order: - i) ₹. 718830/- on account of bad debts; ii) ₹. 7908309/- on account of Special Drought Discount; and iii) ₹. 5104000/- on account of discount to distributors and dealers on off season sale. 2) Income Tax Department filed a case against the order of AAIFR (Appellate Authority for Industrial and Financial Reconstruction) in High Court bearing writ petition no. 7592/2009 at Honorable High Court – New Delhi Company was exempted to pay Tax till 2012 by BIFR order but I.T dept. went to High Court against order of AIIFR.
Indirect Tax	There are no cases with regard to Indirect taxation
Potential Litigation	There is no such potential matter which may become legal matter
Cases filed by our Sister Concern (Tedco Granite Limited)	
Criminal Cases	The company has not filed any criminal cases against anybody
Civil Cases	1) The company has filed a writ petition at Hon'ble Rajasthan High Court (Jodhpur) against The State of Rajasthan , through the Secretary, Department of Finance, Government of Rajasthan, Jaipur & others bearing Civil Writ Petition No. 4353/2009 in the Honorable High Court of Rajasthan - Jodhpur.. In respect of demand raised by The Rajasthan State Mines & Minerals Limited, Udaipur (Raj.) giving therein retrospective effect in the prices of Rock Phosphate supplied to the Company. The case may involves monetary liability of ₹ 1,46,84,239 /-. Hon'ble High Court has stayed the recovery proceeding against such demand. 2) Our Company had filed a Petition under Civil Procedure Code on to acquire company's Property vide petition no bearing 1/2010 against Mohani Bhagwani Smt Anita W/o Late Alok Mishra & Others. Mr. Mohani Bhagwani, Smt. Anita W/o Late Alok Mishra who were directors of the company has purchased a property on behalf of company and has sold the same without company's knowledge at their time of resignation from the post of Director. Since the said property was purchased on behalf of company

	then the same was to considered as Company's property and the same cannot be sold without permission of Board of Directors. Company is filled an appeal to Bhilwara ADJ Court under order 9 rules 4 of section 151 of Civil Procedure code 1908 and summon has been under process to be served upon. 3) Our Company had filed an appeal under Civil Procedure Code for refund of securities against New India Transport Company to Udaipur ADJ Court under order 41 rules 5 of section 151 of Civil Procedure code that "if company is under preview of BIFR than court is not having any jurisdiction to pass any order". New India Transport company has kept ₹ 500000 as deposit against the supply of raw material and due to some reasons the material was not supplied and so the New India Transport company had an authority to take the security money back from our company and Additional District Judge passed an order to pay the security amount, Against this our company appealed to District Judge court since the company is in BIFR, court is not having any jurisdiction to pass any order. Case is undergoing for final argument, Money involved is ₹ 50000
Income Tax	There are no cases with regard to Income tax
Potential Litigation	There are no such potential matter which may become legal matter

Tabularized details of Criminal Cases filed against the company

Sr. No.	Reference No. of Case	Court Name	Opposite Party	Gist of the Case
1.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no is 451/04 by Department of Agriculture, Madhya Pradesh	Judicial Magistrate First Class (JMFC)	State of Madhya Pradesh	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the JMFS Court at Bhanpura (Madhya Pradesh). No amount is involved in this case.
2	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 329/99 by Department of Agriculture, Rajasthan	Additional Chief Judicial Magistrate (ACJM)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the ACJM Court at Kapasan (Rajasthan). No amount is involved in this case.
3.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 330/99 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. The case is now at the stage of Arguments on Resampaling application. Case is pending in the ACJM Court at Kapasan (Rajasthan). No amount is involved in this case.
4.	Summon	ACJM (Additional	State of Rajasthan	The Inspector took sample of

	issued Under the provisions of Fertilizers Control Order-1985, case no. is 358/99 by Department of Agriculture, Rajasthan	Chief Judicial Magistrate)		SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the ACJM Court at Kapasan (Rajasthan). No amount is involved in this case.
5.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 194/04 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the ACJM Court at Kapasan (Rajasthan). No amount is involved in this case.
6.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 357/99 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the ACJM Court at Kapasan (Rajasthan).
7.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 288/2000 by Department of Agriculture, Rajasthan	CJM (Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the CJM Court at Dusa (Rajasthan). No amount is involved in this case.
8	Summon issued Under	CJM (Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found

	the provisions of Fertilizers Control Order-1985, case no. is 398/2000 by Department of Agriculture, Rajasthan			the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities ***has*** been filed. Case is pending in the CJM Court at Dusa (Rajasthan). No amount is involved in this case.
9.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 1141/2003 by Department of Agriculture, Rajasthan	ADJ (Additional District and Session Judge)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the ADJ Court at Gangapurcity (Rajasthan). No amount is involved in this case.
10	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 1142/2003 by Department of Agriculture, Rajasthan	ADJ (Additional Session Judge)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the ADJ Court at Gangapurcity (Rajasthan). No amount is involved in this case.
11.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 369/2006 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the ACJM Court at Karoli (Rajasthan). No amount is involved in this case.
12.	Summon	CJM (Chief	State of Rajasthan	The Inspector took sample of

	issued Under the provisions of Fertilizers Control Order-1985, case no. is 196/2001 by Department of Agriculture, Rajasthan	Judicial Magistrate)		SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities has been filed. Case is pending in the CJM Court at Karoli (Rajasthan). No amount is involved in this case.
13.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 194/2001 by Department of Agriculture, Rajasthan	CJM (Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the CJM Court at Karoli (Rajasthan). No amount is involved in this case.
14.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 266/2007 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the ACJM Court at Begun (Rajasthan). No amount is involved in this case.
15.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 63/2004 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the ACJM Court at Begun (Rajasthan).

				No amount is involved in this case.
16.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 07/2000 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the ACJM Court at Nimbahara (Rajasthan). No amount is involved in this case.
17.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 06/2000 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the ACJM Court at NImbahera (Rajasthan). No amount is involved in this case.
18	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 265/2002 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the ACJM Court at Bhilwara (Rajasthan). No amount IS involved in this case.
19.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 167/2000 by Department of Agriculture,	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. The case is now

	Rajasthan			at the stage Stay given by the Rajasthan High Court. Case is pending in the ACJM Court at Gulabpura (Rajasthan). No amount is involved in this case.
20.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 255/2007 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the ACJM Court at Sawai Madhopur (Rajasthan). No amount is involved in this case.
21.	Summon issued Under the provisions of Fertilizers Control Order-1985, case no. is 254/2007 by Department of Agriculture, Rajasthan	ACJM (Additional Chief Judicial Magistrate)	State of Rajasthan	The Inspector took sample of SSP and on testing thereof found the sample in violation of the Fertilizers Control Order-1985. A case to that effect for violating the provision of section 19(1) (a) (b) of fertilizer control order 1985 and under section 3/7 of the Essential Commodities & others has been filed. Case is pending in the ACJM Court at Sawai Madhopur (Rajasthan). No amount is involved in this case.
22	Mangu Ahir & Lala Ahir filed an application for compensation under Civil Procedure Code. Case no. is 114/06.	ADJ - I Court (Additional District Judge - I)	Mangu Ahir & Lala Ahir	Complaint filed by Sitaram Ahir and others that the manufacturing facility undertaken within the factory to produce the goods generates certain polluted water and chemical gases and due to the same crops grown on the land by this farmers was affected and the same got destroyed and they demanded a compensation of ₹ 60,000 The case is pending in ADJ-I Court

23	A Complaint was filled by Sitaram Ahir at Sub Divisional Magistrate court against company under section 133 of India Penal court and case no is 3053/2008.	Sub Divisional Magistrate (SDM) Court	Sitaram Ahir & Others	Complaint filed by Sitaram Ahir and others that the manufacturing facility undertaken within the factory to produce the goods generates certain polluted water and chemical gases and due to the same crops grown on the land by this farmers was getting affected and crops are getting destroyed. The case is pending at SDM Court

Krishana Phoschem Limited

Cases filed against our Sister Concern (Krishana Phoschem Limited)	
Criminal Cases	As mentioned in below table:-
Civil Cases	There is no Civil case filed against our Company
Income Tax	There are no cases pending with regard to Income Tax
Indirect Tax	There are no cases pending with regard to Indirect tax
Potential Litigation	There is no such potential matter which may become legal matter
Cases filed by our Company	
Criminal Cases	The company has not filed any criminal cases against anybody
Civil Cases	The company has not filed any civil cases against anybody
Income Tax	The Company has not filed any petition or appeal to Income Tax Authority
Potential Litigation	There is no such potential matter which may become legal matter

Criminal Cases of Krishana Phoschem Ltd

Current Summary of court cases as on February 8, 2011					
Sr. NO.	**Case No.**	**Parties**	**Court**	**Matter in behalf**	**Status**
1	189/10	Police Station - Megh Nagar v/s Yunus	JM-1 (Judicial Magistrate) Thandla- Distt. Jhabua	Truck cleaner hurted by same truck during direct starting on Rock Heap in co. premises.	FIR lodged on same day against driver by Mgr. (P&A) and statement for witness has taken by the court

Seasons International Private Ltd : *No Cases has been filed by and against the company*

Nirmala Realinfrastructure Private Ltd : *No Cases has been filed by and against the company*

D. Penalties imposed in past cases in the last five years

There are no penalties which have levied on our Company, Promoters, Directors or Promoters Group in last Five Years

E. Amount owned to Small Scale Undertakings

There are no SSI Undertakings or other creditors to whom the Company owes an amount exceeding ₹. 1 Lakhs which is outstanding for more than 30 days from the due date.

F. **Material Developments since the last balance sheet date.**

There are no material developments after the date of last audited balance sheet as on November 30, 2010, which may materially affect the performance, or prospects of the company.

G. **Adverse Events**

There has been no adverse event affecting the operations of our Company, occurring within one year prior to the date of filling of the Draft Red Herring Prospectus with the SEBI and Stock Exchanges.

GOVERNMENT AND OTHER STATUTORY APPROVALS

The Company has received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for its present business and except as mentioned below, no further approvals are required for carrying on the Company's present as well as proposed business activities of the company except as mentioned below. It must, however, be distinctly understood that in granting the below mentioned approvals, the Central and State 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 this Issue and its current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Certain approvals have elapsed in their normal course and the Company has either made an application to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our company to undertake its existing activities.

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

The Board of Directors has, pursuant to resolution passed at its meeting held on 10th July 2010, authorized the Issue and related matters subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act, and such other authorities as may be necessary.

The Shareholders of our company have, pursuant to a resolution dated 20th September 2010, under Section 81 (1A) of the Companies Act, authorized the Issue and related matters.
Our Company has obtained in-principal listing approvals dated [●] from BSE.

INCORPORATION DETAILS

Certification of Incorporation No. 10- 12401 dated October 22, 1997 issued to Madhya Bharat Agro Products Private Limited by the Registrar of Companies, Madhya Pradesh. The Corporate Identification Number issued there in was U24121RJ1997PLC029126.

Fresh certificate of Incorporation consequent on Change of Name from Madhya Bharat Agro Products Private Ltd to Madhya Bharat Agro Products Limited dated June 11, 1999 issued by Registrar of Companies, Madhya Pradesh.

By order of Company Law Board for Change of State under section 18(3) of the Companies Act, 1956 on 05/05/2009 wherein Registered Office was changed from State of Madhya Pradesh to State of Rajasthan.

APPROVALS FROM LENDER

Pursuant to letter dated 05th January 2011, Indian Overseas Bank has given their consent to our company to undertake the initial public offering.

OTHER APPROVALS RELATED TO COMPANY- GENERAL

1. Our Company's PAN (Permanent Account Number) under the Income Tax is AADCM5913E
2. Service Tax Certificate No.AADCM5913EST001, dated 26/10/2007 issued to our Company by Superintendent, Service Tax, Division II, Sagar (M.P.)

3. Certificate of Importer-Exporter Code 1108005578, dated 27/01/2009 issued to our Company by Ministry of Commerce, Office of Joint Director General of Foreign Trade, Bhopal (M.P.).

APPROVALS FOR THE BUSINESS

We require various approvals to carry on our business in India. We have received the following approvals I n relation to our business.

Existing Unit I SSP – Village – Rajoua, Distt- Sagar, Madhya Pradesh, Sagar- 470002

1. Factory License No.32/15089/SGR/2m(i), dated 13/04/2009 issued to our Company by Chief Inspector of Factories,Jabalpur Zone, Madhya Pradesh. The License will be valid upto 31st December 2010.

   Application for renewal of the said license is made in Form 4 to Chief Inspector of Health & Safety Department, Jabalpur, Madhya Pradesh on 20/12/2010

2. Certificate of Registration No. MP/SAGAR/20056/Upekeshakarya/Vyaptikaksh/267/1222, dated 06/08/2008, issued to our Company by Employees' Provident Funds Organisation, Regional Provident Fund Commissioner , Regional Office, SAGAR -470001 and the same is valid upto cancellation.

3. Central Excise Registration No.AADCM5913EXM001, dated 06/04/2004 issued to our Company by Assistant Commissioner of Central Excise, Sagar (M.P.) towards Manufacture of excisable goods. The said registration is valid till MBAPL carries on the activity.

4. Our Company's TAN (Tax Deduction Account Number) under the Income Tax Act is JBPM04770D as issued National Securities Depository Limited vide letter No. 719010354/TAN/166641 on 27th July 2004. The Registration is valid up till cancellation.

5. Madhya Pradesh Sales Tax Department has issued Registration Certificate No. 23477502851 dated 01st July 1999 issued in the name of M/s Madhya Bharat Agro Products Private Ltd under the Sales Tax Act; subsequently our company has received the same certificate in the name of Madhya Bharat Agro Products Limited. The Registration is valid up till cancellation

6. Central Sales Tax Registration Certificate NO. 23477502851 dated 16th December 1999 issued in the name of Madhya Bharat Agro Products Private Limited under the Central Sales Tax Act 1957. Subsequent to the change in name of our company from Madhya Bharat Agro Products Private Limited to Madhya Bharat Agro Products Limited, a revised registration letter is obtained in the name of Madhya Bharat Agro Products Ltd. The Registration is valid up till cancellation

7. Acknowledgement No. 360/SIA/IMO/2000 dated 14th February 2000 issued to our Company by Government of India, Ministry of Commerce & Industry, Secretariat for Industrial Assistance, Public Relation & Complaints Section, New Delhi towards Manufacturing of Single Super Phosphate for installed capacity of 60000 MT and further the capacity was increase by 60000 MT in two phases of 30000 MT each time vide letter No 3698/SIA/IMO/2007 and 1586/SIA/IMO/2009. The Registration is valid up till cancellation

8. Authorization under Hazardous Wastes (Management & Handling) Rules 1989 vide letter No, 20780 Bhopal dated 29.11.2004 was issued to Madhya Bharat Agro Products Private Ltd and the same was valid for the period of five years upto 06.07.2008.

Hazardous Wastes (Management, Handling & Transboundary Movement) Rules 2008 have been promulgated and the same has been implemented from September 2008 and so renewal was granted for further five years vide letter No 2700/HSMD/MPPCB/09 dated 28th January 2010

For Period 06.07.2008 to 23.09.2008 under Hazardous Wastes (Management & Handling) Rules 1989.

For Period 24.09.08 to 06.07.2013 under Hazardous Wastes (Management, Handling & Transboundary Movement) Rules 2008.

9. Agreement dated 24.12.2004 was entered between Madhya Pradesh Electricity Board, Jabalpur and Madhya Bharat Agro Products Private Limited wherein Electricity Board agreed to provide consumer electricity in bulk at factory premises of MBAPL upto a maximum of 350 KVA.

   Further, as per Clause 2 of order by Govt of MP for re-organisation of MP Electricity Board dated 31st May 2005 it has been provided that the Distribution and retail supply of Electricity shall be carried on by the Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Ltd, jabalpur.

   Madhya Bharat Agro Products Ltd further entered into an First Supplementary agreement with Madhya Pradesh Poorv Kshetra Vidhyut Vitraran Co. Ltd on 7th August 2007 for reduction in contract demand from 350 KVA to 300 KVA w.e.f. from 1st August 2007.

10. Clearance from Madhya Pradesh Pollution Control Board for Water and Air Prevention Control has been received vide letter No.226/RO/MPPCB/TS-Sgr-442-II/Water/09 and 225/RO/MPPCB/TS-Sgr-442-II/Air/11 respectively dated 09/05/2011. The said clearance is valid from 01.06.2010 to 31.5.2011.

    Application for the renewal has been made on 10/05/2011

11. Commencement of Production registration No. 230112100238 from District Industries Centre dated 18th July 2008.

12. Certificate received from Controller Weights and Measures, Madhya Pradesh vide no 10201 dated 23rd February 2011 confirming weight and measurement of Electronic Weighbridge. The same is valid upto 22nd January 2012..

13. Authorization letter dated 01/04/2008 bearing No 73 from Directorate of Agriculture, Vindhyachal Bhawan, Madhya Pradesh to carry on SSP business for a period of 3 years.

    Application for renewal of the same has been made on 18th March 2010.

LICENSE AND APPROVALS APPLIED FOR BUT YET TO BE RENEWED/RECEIVED

Existing Unit I SSP – Village – Rajoua, Distt- Sagar, Madhya Pradesh, Sagar- 470002

Application for renewal of Factory License bearing License No. 32/15089/SGR/2m(i), is made in Form 4 to Chief Inspector of Health & Safety Department, Jabalpur, Madhya Pradesh on 20th December 2010.

Application has been made to Directorate of Agriculture, Vindhyachal Bhawan, Madhya Pradesh for permission to carry on SSP business on 18th March 2011.

Application has been made to MP Pollution Control Board, Sagar for renewal of Air & Water Consent dated 10/05/2011.

License required for Objects of the Issue:

Proposed Unit II – Village Sorai, Tehsil- Banda. Distt- Sagar, Madhya Pradesh

BENEFICIATED ROCK PHOSPHATE

We require various approvals to carry on our business in India. We have received the following approvals I n relation to our business.

1. Service Tax Registration No.AADCM5913ESD002 dated 18th December 2010 issued to our Company by Central Board of Excise and Customs, Sagar (M.P.) towards Manufacture of excisable goods. The said registration is valid up till its cancellation by the said department. The Registration is valid up till cancellation.

2. Our Company's TAN (Tax Deduction Account Number) under the Income Tax Act is BPLM08553G as issued National Securities Depository Limited vide letter No. 03316010002034 on 25th June.

3. Madhya Pradesh Sales Tax Registration Certificate No. 23617505587 dated 19th August 2009 issued in the name of M/s Madhya Bharat Agro Products Ltd under Madhya Pradesh Sales Tax Act. The Registration is valid up till cancellation.

4. Central Sales Tax Registration Certificate No. 23617505587 dated 19th August 2009 issued in the name of Madhya Bharat Agro Products Limited under the Central Sales Tax Act 1957. The Registration is valid up till cancellation.

5. Acknowledgement No. 1906/SIA/IMO/2008 dated 24th June 2008 issued to our Company by Government of India, Ministry of Commerce & Industry, and Secretariat for Industrial Assistance, Public Relations & Complaints Section, New Delhi towards Manufacture of Beneficiated Rock Phosphate for installed capacity of 99000 TPA.

   Further, the revised Acknowledgement No. 953/SIA/IMO/2010 dated 22nd March 2010 issued to our company by Government of India, Ministry of Commerce & Industry, and Secretariat for Industrial Assistance, Public Relations & Complaints Section, New Delhi against our request letter dated 11th March 2010 to issue a fresh certificate stating Beneficiated Rock Phosphate (Processing) 99000 TPA and Beneficiated Rock Phosphate (Output) 49500 TPA.

6. NOC from Forest vide letter No06/2009/426. Dated 8th May 2009 declaring that the land used for set up of BRP Unit is Non Agricultural Land.

7. NOC from Gram Sabha to set up BRP plant on the proposed land vide letter No 720/2010 dated 18/05/2010.

8. Approval received from Central Ground Water Authority to abstract groundwater for Industrial use for the total water requirement of 300m3 / day vide letter no. 21-4(99)/NCR/CGWA/2011-431 dated 18th April 2011. The same is valid up till cancellation.

9. Certificate received from Controller Weights and Measures, Madhya Pradesh vide no 10258 dated 25th September 2010 confirming weight and measurement of Electronic Weighbridge. The same is valid upto 24th September 2011.

LICENSE AND APPROVALS APPLIED FOR BUT YET TO BE RENEWED/RECEIVED

As on date our Company has not made any applications which are pending renewal except as mentioned below:-

1. Application for Factory License has been made by our company to Chief Inspector of Factories, Health & Safety Department, Jabalpur Zone, Madhya Pradesh.

2. Application has been made to Member Secretary, State Level Environmental Impact Assessment Authority (SEIAA) Bhopal (M.P.) on 1st May 2010 for issue of Sector Specific TOR (Terms of Reference) and Sector Specific Guidance Manuals for preparation of EIA report. Based on this EIA Environmental Clearance certificate will be issued.

3. Environment Clearance Certificate for New Project for which Company has already moved an application to Member Secretary, State Level Environmental Impact Assessment Authority (SEIAA) Bhopal (M.P.) on 1st May 2010

4. Application for Power Connection at New Factory site for 800 KVA connection to The Supdtt. Engineer, M.P. Vidhut Vitran Company Ltd., Division Banda, Distt. Sagar, M.P. on 17th July' 2010.

5. Application for provident fund for Unit II dated 22nd November 2010 to Employees' Provident Funds Organisation, Regional Provident Fund Commissioner, Singhai Building- 10 Sagar, M.P.

6. Application for permission to abstract ground water for industrial use has been made to Central Ground Water Authority (Constituted under section 3(3) of the environment (Protection) Act, 1986).

MATERIAL LICENSES/APPROVALS FOR WHICH WE ARE YET TO APPLY

As on date Other than those mentioned below further no licenses required, which our Company is to apply for, in order to run its business.

1. Application to Central Board of Excise and Customs for Excise Registration is yet to be made
2. Application under Hazardous Wastes (Management, Handling & Transboundary Movement) Rules 2008 will be made at later stage.

Other Projects

- Expansion of Installed Capacity of SSP
- Setting up of GSSP Plant
- Setting up of Sulphuric Acid Plant

Approvals for the Business

We require various approvals to carry on our business in India. We have received the following approvals I n relation to our business

1. Acknowledgement No. 1251/SIA/IMO/2011 dated 19th April 2011 issued to our Company by Government of India, Ministry of Commerce & Industry, Secretariat for Industrial Assistance, Public Relation & Complaints Section, New Delhi towards Manufacturing of Single Super Phosphate for Licensed capacity of 120000 MT, Granulated Single Super Phosphate with Licensed capacity of 90000 MT and Sulphuric Acid with Licensed capacity of 49500 MT. The Registration is valid up till cancellation.

2. Madhya Pradesh Sales Tax Registration Certificate No. 23617505587 dated 19th August 2009 issued in the name of M/s Madhya Bharat Agro Products Ltd under Madhya Pradesh Sales Tax Act was modified to include Sulphuric Acid within the product range. The Registration is valid up till cancellation.

MATERIAL LICENSES/APPROVALS FOR WHICH WE ARE YET TO APPLY

Our Company is yet to apply for all required government approvals and Licenses for the said upcoming projects and the same will be done in due course of time.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has, pursuant to a resolution passed at its meeting held on [●] authorized the issue.

Our shareholders have, pursuant to a resolution dated 20th September 2010 under section 81(1A) of the Companies Act, authorized the Issue.

We have received in-principal approvals from the BSE for the listing of our Equity Shares pursuant to letters dated [●] respectively. BSE is the Designated Stock Exchange.

We have received in-principal approvals from the NSE for the listing of our Equity Shares pursuant to letters dated [●] respectively.

Prohibition by SEBI

The Company or its Promoter or its Directors or any of the Company's Associates or Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

The promoters, the Company, Group Companies, Directors of Madhya Bharat Agro Products Limited are not debarred from SEBI or any other authority from accessing the capital Market. None of the Directors or Promoters of Madhya Bharat Agro Products Limited is associated with securities market. No penalty has been imposed by SEBI against the Company, its Directors, its promoter and companies promoted their Directors.

Prohibition by RBI

The promoter, the Company, Group Companies, Directors of Madhya Bharat Agro Products Limited are not detained as willful defaulters by the RBI/ GOI authorities and there are no violations of securities laws committed by them in the past or pending against them other than those disclosed in this Offer Document.

Our Company is an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and is, therefore, required to meet the conditions detailed in Regulation 26(2) of the SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

—An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer

(a)(i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;

or

(a) (ii) at least fifteen per cent of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional

buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) (i) *the minimum post-issue face value capital of the issuer is ten crore rupees;*

or

(b) (ii) *the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:*

(A) *the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent;*

(B) *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent of the proposed issue."*

Our Company will comply with Regulation 26(2)(a)(i) of the SEBI ICDR Regulations and at least 50% of the Issue is proposed to be allotted to QIBs.

Our Company will comply with the first proviso to Regulation 43(2)(c) of the SEBI ICDR Regulations; accordingly, not less than 15% and 35% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received.

Our Company will comply with Regulation 26(2)(b)(i) of the SEBI ICDR Regulations and the post-Issue face value capital of our Company shall be ₹ 20 Crores which is more than the minimum requirement of ₹ 10 Crores.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith. In case of delay as specified herein, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

SEBI DISCLAIMER CLAUSE

"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, CORPORATE STRATEGIC ALLIANZ 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 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 CORPORATE STRATEGIC ALLIANZ LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 25th May 2011 WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE CIVIL CASES, TAX MATTERS, DUTIES CASES, CRIMINAL CASES ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING 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 RED HERRING 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 RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS 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 RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.- ***NOTED FOR COMPLIANCE***

(5) WE CERTIFY THAT WRITTEN CONSENT FROM 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 PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING 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. – COMPLIED WITH**

(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 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.- *NOTED FOR COMPLIANCE*

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- *NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.*

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING 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.

(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 RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME; WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT."

The Promoter / Directors of Madhya Bharat Agro Products Limited confirms that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Draft Red Herring Prospectus has been suppressed withheld and / or incorporated in the manner that would amount to misstatement/misrepresentation and in the event of its transpiring at any point in time till allotment/refund, as the case may be, that any information/material has been suppressed/withheld and/ or amounts to a mis-statement/ misrepresentation, the promoters/directors undertake to refund the entire application monies to all subscribers within 7 days thereafter without prejudice to the provisions of section 63 of the Companies Act.

Caution- Disclaimer from Our Company and the Book Running Lead Manager

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Book Running Lead Manager 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The Company, the Directors, and the BRLM accept no responsibility for statements made otherwise than in this DRHP or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone depending on any other source of information, including our website : www.mbapl.com would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM and us dated **6th April 2011** and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Caution

Neither our company nor the Book Running Lead Manager or any member of Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our group companies, 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 and our group companies, affiliates or associates for which they have received, and may in future receive, compensation.

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 the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds}. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Rajasthan.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations.

Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (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. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder 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 of Prospectus with the Board and the Registrar of Companies

1. A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Western Regional Office Unit No: 002, Ground Floor SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road Ahmedabad - 380 009.

2. A copy of Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for

registration with the Corporate Bhavan, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur – 302 001, Rajasthan

Disclaimer Clause of Bombay Stock Exchange Limited (the Designated Stock Exchange)

"Bombay Stock Exchange Limited ("the Exchange") has given vide its letter no. [•] dated [•] permission to the Company to use the Exchange name in this Draft Red Herring Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed.

The Exchange has scrutinized this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or

ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii. Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company; and it should not for any reason be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".

Disclaimer Clause of the National Stock Exchange of India Limited

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. NSE has given *vide* its letter reference number [•] dated [•] permission to the Issuer to use the NSE's name in this Red Herring Prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Listing

Applications will be made to Bombay Stock Exchange and National Stock Exchange for permission to deal in and for an official quotation of the Equity Shares of the Company. Bombay Stock Exchange (BSE) shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchange mentioned above, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this DRHP. If such money is not repaid within eight (8) days after the Company becomes liable to repay it from the date of refusal or within seven (7) days from the date of Bid/Issue Closing Date, whichever is earlier, then the Company, and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 (twelve) working days of Bid/Issue Closing Date

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

"Any person who: Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five (5) years."

Consents

The written consents of Directors, Company Secretary & Compliance Officer, Book Running Lead Manager to the Issue, Banker to the Company, Banker to the Issue*, Escrow Collection Banks*, Syndicate Members*, Legal Advisor to the Issue, Registrar to the Issue, Auditors and IPO Grading agency* to act in their respective capacities have been obtained and will be filed along with a copy of the DRHP with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

**The aforesaid will be appointed prior to filling of the Red Herring Prospectus with ROC and their consents as above would be obtained prior to filling of the Red Herring Prospectus with ROC*

M/s Ashok Kanther & Associates, Chartered Accountants Auditors of the Company have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which appears in this DRHP and also of the tax benefits accruing to the Company and to the members of the Company and such consent and report have not been withdrawn up to the time of signing this DRHP.

Expert Opinion

Except the report of [•] in respect of the IPO grading of this Issue which will be annexed with the Draft Red Herring Prospectus and except for the Examination Report of the Auditors of our Company on the restated financial information included in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Public Issue Expenses

The Management estimates an expense or ₹ [●] Lakhs towards issue expense. The Issue related expenses include, among others, lead management, underwriting and selling commissions, IPO Grading fees, printing, distribution and stationery expenses, advertising and marketing expenses, and other expenses including Registrar, Depository, listing and legal fees. All expenses with respect to the Issue will be borne by the Company. The estimated Issue expenses* are as follows:

S. No.	Description	Amount in Lakhs	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead Management fees	[•]	[•]	[•]
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)	[•]	[•]	[•]
3.	Registrar's fees	[•]	[•]	[•]
4.	Advertising and marketing expenses	[•]	[•]	[•]
5.	Printing and distribution expenses	[•]	[•]	[•]
6.	IPO Grading expenses	[•]	[•]	[•]
7.	Advisors	[•]	[•]	[•]
8.	Bankers to the Issue	[•]	[•]	[•]
9.	Others (SEBI filing fees, bidding software expenses, depository charges, listing)	[•]	[•]	[•]

* *To be filled at the time of filling Red Herring Prospectus*

Details of Fees Payable

Particulars	Amount (₹ In Lacks)	% of total issue expenses	% of total issue size
Lead Manager/s to the issue	[•]	[•]	[•]
Registrar to the issue	[•]	[•]	[•]
Bankers to the issue	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total	[•]	[•]	[•]

Fees Payable to Book Running Lead Manager/s to the Issue

The total fees payable to the Lead Manager will be as per the Engagement Letter from our Company to the BRLM and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

Fees Payable to the Registrar to the Issue

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company dated 6th April 2011

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 by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Underwriting commission, brokerage and selling commission

The underwriting commission and the selling commission for the Issue are as set out in the Syndicate Agreement amongst the Company, the BRLM and the Syndicate Member. The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 51 of this DRHP.

Commission payable to SCSBs

The brokerage and selling commission payable to SCSBs for the ASBA Bid cum Application Form Forms procured by them would be at par as payable to brokers for the Bid forms procured by them. However in case, where ASBA Bid cum Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Bid cum Application Form, SCSBs would be given a fee of ₹. 50/- per ASBA Bid cum Application Form processed by them.

Previous Public or Rights Issue

There have been no public or rights issue by our Company during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 53 of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of our Equity Shares

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Capital issue during the last three years

Madhya Bharat Agro Products Limited and its Group Companies have not made any capital issue during the last three years.

Listed Ventures of Promoters

There are no listed ventures of our Company as on date of filing of this Draft Red Herring Prospectus.

Promise vis-a-vis Performance

Neither our Company nor our Promoter Group Companies have made any previous rights or public issues.

Outstanding debentures or bonds and redeemable preference shares and other instruments

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this DRHP.

Stock Market Data for our Equity Shares

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

Investor grievances and redressal system

The Company has appointed the Registrar to the Issue, to handle the investor grievances in coordination with the Compliance Officer of the Company. All grievances relating to the present issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of equity shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Big Share Services Private Limited, will handle investors grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor. The
Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance are given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialisation are handled by well equipped professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Nitin Mehta Company Secretary as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Mr. Nitin Mehta
5-O-1, Basement Office, R.C. Vyas Colony,
Bhilwara, Rajasthan
Tel. No. + 91 – 01482-230060, 09829105613
Fax No. + 91 – 01482-239638
Website: www.mbapl.com
Email: ipo@mbapl.com

Changes in auditors

M/s Ashok Kanther & Associates, Chartered Accountants has been appointed as statutory auditor of our Company at the Annual General Meeting of the Company held on 20th September 2010.

There has been no change in the Auditors of the company since it was taken over by the existing management since 2004-05.

Capitalization of reserves or profits during last five (5) years

Our Company has not capitalized any reserve during last five (5) years except for issue of Bonus Shares as described in Capital Structure on Page 53 of this Draft Red Herring Prospectus

Revaluation of assets during the last five (5) years
Our Company has revalued its assets vide board resolution passed on 17th March 2009 by ₹ 278.90 lakhs

SECTION VIII- ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, the Bid-cum Application Form, ASBA Form, the Revision Form, the CAN, the listing agreement with Stock Exchange and other terms and conditions as\ may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, rules, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, Government of India, the Stock Exchanges, the Reserve Bank of India, ROC, FIPB and/ or other authorities, as in force on the date of the Issue and to the extent applicable.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, Memorandum and Articles of Association of our Company and shall rank pari passu in all respects with the other existing Equity Shares of our Company including rights in respect of dividends. The Allottees, in receipt of Allotment of Equity Shares under Issue, will be entitled to dividends, voting rights or any other corporate benefits, if any, declared by the Company after the date of allotment. For further details, refer to Section titled "Description of Equity Shares and Terms of the Articles of Association" beginning on page no.303 of Draft Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDENDS

Our Company shall pay dividends, if declared to shareholders of our company as per the provisions of the Companies Act, Articles of Association and provisions of the Listing Agreements.

FACE VALUE AND ISSUE PRICE

The Equity Shares with a face value of ₹ 10 /- each, will be offered in terms of the Red Herring Prospectus to be filled with the ROC at a price of ₹ [●]per Equity Share. The Floor Price is ₹. [●], and the Cap Price is ₹. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares subject to the applicable laws.

Price Band

The Price Band shall be from ₹ [●] to ₹ [●] per Equity Shares of face value of ₹ 10 each.

COMPLIANCE WITH SEBI GUIDELINES

We shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

• Right to receive dividend, if declared;
• Right to attend general meetings and exercise voting powers, unless prohibited by law;
• Right to vote on a poll either in person or by proxy;
• Right to receive annual reports and notices to members;
• Right to receive offers for rights shares and be allotted bonus shares, if announced;
• Right to receive surplus on liquidation;
• Right of free transferability; and
• Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture, transfer, transmission, and lien and/or consolidation/splitting, refer to section titled " Main Provisions of the Articles of Association" on page 303 of the Draft Red Herring Prospectus.

MARKET LOT, TRADING LOT AND OPTION OT RECEIVE EQUITY SHARES IN DEMATERIALISED FORM

In terms of Section 68B of the Companies Act, 1956, the Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Regulations, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share. Allotment of Equity Shares through this Issue will be done only in electronic form in multiples of [•] Equity Share subject to a minimum Allotment of [•] Equity Shares. For further details refer to paragraph titled "Basis of Allotment" beginning on page 293 under the chapter "Issue Procedure" of the Draft Red Herring Prospectus.

The Price Band and the minimum Bid lot will be decided by our Company in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in an English and a Hindi national daily newspapers, and one regional daily newspaper, each with wide circulation, being the newspapers in which the pre-Issue advertisements were published, at least two Working days prior to the Bid Opening Date.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of the Company or at the registrar and transfer agent of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

• To register himself or herself as the holder of the Equity Shares; or
• To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of Allocation.

Bidding Period

Bidders may submit their Bids only in the Bidding Period. The Bid/Issue Opening Date is [●] and the Bid/Issue Closing Date is [●] **.**

MINIMUM SUBSCRIPTION

If we do not receive the minimum subscription of 100% of the Issue to the extent of the amount including devolvement of the members of the underwriters, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

If at least 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

Further in terms of Regulation 26(4) of the SEBI ICDR Regulations, we shall ensure that the number of prospective Allotees to whom Equity Shares will be allotted not be less than **1000**

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

Since the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

RESTRICTION ON TRANSFER OF SHARES

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in Red Herring Prospectus and our Articles. See "Main Provisions of the Articles of Association" on page 303 of this Draft Red Herring Prospectus.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue, including at any time after the Bid/Issue Opening Date, but before the Board meeting for Allotment in the Issue, without assigning any reason therefore. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI ICDR Regulations, the QIBs are not permitted to withdraw their Bids after the Bid/ Issue Closing Date.

Restriction on Transfer of Shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Draft Red Herring Prospectus and in the Articles of Association of our Company. For further details refer to section titled *"Main Provisions of Articles of Association" beginning* on page 303 of the Draft Red Herring prospectus.

Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue. Further, NRIs who are not Eligible NRIs are not permitted to participate in the Issue. Equity Shares acquired by Eligible NRIs can be only sold to any other person eligible to acquire the same in accordance with all applicable laws, rules and regulations.

Sub accounts of FIIs registered with SEBI, being foreign corporate or foreign individuals are not eligible to participate in this Issue in the QIB Portion.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Bhilwara Rajasthan, India.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (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 Regulations 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 are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application in Issue

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialised form only.

ISSUE STRUCTURE

Public Issue of 81,00,000 Equity Shares of face value ₹ 10/- each for cash by the Company issued at a price of ₹.[●] per Equity Share, aggregating ₹ [●] Lakhs (hereinafter referred to as the "Issue"). The Issue would constitute 42.28% of the fully diluted post Issue paid-up capital of the Company. The Issue is being made through the 100% Book Building Process:

This Issue is being made through a 100% book building process and the details of the Issue Structure are as follows.

Particulars	QIBs	Non-Institutional Buyers	Retail- Individual Bidders
Number of Equity Shares	At least 40,50,000 Equity Shares will be allotted to QIBs	Not less than 12,15,000 Equity Shares or Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 28,35,000 Equity Shares or Issue size less allocation to QIB Bidders and Non Institutional Bidders shall be available for allocation.
Percentage of Issue Size Available for Allocation	Atleast 50% of the Issue (of which 5% shall be reserved for Mutual Funds) Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Issue or Issue less allocation to QIBs and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Issue or Issue less allocation to QIBs and Non-Institutional Bidders shall be available for allocation.
Basis of Allocation if respective category is oversubscribed	Proportionate * (a) 2,02,500 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 38,47,500 Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹.2,00,000 and in multiples of [●] Equity	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity	[●] Equity Shares and in multiples of [●] Equity Share thereafter.

	Shares thereafter.	Shares thereafter.	
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares per Retail Individual Bidder so as to ensure that the Bid Amount does not exceed ₹ 2,00,000.
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors and sub accounts registered with SEBI, other than a sub account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, foreign venture capital funds registered with SEBI, State Industrial Development Corporations, permitted insurance Companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹. 2500 Lakhs and pension funds with minimum corpus of ₹. 2500 Lakhs in accordance with applicable law and National Investment Fund, 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,	Resident Indian individuals, HUFs (in the name of Karta), eligible NRI's, companies, corporate bodies, scientific institutions, societies and trusts, sub account of FII's registered with SEBI, which are Foreign Corporate or Foreign Individuals	Resident individuals (including HUF, applying through their Karta, minors applying through their natural guardian and Eligible NRIs) applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value.

	India		
Terms of Payment	Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the BRLMs and submission of ASBA Form to SCSB. ASBA Facility is compulsory for QIB making application in the Public Issue^	Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the Syndicate Members and submission of ASBA Form to SCSB. ASBA Facility is compulsory for QIB making application in the Public Issue^	Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the Syndicate Members and submission of ASBA Form to SCSB. In case of ASBA bidders, the SCSB shall be authorised to block the bid amount mentioned in the ASBA Form.
Margin Amount	Full Bid Amount on Bidding	Full Bid Amount on Bidding	Full Bid Amount on Bidding

^Circular No CIR/CFD/DIL/1/2011 issued on 29th April 2011.

* The Issue is being made through the Book Building Process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportional basis to Mutual Funds only and the remainder shall be made available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price.

If at least 50% of the Issue cannot be allotted to QIBs, the entire application monies will be refunded. Under-subscription, if any, in any category, except the QIB Portion, 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 BRLMs, and the Designated Stock Exchange.

In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.

Letters of Allotment, refund orders or instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within two Working Days from the date of the Allotment to all successful Allottees, including ASBA Bidders which shall be done within 12 Working Days from the Bid Closing Date.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date through ordinary post for refund orders less than or equal to ₹ 1,500 and through speed post/registered post for refund orders exceeding ₹ 1,500.
In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days from the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

→ Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;

→ Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid Closing Date;

→ Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within twelve Working Days from the Bid Closing Date.

→ It shall pay interest at 15% p.a. if the Allotment letters or refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 Working Days of the Bid Closing Date.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Withdrawal of this Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchange where the specified securities were proposed to be listed shall also be informed promptly. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an Initial Public Offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**[●]**
BID/ISSUE OPENS ON	**[●]**

Bids and any revision in Bids shall be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned On the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional (ii) until 5.00 p.m. or such extended time as permitted by the BSE and NSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to ₹. 2,00,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and NSE. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time.

Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web sites of the Book Runners at the terminals of the Syndicate.

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web sites of the Book Runners at the terminals of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders, may participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount at the time of making a Bid.

Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein atleast 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs").Out of the Net QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Any under-subscription in Non- Institutional and Retail category in the Issue will be allowed to be met with spill-over from any other category or combination of categories in the Issue, at the discretion of the Company in consultation with the BRLMs and the Designated Stock Exchange.

Bidders, other than ASBA Bidders, are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders are required to submit their Bids to SCSBs. In case of QIBs, the Company may, in consultation with the BRLMs, reject their Bids at the time of acceptance of the Bid cum Application Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the right to reject the Bids shall only be on technical grounds.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid lot for the Issue will be decided by the Company in consultation with the BRLMs, and advertised in an English and a Hindi national daily newspapers, and one regional daily newspaper, each with wide circulation at least two Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price.

Investors should note that Allotment to successful Bidders will be only in the dematerialized form. Bid cum Application Forms or ASBA Forms which do not have the details of the Bidder's depository accounts including DP ID, PAN and BAN will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form or the ASBA Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid cum Application Form or the ASBA Form was submitted in joint names, Bidders are required to ensure that the beneficiary account was held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form or ASBA Form.

Bid cum Application Form and ASBA Form

Copies of the Bid cum Application Form will be available for all categories of Bidders, with the members of the Syndicate and from our Registered Office. ASBA Forms in physical form will be available with the Designated Branches, and electronic ASBA Forms will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date. Copies of the Draft Red Herring Prospectus shall, on a request being made by any Bidder, be furnished to him at our Registered Office, our Corporate Office and the Designated Branches.

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate, unless they are using the ASBA process. Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding Centres. The collection centre of the Syndicate will acknowledge the receipt of the Bid Cum Application Form or Revision Form by stamping the acknowledgment slip and returning it to the Bidder. This acknowledgment slip shall serve as the duplicate of the Bid Cum Application Form for the records of the Bidder and the Bidder shall preserve this and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Bidders can also submit their Bids through the ASBA by submitting ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained. An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making a Bid. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch which shall be stamped. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form and ASBA Form for various categories of Bidders is as follows:

Category	**Colour of Bid cum Application Form including ASBA Bid cum Application Form***
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis, FVCIs and FIIs	Blue

**Excluding electronic ASBA Bid cum Application Forms.*

Who can Bid?

→ Indian nationals resident in India, who are not minors, in single or joint names (not more than three); Hindu Undivided Families (—**HUFs)**, in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form or the ASBA Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta.* Bids by HUFs will 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 or charter documents;
→ Foreign corporates or individuals Bidding in the QIB Portion, in accordance with all applicable law;
→ Mutual Funds registered with SEBI;
→ Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law;
→ Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other applicable law);
→ FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Bidding in the QIB Portion;
→ Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, Bidding in the Non-Institutional Portion;
→ VCFs;
→ FVCIs;
→ 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 constitutional or charter documents to hold and invest in equity shares;
→ Scientific and/or industrial research organizations in India, which are authorized to invest in equity shares;
→ Insurance companies registered with the IRDA;
→ Insurance funds set up and managed by the Department of Posts, India;
→ Provident funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
→ Pension Funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;
→ National Investment Fund;
→ Insurance funds set up and managed by the army, navy or air force of the Union of India;
→ Multilateral and bilateral development financial institutions;
→ Any other persons eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them; and
→ Limited Liability Partnerships.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably

believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

Participation by associates and affiliates of the BRLMs and Syndicate Member

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than 2,02,500 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

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.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which Application is being made.

Bids by Non Residents including Eligible NRIs, FIIs registered with SEBI, VCFs and FVCI

There is no reservation in the Issue for Eligible NRIs or FIIs, VCFs or FVCIs registered with SEBI. Eligible NRIs and FIIs, VCFs or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. In accordance with the FEMA and the regulations framed there under, OCBs cannot Bid in the Issue.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External (—**NRE)** or Foreign Currency Non-Resident (—**FCNR)** accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents , accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary (—**NRO**) accounts.

Bids by FIIs

Under the extant law, the total holding by a single FII or a Sub-Account cannot exceed 10% of the post-Issue paid-up equity share capital of our Company and the total holdings of all FIIs and sub-accounts cannot exceed 24% of the post-Issue paid-up equity share capital of our Company. The said 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders approval to increase the FII limit to more than 24%. Thus as of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued and paid-up equity share capital of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event(i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with "Know Your Client" norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the FII Regulations. Associates and affiliates of Underwriters, including BRLMs that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them. Any Such offshore derivative instrument does not constitute any obligation or claim on or interest in our Company.

Bids by VCFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. However, VCFs or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in public offerings.

Further, according to the SEBI Regulations, the shareholding of VCFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form or the ASBA Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form or the ASBA Form. Failing this, the our Company reserves the right to reject any Bid without assigning any reason thereof.
The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the ―**IRDA Investment Regulations**), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Directors, the officers of the Company and the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ` 250 million and pension funds with a minimum corpus of ` 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form/ASBA Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:
(i) With respect to Bids by FVCIs, VCFs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form.

(ii) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Bid cum Application Form.

(iii) With respect to Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged with the Bid cum Application Form.

Our Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form/ASBA Form, subject to such terms and conditions that our Company, and the BRLMs deem fit, without assigning any reasons therefore.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given only to the Retail Individual Bidders, indicating their agreement to Bid. . The Issue Price will be determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB cannot withdraw its Bid after the QIB Bid Closing Date and is required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs bidding in the Issue under the QIB Portion shall not be made public during the Bidding Period.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at „Cut-off".**

The maximum and minimum bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Bidders are advised to make independent enquiries and ensure that any single Bid 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 DRHP.

Information for Bidders:

1. Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

2. Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI Regulations, in an English and a Hindi national daily newspaper, and one regional daily newspaper, each with wide circulation. In the pre-Issue advertisement, our Company and the BRLMs shall declare the Bid Opening Date, the Bid Closing Date and shall publish the same in an English and a Hindi national daily newspaper and one regional daily newspaper, each with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

3. Our Company shall announce the Price Band at least two Working Days before the Bid Opening Date in an English and a Hindi national daily newspaper and one regional daily newspaper, each with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band.

4. The Bidding Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bidding Period shall be extended, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. The revised Price Band and Bidding Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in an English and a Hindi national daily newspaper and one regional daily newspaper, each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

5. The BRLMs shall dispatch the Red Herring Prospectus and other Issue material including ASBA Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

6. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors and copies of the Red Herring Prospectus shall be provided at the request of potential investors. Any potential investor who would like to obtain copies of the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office, Corporate Office or from any member of the Syndicate.

7. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Member or their authorised agent(s) to register their Bids. ASBA Bidders should approach the Designated Branches of the SCSBs to register their Bids.

8. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Forms) should bear the stamp of the members of the Syndicate, otherwise they will be rejected.

9. Except for Bids 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 Bidders, or in the case of a Bid in joint names, each of the Bidders, 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 participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of

Bidders for whom PAN details have not been verified have been labelled —suspended for credit by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

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.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Additional information specific to ASBA Bidders

1. ASBA Forms in physical form will be available with the Designated Branches and on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date. Further, the SCSBs will ensure that the abridged prospectus is made available on their websites.

2. The Bids should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. Eligible Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

4. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms.

5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

Pre-Issue Advertisement

The Company shall either on the date of filing the Draft Red Herring Prospectus with SEBI or on the next day shall make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional daily newspaper with wide circulation at the place where the Registered Office is situated, disclosing that the DRHP has been filed with SEBI and inviting the public to give their comments to SEBI in respect of disclosure made in DRHP.

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional daily newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date.

Method and Process of Bidding

1. Our Company in consultation with the BRLMs, shall decide the Price Band and the minimum Bid lot for the Issue and the same shall be advertised in one English language national daily newspaper, one Hindi language national daily newspaper and one regional daily newspaper, each with wide circulation, at least two Working Days prior to the Bid Opening Date. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

2. The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bidding Period maybe extended, if required, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in one English language national daily newspaper, one Hindi language national daily newspaper and one regional daily newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs.

3. During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid. The members of the Syndicate accepting Bids have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process shall approach the Designated Branches to register their Bids.

4. Each Bid cum Application Form and/ or the ASBA Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled ―Bids at Different Price Levels below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and/ or the ASBA Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

5. The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the members of the Syndicate or SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the BRLM or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the approval of the Basis of Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled ―Build up of the Book and Revision of Bids.

6. The members of the Syndicate/ the SCSBs, as the case may be, will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (―**TRS**), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form or ASBA Form.

7. Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in ―- Escrow Mechanism - Terms of payment and payment into the Escrow Accounts in the section titled ―Issue Procedure on page 265.

8. Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

10. The Bid Amount shall remain blocked in the aforesaid ASBA Account until approval of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is approved, 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 ASBA Bidders 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.

Bids at Different Price Levels

1. In accordance with SEBI Regulations, our Company in consultation with the BRLMs and without prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The revised Price Band and the Bidding Period will be widely disseminated by notification to the Stock Exchanges and the SCSBs and also by indicating the change on the website of the BRLMs.

2. Our Company, in consultation with the BRLMs, will finalise the Issue Price within the Price Band, without the prior approval of or intimation to the Bidders.

3. The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may bid at the Cut-off Price. However, bidding at Cut-off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

4. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In case of ASBA Bidders Bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price, the Retail Individual Bidders who Bid at the Cut-off Price will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

Option to Subscribe in the Issue

- Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only
- The Equity Shares on allotment shall be traded on Stock Exchanges in demat segment only
- A Single bid 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.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the sub section —Payment Instructions on page 285.

Electronic Registration of Bids

1. The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city where Bids are being accepted. The BRLMs, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or

errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the Syndicate members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

2. In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the member of the Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

3. The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents and the SCSBs during the Bidding Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

4. The members of the Syndicate shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the members of the Syndicate, (ii) the Bids uploaded by the members of the Syndicate or (iii) the Bids accepted but not uploaded by the members of the Syndicate. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account. The BRLMs and the SCSBs shall be responsible for any error in the Bid details uploaded by them*.

*__Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.__

5. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price, as available on the websites of the Stock Exchanges, would be made available at the Bidding centres during the Issue Period.

6. At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall enter the following details of the Bidders in the on-line system:

Name of the Bidder
Bid cum Application Form number
PAN (of the first Bidder, in case of more than one Bidder)
Investor Category and sub-category
DP ID
BAN

Number of Equity Shares Bid for
Price per Equity Share (price option)
Cheque amount

Cheque number

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

Name of the Bidder
ASBA Form number
PAN (of the first Bidder, in case of more than one Bidder)
Investor category and sub-category
DP ID
BAN
Number of Equity Shares Bid for
Price per Equity Share (price option)
Bank account number.

7. A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches. The registration of the Bid by the members of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted by our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIBs (other than QIBs bidding through ASBA), only the BRLMs have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except only on the technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the online 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 BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the 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 DRHP; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate will be given upto one Working Day after the Bid Closing Date to modify selected fields in the Bid data so uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Build up of the book and revision of Bids

1. Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the member of the Syndicate at the end of the Bidding Period.

3. During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form or the ASBA Revision Form, as the case may be. Retail Individual Bidders may revise their Bids within the Price Band at any time until finalization of the Basis of Allotment.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form or the ASBA Revision Form, as the case may be. Apart from mentioning the revised options in the Revision Form or the ASBA Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form/ASBA Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form/ASBA Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form or the ASBA Revision Form, as the case may be. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Form/ ASBA Revision Form.

5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form/ASBA Revision Form and the revised Bid must be made only in such Revision Form/ASBA Revision Form or copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked, in case of ASBA Bidders.

8. Our Company shall, in consultation with the BRLMs, decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.

9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the RHP.

10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may request for a revised TRS from the members of the Syndicate or the SCSB as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

1. Based on the demand generated at various price levels and the book built, the Company in consultation with the BRLMs shall finalise the Issue Price.

2. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid Closing Date to modify/ verify certain selected fields uploaded in the online system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

3. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, BAN and PAN, then such Bids are liable to be rejected.

4. Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI will be subject to applicable law, rules, regulations, guidelines and approvals.

5. QIBs shall not be allowed to withdraw their Bid after the QIB Bid Closing Date.

Signing of the Underwriting Agreement and the RoC Filing

Our Company intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

Our Company will issue an advertisement after the filing of the Prospectus with the RoC. This advertisement, among other things, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such an advertisement.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the members of the Syndicate and the SCSBs a list of the successful Bidders who have been or are to be Allotted Equity Shares in the Issue.

2. The Registrar to the Issue will send Allotment Advice to Bidders who have been Allotted Equity Shares in the Issue.

3. The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment and credit to the successful Bidder‘s depositary account will be completed within 12 Working Days of the Bid Closing Date.
(b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do"s:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the Bidder's depository account is valid and active;

5. Ensure that the details about the DP ID, BAN and PAN are correct as Allotment will be in the dematerialised form only;

6. Ensure that the Bids are submitted at the bidding centres only on Bid cum Application Forms bearing the stamp of a member of the Syndicate;

7. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum application form to the Syndicate.

8. Ensure that you request for and receive a TRS for all your Bid options;

9. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS or acknowledgment;

10. Except for Bids (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should provide their PAN. Bid cum Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for the investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in —active status; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

11. Ensure that the Demographic Details are updated, true and correct in all respects;

12. Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form; and

13. Ensure that the DP ID, the BAN and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, BAN and PAN available in the Depository database.

Don"ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the members of the Syndicate only;

6. Do not Bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of ₹ 200,000);

7. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders;

8. Do not fill up the Bid cum Application Form such that the Equity Shares Bid 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;

9. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

10. Do not submit incorrect details of the DP ID, BAN 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,

11. Do not submit Bids without payment of the full Bid Amount;

12. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms/ ASBA Forms, or on Bid cum application Forms in a colour prescribed for another category of Bidder;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do"s:

1. Check if you are eligible to Bid under ASBA;

2. Ensure that you use the ASBA Form specified for the purposes of ASBA;

3. Read all the instructions carefully and complete the ASBA Form;

4. Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained, or the person whose bank account will be utilised by the Bidder for Bidding, has the ASBA Account, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, or the Registrar to the Issue or Syndicate;

5. With respect to ASBA Bidders Bidding on physical ASBA Form, ensure that your Bid is submitted at a Designated Branch of the SCSB where the relevant ASBA Account is held.

6. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

7. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch;

9. Ensure that you have correctly ticked, provided or checked the authorization box in the ASBA Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form;

10. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form;

11. Submit ASBA Revision Form to the same Designed Branch through whom the ASBA Form was placed and obtain a revised acknowledgment;

12. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

Don'ts:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch;

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA;

3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch; and

4. Do not submit more than five ASBA Forms per ASBA Account.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

1. Bids and revisions of Bids must be made only in the prescribed Bid cum Application Form, Revision Form, ASBA Form or ASBA Revision Form, as applicable.

2. In case of Retail Bidders (including Eligible NRIs) Bids should be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000. In case the Bid Amount is more than ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional portion. The option to Bid at the Cut-Off Price is available only to Retail Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

ASBA is compulsory for QIB and Non Institutional Investor.

3. In case of Non-Institutional Bidders and QIB Bidders, for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 200,000.

4. Bid cum Application Forms, ASBA Forms, Revision Forms or ASBA Revision Form are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red

Herring Prospectus and the Bid cum Application Form or the ASBA Form, as the case may be. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms or ASBA Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Forms, Revision Forms or ASBA Revision Forms.

5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

6. Bidders must provide details of valid and active DP ID, BAN and PAN clearly and without error. On the basis of the Bidder's active DP ID, BAN and PAN provided in the Bid cum Application Form or the ASBA Form, and as entered into the electronic bidding system of the Stock Exchanges by the Syndicate and the SCSBs, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.

7. Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

8. Based on the category of the Bidder, the Bid must comply with the maximum and minimum Bid size, as described in ―Maximum and Minimum Bid Size on page 271.

9. Bids through ASBA must be:

a. made only in the prescribed ASBA Form or ASBA Revision Forms (if submitted in physical mode) or the electronic mode.

b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

10. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the ASBA Form.

11. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

Bidder‟s PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID, BAN and PAN provided by them in the Bid cum Application Form or ASBA Form, and as entered by the Members of the Syndicate while registering the Bid, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These Demographic Details would be used for giving Allotment Advice to the Bidders, refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any

responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, BAN AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE

BID CUM APPLICATION FORM OR ASBA FORM.

Bidders may note that in case the DP ID, BAN and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Member do not match with the DP ID, BAN and PAN available in the Depository database, the Bid cum Application Form or the ASBA Form, as the case may be is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid cum Application Form or ASBA Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, Escrow Collection Banks, Registrar to the Issue nor the members of the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this DRHP, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, BAN and PAN, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs registered with SEBI

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA Form, Revision Form or the ASBA Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form or the ASBA Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares (other than in respect of Allotment to successful ASBA Bidders) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Form. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft mechanism for the entire Bid amount or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

In case of resident QIBs: ―Escrow Account– mbapl – QIB – R

In case of Non-Resident QIBs: ―Escrow Account– mbapl – QIB – NR

In case of resident Retail and Non-Institutional Bidders: ―Escrow Account– mbapl – R

In case of Non-Resident Retail and Non-Institutional Bidders: ―Escrow Account– mbapl –NR

6. In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis may make the payments must through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs or FVCIs, the payment should be made out of funds held in a ‗Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the ‗Special Rupee Account'.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. No later than 12 Working Days from the Bid Closing Date, the Registrar to the Issue shall despatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for Allotment to such Bidders.

12. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted. Please note that cheques without the nine digit Magnetic Ink Character Recognition (—**MICR**) code are liable to be rejected.

13. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form and ASBA Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the ASBA Revision Form shall be submitted, either in physical form to the Designated Branches or in the electronic form (through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals
Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form/ASBA Form or Revision Form or ASBA Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN as per Depository records and all such bids will be treated as multiple bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Net QIB Portion will not be considered as multiple Bids.

For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and BAN. In case such Bids bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple Bids and will be rejected.

After submitting an ASBA Form either in physical or electronic mode, where such ASBA Bid is uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or to another Designated Branch of the SCSB or to any member of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. Duplicate copies of ASBA Forms available on the website of the Stock Exchanges bearing the same application number will be treated as multiple Bids and are liable to be rejected. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account. However, an ASBA Bidder may revise the Bid through the Revision Form. Duplicate copies of ASBA Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
Our Company, in consultation with the BRLMs, reserve the right to reject, in their absolute discretion, all or all except one multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids 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 Bidders, or in the case of a Bid in joint names, each of the Bidders, 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 participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled ―suspended for credit‖ by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.
In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the ‗Basis of Allotment'.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIBs, the Company, in consultation with and the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by through any of the modes described in this DRHP and will be sent to the Bidder‘s address, where applicable, at the sole/first Bidder‘s risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder‘s ASBA Account. Further, in case any DP ID, BAN or PAN mentioned in the Bid cum Application Form or ASBA Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, does not match with one available in the depository‘s database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

→ Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

→ Bid submitted without payment of the entire Bid Amount or if the amount paid does not tally with the Bid Amount;

→ In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;

→ Bids by minors identified based on the Demographic Details provided by the Depositories;

→ PAN not mentioned in the Bid cum Application Form or ASBA Form, except for bids 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 provided such claims have been verified by the Depository Participants, DP ID and BAN

→ not mentioned in the Bid cum Application Form or ASBA Form;

→ GIR number furnished instead of PAN;

→ Bids by OCBs;

→ Bids for lower number of Equity Shares than specified for that category of investors;

→ Bids at a price less than the Floor Price;

→ Bids at a price more than the Cap Price;

→ Bids at Cut-off Price by Non-Institutional Bidders and QIBs;

→ Bids for a value of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders;

→ Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

→ Bids for number of Equity Shares which are not in multiples of [];

→ Multiple Bids as defined in this DRHP;

→ Bids accompanied by Stockinvest/money order/postal order/cash;

→ Bid cum Application Forms and ASBA Forms not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;

→ In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, BAN and PAN;

→ Bids for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;

→ Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;

→ With respect to ASBA Bids, no confirmation is received from the SCSB for blocking of funds

→ Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

→ Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

→ Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act;

→ Bids not uploaded on the terminals of the Stock Exchanges; and

→ Bids by QIB Bidders uploaded after 5.00 p.m. on the QIB Bid Closing Date, Bids by Non-Institutional

→ Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid Closing Date.

IN CASE THE DP ID, BAN AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, BAN AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES THE APPLICATION IS LIABLE TO BE REJECTED. FURTHER, BIDS BY PERSONS PROHBITED FROM BUYING, SELLING OR DEALING IN THE EQUITY SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).
In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

Agreement dated 11th Feb 2011 among NSDL, our Company and the Registrar to the Issue.
Agreement dated 23rd Feb 2011 among CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the DP ID, BAN and PAN) appearing in the Bid cum Application Form, ASBA Form, Revision Form or ASBA Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form, Revision Form, ASBA Form or ASBA Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading ‗Bidders Depository Account Details' in the Bid cum Application Form, ASBA Form, Revision Form and the ASBA Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or ASBA Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.
(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form or ASBA Form number, Bidders' DP ID, BAN, PAN, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Form, name and address of the member of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders 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 Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the relevant Designated Branch.

PAYMENT OF REFUND

Within 12 Working Days of the Bid Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/ Allotment to Bidders.

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders'bank account details, including the MICR code, on the basis of the DP ID, BAN and PAN provided by the Bidders in their Bid cum Application Forms. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders'sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ` 2 million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (—**IFSC Code**). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC Code, which can be linked to an MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through through ordinary post for refund orders less than or equal to ₹ 1,500 and through speed post/ registered post for refund orders exceeding ₹ 1,500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants within 12 Working Days of Bid Closing Date.

In case of applicants who receive refunds through ECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days from the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Our Company shall pay interest at 15% per annum, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 15 Working Days from the Bid Closing Date.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
***(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional Bidders and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the QIB Portion

Bids received from the QIBs Bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

(i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.
(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price;
(iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion;

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

(iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

The aggregate Allotment to QIBs bidding in the Net QIB Portion may be up to [●] Equity Shares.

Procedure and Time Schedule for Allotment and Issue of Certificates

The Issue will be conducted through a 100% book building process' pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the Stock Exchanges. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with Registrar of Companies, Madhya Pradesh, Gwalior and SEBI, Mumbai. SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful bidders within 12 days from the Bid/Issue Closing Date. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and traded on BSE and NSE.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.
b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
d) In all Bids where the proportionate Allotment is less than [] Equity Shares per Bidder, the Allotment shall be made as follows:

The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after

such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration for allotment to QIBs and Mutual Fund

Issue details:

Particulars	**Issue Details**
Issue	20 Crores Equity Shares
Allocation to QIB (At least 50% of the Issue) Out of which: a) Reservation for Mutual Funds (5%) b) Balance for all QIBs including Mutual Funds	10 Crores Equity Shares 0.5 Crores Equity Shares 9.5 Crores Equity Shares
Number of QIB applicants	**10**
Number of equity shares applied for	50 Crores Equity shares

Details of QIB Bids

No.	**Type of QIBs**	**No. of shares bid for(in Crores)**
1.	A1	5
2.	A2	2
3.	A3	13
4.	A4	5
5.	A5	5
6.	MF1	4
7.	MF2	4
8.	MF3	8
9.	MF4	2
10.	MF5	2
TOTAL		50

*A1 – A5: (QIBs other than Mutual Funds), MF1 – MF5: (QIBs, which are Mutual Funds)
Details of Allotment to QIB Applicants

Type of QIB	Shares bid for	Allocation of 5% equity shares (see Note 2 below)	Allocation of 95% equity shares (see Note 4 below)	Aggregate allocation to Mutual Fund
(I)	(II)	(III)	(IV)	(V)
		(No. of equity shares in Crores)		
A1	5	0	0.960	0
A2	2	0	0.384	0
A3	13	0	2.495	0
A4	5	0	0.960	0
A5	5	0	0.960	0
MF1	4	0.1	0.748	0.848
MF2	4	0.1	0.748	0.848
MF3	8	0.2	1.497	1.697
MF4	2	0.05	0.374	0.424

MF5	2	0.05	0.374	0.424
Total	50	0.5	9.5	4.241

Notes:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section "Issue Structure" beginning on page 260 of this Draft Red Herring Prospectus.
2. Out of 10 Crores Equity Shares allocated to QIBs, 0.5 Crores (i.e., 5%) will be allotted on a proportionate basis among five Mutual Fund applicants who applied for 20 Crores Equity Shares in the QIB Portion.
3. The balance 9.5 Crores Equity Shares (i.e., 10 ‐ 0.5 available for Mutual Funds only) will be allotted on a proportionate basis among 10 QIB Bidders who applied for 50 Crores Equity Shares (including 5 Mutual Fund applicants who applied for 20 Crores Equity Shares).
4. The figures in the forth column entitled "Allocation of 95% equity shares" in the above illustration are arrived at as explained below:

   For QIBs other than Mutual Funds (A1 to A5) = Number of equity shares Bid for (i.e., in column II of the table above) × 9.5/49.5

   For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less equity shares Allotted (i.e., column III of the table above) × 9.5/49.5

The numerator and denominator for arriving at the allocation of 10 Crores equity shares to the 10 QIBs are reduced by 0.5 Crores shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS and NEFT. Our Company shall ensure dispatch of refund orders through ordinary post for refund orders less than or equal to ₹ 1,500 and through registered post or speed post for refund orders exceeding ₹ 1,500 at the sole or first Bidder‘s sole risk within 12 Working Days of the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

Interest in case of delay in Dispatch of Allotment Letters/Refund Orders in case of public issues

The Company agrees that (i) Allotment of Equity Shares and (ii) credit to successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

Bid/ Issue Opens on [●]	Bid/ Issue Closes on [●]

Bids and any revision in Bids shall be accepted **only between 10.00 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:
1. A standard cut-off time of 3.00 pm for acceptance of bids

2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.

3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to ₹ 2,00,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLM and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price and can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers one in English and other in Hindi, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate and to the SCSBs.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

→ That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

→ That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are listed shall be undertaken within the timelines specified by law;

→ That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

→ That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

→ That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

→ That no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Red Herring Prospectus;

→ That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment;

→ That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Utilisation of Issue proceeds

Our Company declares that:

→ 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 73 of the Companies Act;

→ Details of all monies utilised out of Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

→ Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

→ Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Withdrawal of the Issue

In accordance with the SEBI Regulations, our Company in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid Opening Date. However, if our Company withdraw the Issue after the Bid Closing Date, we will give reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.
Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

If our Company withdraw the Issue after the Bid Closing Date they will file a fresh offer document with SEBI.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Civil Construction) is allowed upto 100% under the automatic route. RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the U.S. Securities Act, 1933), 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 only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of Bidders. Our Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this DRHP. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However we shall update this DRHP and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION IX – DISCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF MEMORANDUM AND ARTICLES OF ASSOCIATION

SHARES

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restriction on transfer and transmission of Equity Shares / Debenture and/or their consolidation / splitting are detailed below.

The Authorized capital of our Company is Rs. 22.00 Crores divided into 2,20,00,000 Equity Shares of Rs. 10 each

Title of Article	Article No.	Contents
Share capital	3	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 Memorandum of Association payable in the manner as may be determined by the Directors, from time to time, with power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any right and to consolidate or sub-divide or re organize the shares subject to the provisions of the Act to vary such rights as may be determined in accordance with the regulations of the company.
Redeemable Preference Shares	4	Shares whether convertible in equity or otherwise, would carrying a right to redemption out of profits which otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, of liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of Section 80 of the Act, exercise such power in such manner as it thinks fit.

Allotment of Shares & Further Issue of Shares	5	Allotment of Shares: Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being 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 or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may Issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so, issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting. **FURTHER ISSUE OF CAPITAL** Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un issued share capital or out of the increased share capital: (a) such further shares shall be offered to the person who at the date of offer, are holders of the equity shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date. (b) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. PROVIDED THAT the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him. (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour 'of any other person and the notice shall contain a statement of this right. (d) After the expiry of the time specified in notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company. 1. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the person referred to in clause (a) of sub-cause (1) hereof) in any manner whatsoever. (i) If a special resolution to that effect is passed by the Company in General Meeting, or (ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that

		general meeting (including the casting vote, if any, of the Chairman) by members Who, being entitled to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company. 2. Nothing in sub-clause (c) of (1) hereof shall be deemed; (i) To extend the time within which the offer should be accepted; or (ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation 3. Nothing in these Articles shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the Company. (i) To convert such debentures or loans into shares in the Company; or (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise). PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term: (A) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.
Issue of Shares at Discount	6	Subject to the provisions of section 79 of the Act, it shall be lawful for the company to issue at a discount shares of a class already issued.
Commission for Placing Shares	7	The Company, may, subject to compliance with the provisions of Sec-Commission for section 76 of the Act, exercise the power of paying commission on the issue of shares and debentures, the commission may be paid or satisfied in cash or shares, debentures or debenture stock of the company.
Brokerage	8	The company May pay a reasonable sum of brokerage.
Trust not Recognized	9	Save as herein otherwise provided, the company shall be entitled to Trust not treat the registered holder of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by law required, be bound to recognize any trust, benami or equitable or otherwise claim to or interest in such shares on any fractional part of a share whether or not it shall have express or other notice thereof.

CERTIFICATE

Title of Article	Article No.	Contents
Certificate	10	The certificate of title to shares shall be issued under the seal of the company.
Member's right certificate	11	Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or

		denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of Issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be borne to Issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
As to issue of new certificates	12 (i)	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for Issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.
Fees on sub-division of share, issue of new certificates, etc	12 (ii)	No fee shall be charged for sub-division and consolidation of share and debenture certificate and for sub-division of let letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for subdivision of renounce able letter of rights, for issue of new certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilized, provided that the company may charge such fee as may be agreed by it with the stock exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub- division and consolidation of shares and debenture certificates and for subdivision of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

DEMATERIALOSITION AND DEPOSITORY

Title of Article	Article No.	Contents
Authority to dematerialize securities	12 A	(i) Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the shares or debentures or other securities of the company (hereinafter referred to as ("securities") in dematerialized from under the provisions of the Depositories Act and may offer the securities of the company for subscription/ allotment in dematerialized from in the manner provided by the said Act. (ii)When any securities of the company are held or dealt in dematerialized form.
Option To Hold Securities In Certificates Or With Depository Securities With Depository To Be Dematerialized Beneficial Owner Is Member Beneficial owner may opt out of depository		(a) Every person holding any securities of the company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a depository. Securities with depository to be dematerialized (b) All securities held with depository shall be dematerialized and the depository shall hold the same for the beneficial owners thereof in a fungible form. Beneficial owner is member (c) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficiary of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by him in a depository. (d) Every person holding securities of the company with depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and on exercise of such options and on fulfillment of the conditions and payment of the fees prescribed under the said act, the company shall rematerialized the relevant securities and issue to the beneficial owner thereof the requisite certificates of securities.
Intimation to Depository	12.B	(1) The company shall make available to the depository, copies of the relevant records in respect of securities held by such depositories for the beneficial owners thereof. (2) When a holder or an allottee of securities opts to hold the same with a depository, the company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its record the names of the holders/allottee as the beneficial owners of such securities.
Register and Index of beneficial owners	12.C	The register and index of beneficial owners of the securities maintained by a depository under section 11 of the Depositories Act shall be deemed to be and forming part of the register and index of members or of holders of debentures or other securities of the company.
Transfer of Securities held in Depository	12.D	(1)Transfer of securities held in a depository will be governed by the provisions of the Depositories Act. (2) Every depository shall furnish to the company information about the transfer of the securities, the name of beneficial owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act. (3) Section 108 of the act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

NOMINATION INTER VIVOS

Title of Article	Article No.	Contents
Nomination	12.E	(1) Every holder of Shares in, or debenture of the company may at any time nominate in the manner prescribed under the act, a person to whom his shares in, or debenture of, the company shall vest in the event of death of such holder. (2) Where the shares in, or debentures of the company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or the debentures of the company as the case may be, held by them shall vest in the event of death of all joint holders. (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these articles, in respect of such shares in, or debentures of the company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures of the company, the nominee shall, on the death of the holder, or as the case may be, on the death of the joint holders of shares or debentures become entitled to all the rights of the de-ceased holder or, as the case may be, of all the deceased joint holders in such shares or debentures to the exclusion of all other persons, unless the nomination is varied or canceled in the manner prescribed under the provisions of the act. (4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint, in the manner prescribed under the provisions of the act, any person to become entitled to shares in, or debentures of the company, in the event of his death, during the minority. (5) The provisions of this article shall apply mutates-mutandis to a depositor of money with the company as per the provisions of section 58A of the act.
Transmission in the name of nominee	12.F	(1) Any person who becomes a nominee by virtue of provisions of article E, upon production of such evidence as may be required by the board and subject as hereinafter provided, shall elect, either. (i) to be registered himself as holder of the shares or debentures, as the case may be ; or (ii) to make such transfer of the shares or the debentures, as the case may be, as the deceased shareholder or debenture holder, could have made (2) If the nominee elects himself to be registered as holder of the shares or debentures, as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the certificate of death of deceased holder and the certificate(s) of shares or debentures as the case may be held by deceased in the company. (3) Subject to the provisions of section 109B (3) of the act and these articles, the board may register the relevant shares or debentures in the name of the nominee or the transferee as if the death of the registered holder of the shares or the debentures had not occurred and the notice of transfer were a transfer signed by the holder. Subject to the provisions of section 109B (3) of the act and these articles, the board may register the relevant shares or debentures in the name of the nominee or the transferee as if the death of the registered holder of the shares or the debentures had not occurred

		and the notice of transfer were a transfer signed by the holder. (4) A nominee on becoming entitled to any shares or debentures by reason of the death of the holder or joint holders shall be entitled to the same dividends and other advantages to which he would have been entitled if he was the registered holder of the shares or debentures, except that he shall not, before being registered as a holder of such shares or debentures, be entitled in respect of them to exercise any right conferred on a member or a debenture holder in relation to meetings of the company. (5) The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with in 90 days, the board may thereafter with hold payment of all dividends, bonuses, interest or other monies payable or rights accrued or accruing in respect of the relevant shares or debentures, until the requirements of the notice have been complied with.”

JOINT HOLDERS OF SHARES

Title of Article	Article No.	Contents
	13	Where two or more persons are registered as holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions following and to the other provisions of these Articles relating to joint holders. “In respect of shares or other securities of the company held in dematerialized from, the provisions relating to joint holders contained therein shall mutatis-mutandis apply to the joint beneficial owners”
Maximum Number	(a)	The company shall not be bound to register more than three persons the joint holders of any share.
Liability several as well as joint	(b)	The joint holders of a share shall be liable severally as well as jointly In respect of all payments which ought to be made in respect of such share.
Survivors of joint holders recognised	(c)	On the death of any of such joint holders the survivor or survivors shall be the only person/persons recognized by the company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit
Delivery of certificates	(d)	Only the person whose name stands first in the as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such shares

CALLS

Title of Article	Article No.	Contents
Calls	14	The directors may, from time to time, subject to the terms on which any shares, may have been issued, make such calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors, A call may be made payable by installments. 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.
When call	15	A call shall be deemed to have been made at time when the

deemed to have been made		resolution of the Directors authorizing such call was passed.
Notice to cell	16	Not Less than 14 days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
Amount payable	17	If by the terms of issue of any shares or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by installments at fixed times, every such amount or issue Amount payable price or installment thereof shall be payable as if it were a call duly made by Directors and of which due notice had been given and all the provision herein contained in respect of calls shall apply to such amount or issue price or installments accordingly.
Interest to be charged on non payable to call	18	If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the time being of the shares in respect of which the call shall have Interest to be been made or the installment shall be due, shall pay interest for charged on non the same at the rate of 12 percent per annum, from the day appointed for the payment of calls pointed for the payment thereof to the actual payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.
Evidence in action by company against share holders	19	On the trial or hearing of any action or suit brought by the company against any member or his representative to recover any debt or money claimed to be due to the company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose, on the "Register of the Company" as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the company, as it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment of calls in advance	20	The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof a from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FOREFITURE AND LIEN

Title of Article	Article No.	Contents
Notice may be given when calls or installments	21	If any Member fails to pay any call or installment on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or installment remains unpaid serve a notice on such member requiring him to pay the same together with any interest that may have accrued and expenses that may have been incurred by the Company by reasons of such nonpayment.
Length of notice	22	The notice shall name a day (not being less than 21 days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non- payment at or before the time, and at the place or places appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
If notice not complied with shares may be forfeited	23	If the requirement of any such notice as aforesaid be not complied with, any shares in respect which such notice has been given may, at any time, thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeited. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.
Notice after forfeiture	24	When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof shall forthwith be made in the Register but no forfeiture shall be in any manner invalidate by any commission or neglect to give notice or to make entry as aforesaid.
Forfeiture shares to become property of the company	25	Any share so forfeited shall be deemed to be the property, of the Company, and the Directors may sell, real lot or otherwise dispose off the same in such manner as they think fit.
Power of annual forfeiture	26	The Directors may, at any time before any share so forfeited shall not be sold, real lotted or otherwise disposed off annual the forfeiture thereof upon such conditions as they think fit.
Arrears to be paid no withstanding forfeiture	27	Any member whose shares have been forfeited shall not withstanding such forfeiture be liable to pay and shall forthwith pay to the Company all calls, installments, interest and the expenses, owing upon or in respect of such shares at the time of forfeiture together with interest thereupon, from the time of the forfeiture until payment at 12 percent per annum or such other rate as the Directors may enforce the payment thereof without any deduction of allowance for the value of shares at the time of forfeiture by shall not be under any obligation to do so. The liability of the ex-shareholder will be only the amount not paid by the purchaser
Effect of forfeiture	28	The forfeiture in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the

		share except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	29	A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have 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 shares and the receipt of the Company for the consideration if any, given for the shares on the sale or disposition there of, shall constitute a given title to such shares.
Company's lien on shares	30	The Company shall have a first and paramount lien upon all the shares and/or debentures (Other than fully paid-up shares and/or debentures) registered to the name of each Member And / or debenture holder (whether held singly or' jointly with others) in respect of all moneys Called or payable at a fixed time in respect of such shares whether the time for payment thereof shall have actually arrived or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures, Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures, The Directors may at any time declare any share and/ or debenture wholly or in part exempt from the provisions of this Clause.
Intention as to enforcing lien by	31	For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell have served on such member, his committee, curator bodies or other person recognized by Intention the Company as entitled to represent such member and default shall as to enforcing have been made by him or them in the payment of the sum payable lien by as aforesaid for seven days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residue (if any paid to such member) his executors, administrators, or other representative or person so recognized as aforesaid.
Validity of shares	32	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been enter in respect of such shares his title to such shares, shall not be affected by any irregularity or invalidity in the proceedings, in reference to such forfeiture, sale or disposition nor impeached by any persons and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Power to issue new certificate	33	Where any shares under the powers in that behalf herein contained are sold by the Director and the Certificate thereof has not been delivered to the Company by the former holder of the said shares the Director may issue new certificate in lien of certificate not so delivered up.

TRANSFER AND TRANMISSION OF SHARES

Title of Article	Article No.	Contents
Form of transfer	34	The instrument of transfer shall be in writing and all the provisions of section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.
Application for transfer	35	Application for the registration of the transfer of share may be made either by the transferor or the transferee, no registration shall in the case of partly paid shares be effected unless the company gives notice of the application of the transferee in the manners prescribed by the Act and subject to the provisions of Articles 8,38 and 39 hereof, the company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
Notice of transfer to registered holder	36	Before registering any transfer tendered for registration the Company may, if it so think fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the company within seven days from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.
Register of transfer	37	The Company shall keep a 'Register of Transfers' and therein shall be fairly and distinctly entered particulars of every transfer of any shares.
In what case to decline to register transfer	38	Subject to the provisions of Section 111A these Articles and other applicable provisions of the Act or any other law for the time being in force, the board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, Any shares or interest of a member in or debentures of the company. The company shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.
No transfer to minor etc.	39	(i) No transfer shall be made to minor or person of unsound mind. (ii) No Fees shall be charged for registration of transfer, grant of probate, grant of letter of administration, certificate to death or marriage, power of Attorney or similar other instruments
When the instrument of transfer to be retained	40	All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instrument of transfer shall be returned to the person who lodges and transfer deeds.
Notice of refusal to register	41	If the directors, refuse to register, the transfer of any shares the company shall within one month from the date on which the instrument of transfer was lodged with the Company or intimation given send to the transfer to be transfer and the transferee or the person giving intimation of such transfer notice of such refusal.
Power to close transfer books	42	On giving seven day's notice by advertisement in a newspaper to register circulating in the District in which the Registered office of the

and register		transfer Company is situated the Register of Members may be closed during such time as the directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.
Transmission of register shares	43	The executors or administrators or the holder of a succession certificate in respect of share of a deceased member (not being one of several joint holders) shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such member and in case of the death of any one or more of the joint holders of any registered shares, the survivors shall be the only persons recognized by the company as having any title to or interest in such share but nothing herein contained shall be taken release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person, before recognizing any legal representative or heir or a person otherwise claiming title of the shares the company may require him to obtain a grant of probate or letters of administration or succession certificate, or other legal representation as the case may be from a competent court, provide nevertheless that in any case where the Board in its absolute desecration thinks fit, it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable
As to transfer of shares of deceased or insolvent members	44	Any person becoming entitled to or to transfer shares in consequence of the death or insolvency of any member upon producing such evidence that he act under this Article or of his title as the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such shares or may, subject to the regulations as to transfer herein before contained transfer such shares. This article its hereinafter to as 'The Transmission Article subject to any other provisions of these Articles, if the person so becoming entitled to share under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to transfer to some other person, he shall execute an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice to transfer as aforesaid
Rights of execution and trustee	45	Subject to any other provisions of these articles if the Directors in their discretion are satisfied in regards thereof, a person becoming entitled to a share in consequence of death or insolvency of a member may receive and give a discharge for any dividends or other moneys payable in respect of the share.
Registration with depository system	45 A	A depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures or other securities on behalf of beneficial owners and shall not have any voting rights or any other rights in respect of shares, debentures and other securities held by it. The beneficial owner as per the register of beneficial owners maintained by a depository shall be entitled to all rights including voting rights and benefits in respect of the securities held by him with the depository."

SHARE WARRENTS

Title of Article	Article No.	Contents
Power to issue share warrants	46	Subject to the provisions of section 114 and 115 of the Act and subject to any direction, which may be given by the Company in general meeting the Board may, issue share warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue Regulations 40 to 43 of Table "A" in Schedule I to the Act, shall apply.

STOCKS

Title of Article	Article No.	Contents
Stocks	47	The Company may exercise the power of conversion of its shares into stock and in that case Regulations 37 to 39 of Table "A" in Schedule I to the act shall apply.

ALTERATION OF CAPITAL

Title of Article	Article No.	Contents
Power to sub-divided and consolidate	48	The Company may by ordinary resolution from time to time alter the conditions of the Memorandum of Association as follows: A) Increase the share capital by such amount to be divided into shares of such amount as may be specified in the resolution. B) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares. C) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so how-ever, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived; and D) Cancel any shares which, at the date of passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of the shares so canceled.
On what conditions new shares may be issued	49	The resolution whereby any share is sub-divided or consolidated may determine that, as between the members registered in respect of the shares resulting from such sub-division or consolidation, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the other or others subject never-the less to the provisions of the section 86, and 106 of the Act
Surrender	50	Subject to the provisions of section 100 to 105 inclusive of the Act, the Board may accept from any member the surrender of all or any of his shares are on such terms and conditions as shall be agreed.

MODIFICATION OF RIGHTS

Title of Article	Article No.	Contents
Power to modify rights	51	If it any time the shares capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may, whether or not the company is being wound up, be verified with 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 the provisions of these Articles relating to General Meeting shall apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of the class, but so that if at any adjourned of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holders of shares of the class present in persons or by proxy may demand a poll and, on a poll shall have one vote for each shares of the class of which he is the holder. The company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the register.

BORROWING POWER

Title of Article	Article No.	Contents
Power to borrow	52	The Board may from time to time and at its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act, and Regulations made there under and Directions issued by RBI raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purpose of the Company
Condition on which money may be borrowed	53	The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it think fit, and in particular by the issue of bound perpetual or redeemable debenture or debenture stock, or any mortgages or other security on the undertaking of the whole or of the property of the Company (both present and future) including its uncalled capital for the time being provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general Meeting and subject to the provisions of the Act.
Issued at discount etc. or with special privileges	54	Any debentures, debenture-stock or other securities may be issued at a 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, standing (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares she'll be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Instrument of transfer	55	Save as provided in Section 108 of the Act no transfer of transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been deliver to the company together with the Certificate or certificates of debentures.
Returning of transfer instrument	56	If the board refuses to register the transfer of any of transfer debentures, the Company shall, within one month from the instruments date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

RESERVES

Title of Article	Article No.	Contents
Reserve	57	Subject to the provisions of the Act the Board shall in accordance with Section 205(2A) of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as 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 and pending such applications may at like discretion either be employed in the business of the Company or be invested in such investment (other than shares of the company as the Board may from time to time think fit). The Board may also carry forward any profit which it may think prudent not to divide without setting them a side as a reserve.
Capitalisation	58	undivided profits of the Company (which expressions shall include any premiums received on the issue of share and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divide) be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled there to as capital and that all or any part of such capitalized amount be applied in behalf of such Members in paying up in full any un-issued shares, debentures stock of the company which shall be distributors accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such members in fully satisfaction of their interest in the said capitalized amount, provide that any such sum standing to the credit of a share premium account or a Capital Redemption Reserve Account may for the purpose of this Articles only be applied in the paying up of un issued shares to be issued to members of the Company as company as fully paid bonus shares.
Fractional Certificate	59	For the purpose of giving effect to any resolution under two last preceding Articles the directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issued fractional certificate, and may fix the value for distributions of any specific assets and may determine that each payment shall be made to any Members upon the footing of the value so fixed in order to adjust the right of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized funds as may be expedient to the Directors. Where requisite a 75 of the Act and the Directors may appoint any persons to sign such contract on behalf of the per-sons entitled to the dividend or capitalized fund and such appointment shall be effective

GENERAL MEETINGS

Title of Article	Article No.	Contents
Extra Ordinary General Meeting	60	The directors may, whenever they think fit, call an Extra Ordinary General Meeting provided however, if at any time there are not in India Directors capable of acting who are sufficient in number to form a quorum, any Directors present in India may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which such a Meeting any be called by the Board.

Calling Extra Ordinary General Meeting on requisition	61	The Board of Directors of the Company shall on the requisition of such Member or Members of the Company as is specified in subsection (4) of Section 169 of the act forthwith proceed to call an Extra-Ordinary Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of section 169 of the Act and of any statutory modification thereof for the time being shall apply
Quorum	62	The quorum for a General Meeting shall be five members present in persons.
Chairman	63	At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors, If at any Meeting the Chairman of the Board of Directors be not present within fifteen minutes after the time appointed for holding the meeting or though present be unwilling to act as chairman, the Members present shall choose one of the directors present to be Chairman or if no director shall be present and willing to take the Chair, then the Members present shall choose one of their member, being a member entitled to vote, to be Chairman.
Efficiency Ordinary Resolution	64	Any act or resolution which, under the provisions of this Articles or of the Act, is permitted shall be resolution sufficiently so done or passed if effected by a ordinary resolution unless either the act or the Articles specifically require such Act to be done or Resolution passed by a special Resolution.
when if quorum not present meeting to be dissolved and when to be adjourned if at such adjourned	65	If within half an hour from the time appointed for the Meeting a Quorum be not present the Meeting, if convened upon a requisition of shareholders shall be dissolved but in any other case it shall stand adjourn and the same day, in the next week at the same time place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a Public Holiday at the same time and place and if at such adjourned meeting a quorum by not present within half an hour from the time appointed for the Meeting, those Members who are present and not being less than two in person shall be quorum and may transact the business for which the meeting was called.
How questions or resolution to be decided at meeting	66	In the case of an equality of votes the Chairman shall both on a show of hands and at a poll shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.
Power to adjourned general meeting	67	The Chairman of a General Meeting any adjourn the same from time to time and from place to place, but no business shall be trans-How questions acted at any adjourned meeting other than the business left unfinished at the Meeting from which the adjournment took place. It shall not be necessary to give notice to the Members of such adjournment or of the time, date, and place appointed for the holding of the adjourned meeting.
Business may proceed not withstanding demand of poll	68	If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than question on which a poll has been demanded.

VOTE OF MEMBERS

Title of Article	Article No.	Contents
Vote of members	69	(i) On a show of hands every Member present in person and proceed not being a holder of equity shares shall have on vote and every person present either as a proxy on representative of a body corporate being a holder of equity shares, if he is not entitled to vote

		in his own rights shall have one vote. (ii)On a poll the voting rights of a holder equity shared shall be as specified in Section 87 of the Act. (iii) The Voting rights of the holders of the Preference shares Including the Redeemable Cumulative Preference Shares shall be in accordance with the provisions of Section 87 of the Act. (iv) No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under Section 187 of the Act is in force and the representative named in such revolution is present at the General Meeting at which the vote by proxy is tendered.
Votes In The Respect Of Deceased insolvent and insance Members	70	A person becoming entitled to a share shall not before being registered as a member in respect of the shares entitled to exercise in respect thereof any right conferred by membership in relation to Meeting of the company. If any Member be a lunatic, or idiot, he may vote whether on a show of hands or at a poll by his committee, or other legal curator and such last mentioned persons may give their votes by proxy provided that twenty four hours at least before the time of holding the Meeting or adjourned Meeting, as the case may be, at which any such person proposed to vote he shall satisfy the Board of his rights under this Article unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.
Joint Holders	71	Where there are joint holders of any share any one of such persons any vote at any Meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if none than one of such joint holders be present at any meeting either person-ally or by proxy then that one of the said persons so present whose name stands prior in order on the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holder thereof.
Instrument Appointing proxy to be in writing	72	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its Attorney.
When the vote by appointing proxy to the deposit at the office	73	The instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed or a neutrally certified copy of that power of authority shall be deposited at the office not less than forty eight hours before the time appointed for holding the meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not the treated as valid.
When vote by proxy valid though authority revoked	74	A vote given in accordance with the terms of an instrument appointing proxy shall be valid notwithstanding the previous death or insanity of the principal or authority revocation of the instrument of transfer of the share revoked in respect of which the vote is given, Provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office or by the Chairman of the Meeting before vote is given. Provided nevertheless that the Chair-man of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
From of instrument appointing proxy	75	Every instrument appointing a proxy shall, as nearly as circumstances will admit, be in the form set out in Schedule IX to the Act.
Validity of vote	76	No objection shall be taken to the validity of any vote except at the Meeting or poll at which such vote shall be tender end and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.

No voting rights if calls or other not paid	77	No member shall be entitled to exercise any voting rights either personally or by proxy at any Meeting of Company in respect of any shares registered in his name on which any calls or other sum presently payable by him have not been paid or in regard to which the company has exercise any right of lien.

DIRECTOR'S GENERAL PROVISSIONS

Title of Article	Article No.	Contents
No. of Directors	78	Until otherwise determined by the company in General Meeting, the number of directors shall not be less than three and not more than Twelve.
First Director	79	The First Directors of the Company are: 1. SHRI MOTI LAL JAIN 2. SHRI SUKHANANDANAIN 3. SHRI SHAILENDRA JAIN 4. SHRI SUNIL JAIN
Power to Appoint	80	The Directors shall have power at any time and from time to time to appoint any person as a Director as an addition to the Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles, any Directors so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for replication.
Share Qualification	81	Unless otherwise determined by the company in General Meeting a Director shall not be required to hold any share qualification.
Remuneration of Directors	82	(a) Unless otherwise determined by the company in General Meeting each director shall be entitled to receive out of the funds of the company for his service in attending meeting of the Board or a Committee of the Board such sum not exceeding such amount as permissible, under the Companies Act, 1956 and/or Rules made there under, as fee, for each meeting of the Board or Committee of the Boar attended by him, as may be determined by the Board of Directors from time to time. (b) The Directors shall receive such remuneration for their ser-vice as may from time to time be determined by the company in General Meeting. (c) In addition to the remuneration payable to the Directors, the Directors may be paid all traveling, hotel and other expenses properly incurred by them. (d) In attending and returning from meetings of the Board of Directors or any committee thereof. In connection with the business of the Company. (e) Without prejudice to the generality of the foregoing, if any Directors, being willing shall be called upon to perform extra services or to make any special exertion in going or residing away from the usual place of his residence for any of the purposes of the company or as a member of a committee of the Board then subject to section 314 of the Act, the Board may remunerate the Director so doing either by fixed sum or by commission as a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for other remuneration to which he may be entitled.
Continuing	83	The continuing Directors may act notwithstanding any vacancy in their

Directors May Act		body but so that if the number falls below the minimum number above fixed the Directs shall not except for the purpose of filling vacancies or for summoning a General Meeting acts so long as the number is below the minimum.
Directors May Contract	84	Subject to the provisions of Sections 297, 299, 300 and 314 of the Act, the Director, (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the company or from contracting with the company either, as vendor, purchaser lender, agent, broker, lessor otherwise nor shall any such contract or arrangement entered into any or on behalf of the company with a relative of such Directors or on behalf of the company with a relative of such Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any Director or a relative shall be a partner or with any other partner or with any Director of a relative shall be a partner or with any other partner or with a Private Company in which such Director is a Member or Director interested be avoided nor shall any Director or otherwise so contracting or being such Member or so interested be liable to account to the company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

APPOINMENT OF DIRECTORS

Title of Article	Article No.	Contents
Appointment of Director	85	The Company in General Meeting may subject to the provision to these Articles and the Act, at any time elect any person to be a Director and may from time to time increase or reduce the number of Directors and may also determine in what rotation such increased or reduced number is to go out of office. Any member of the company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of a company, for the office of director in the company and shall accordingly give a notice of at least 14 days in writing alongwith a deposit of ₹ 500/- (Rupees Five Hundred) or such sum as may for the time being be prescribed by the Act, which shall be refunded only after the person proposed to be appointed as director is elected.
Board may fill up casual Vacancies	86	If any Director appointed by the Company in General Meeting vacates office as a Director before his term or office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a Meeting of the Board but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from office of Director under section 284 of the Act.
Nominee Directors	87	The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the company. Notwithstanding any thing to the contrary contained in these Articles, so long as any moneys remain owing by the Company as loan or investment to any financing Corporation or Bank or Company or body or Individuals (hereinafter referred to as

		'The Financial Institutions') or so long as the Financial Institutions hold any shares, debentures in the Company as a result of direct subscription or underwriting or conversion of loans/ debentures into Equity Capital subject to section 314 of the Act, the Board may remunerate the Director so doing either the Company each such Financial Institution shall have a right to appoint from time to time one or more persons as Directors on the Board of Directors of the Company which Director is hereinafter referred to as 'The Nominee Director'. The Nominee Director shall not be required to hold qualification shares and shall not be liable to retire by rotation of Directors. The financial Institutions may at any time and from time to time remove the nominees Director appointed by it and may in the event of such removal and also in case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the financial Institutions and shall be delivered to the Company at its registered office. The Board of Directors of the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director entitled to attend all General Meetings, Board Meeting and Meetings of the Committee of which he is a Member and he and the Financial Institution appointing him shall also be entitled to receive notices of all such Meetings and also the Minutes of all such Meetings. The Nominee Directors shall be paid all remuneration, fees, allowances, expenses and other money to which other Directors and entitled; subject as aforesaid the Nominee Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director shall ipso facto vacate his office immediately when the moneys by the Company to the Financial Institutions are paid of or on the Financial Institutions ceasing to hold shares/debentures in the Company.
Alternate Director	88	Subject to the provisions of section 313 of the Act, the Board may appoint any person to act as an alternate director for a director during the letter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director; shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and/when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as Director.

ROTATION OF DIRECTORS

Title of Article	Article No.	Contents
Rotation of the Directors	89	(a) Not less than two third of the total number of Directors shall be persons whose period of office is liable to termination by retirement of Director by rotation. (b) At each Annual General Meeting of the Company, one third of such of Directors for the time being as are liable to retire by rotation or if there number is not three or a multiple of three, than the number nearest to one third shall retire from office. (c) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since there last appointment, but as between persons, who became Directors on the same day those to retire shall in default of and subject to any

		agreement among them selves be determined by lot. (d) If at any Annual General Meeting all the Directors appointed under articles 87 and 108 hereby are not exempted from retirement by rotation under section 255 of the Act then to the extent permitted by the said Section the exemption shall extend to the Director or Directors appointed under Article 89 subject to the foregoing provisions as between Directors appointed under any of the articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be deter- mined by and in accordance with their respective seniorities as may be determined by the Board.
Retiring Director eligible for reelection	90	A retiring Director shall be eligible for re-election and shall act as a Director throughout the Meeting in which he retires.
Unfilled places of Directors	91	Subject to any resolution for the reducing the number of Directors if at any Meeting at which an election of Directors ought to take place, the places of the retiring Directors, are not filled up, the Meeting shall stand adjourned till the next succeeding day which is not a eligible for public holiday at the same time and place and if at the adjourned Meeting the places of the retiring Directors are not filled up, the Unfilled places retiring Directors or such of them as have not had their places filled of directors up shall (If Willing to continue in office)be deemed to have been reelected at the adjourned Meeting.

PROCEEDING OF DIRECTORS

Title of Article	Article No.	Contents
Meeting of Directors	92	The Directors may meet together for the dispatch of business adjourn and otherwise regulate their Meetings and proceedings as the think fit. Notice in writing of every Meeting of the Directors shall ordinarily be given by a Director or such other officer of the Company duly authorised in this behalf to every Director for the time being in India and at his usual address in India
Quorum	93	The quorum for a Meeting of Directors shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present with in fifteen minuets from the time appointed for holding a Meeting of the Directors it shall be adjourned until such date and time as the Directors present shall appoint.
Summoning a meeting of director voting at meeting	94	The secretary may at any time, and upon request of any two Directors shall summon a meeting of the Directors.
Voting at Meeting	95	Subject to the provisions of Sections 316, 372 (5) and 386 of the Act questions arising at any meeting shall be decided by a majority of votes. Each Director having one vote and in case of equality of votes the Chairman shall have a second or casting vote.
Chairman of meeting	96	The Chairman of the Board of Directors shall be the Chairman of the Voting at meetings of Directors. Provided that if the Chairman of the Board of meeting Directors is not present with in five minutes after the appointed time for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.
Act of Meeting	97	A meeting of Directors for the time being where a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the act for the time being vested in or exercisable by the Directors generally.
To Appoint Committee And	98	The Directors may subject to compliance of the provisions of the Act, from time to time delegate any of their powers to committees

To Delegate Power And To Revoke It		consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any committee to form shall in the exercise of the powers so delegated confirm to any regulations that may from time to time be imposed on it by the Directors. The meetings and proceedings of any such committee, if consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under this Article
Validity of Acts	99	All acts done at any meeting of the Directors or of a committee of the Directors or by any person acting as a Director shall be valid not withstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee of persons acting as aforesaid or that they or any of them were disqualified.
Resolution by Circulation	100	A resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provision of Section 289 of the Act.

POWER OF DIRECTORS

Title of Article	Article No.	Contents
General Powers of the company vested in the directors	101	Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and do all such acts and things as may be exercised or done by the Company and/or not hereby or by law expressly required or directed to be exercised or done by the Company or General Meeting but subject nevertheless to the provisions of any law and of these presents from time to time made by the Company in the General Meeting; provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulations has not been made.
Power to delegate	102	Without prejudice to the general powers conferred by the preceding article the Directors may from time to time and at any time subject to the restriction contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorised and discretion for the time being vested in the Directors.
Power to authorize sub-documents	103	The Directors may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers authorities and discretion for the time being vested in them.
Signing of Documents	104	All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed as the case may be by such persons (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Directors shall from time to time by resolution determine
Management abroad	105	The Directors may make such arrangement as may be thought fit for the management of the Company's affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be suffixed by the authority and in the presence of and instruments sealed there in shall be signed by such persons as

		the Directors shall from time to time by writing under the common seal appoint. The Company may also exercise the powers of keeping Foreign Registers. Such regulations not being inconsistent with the provisions of Section 157 and 158 of the Act, the Board may from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of any local law.
Manager or Secretary	106	A Manager or Secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions they may think fit, and any manager or Secretary so appointed may be removed by the Directors. A Director may be appointed as Manager or Secretary, subject to Section 197-A, 314, 387 and 388 of the Act.
Act of Director Manager or Secretary	107	A provision of the Act or these regulations required or authorizing a thing to be done by a Director, Manager or Secretary shall not be satisfied by its being done by the same person acting both Director and as, or in place of the Manager or Secretary.

MANAGING DIRECTOR

Title of Article	Article No.	Contents
Power To Appoint Managing Director	108	Subject to the provisions of Sections 197A, 269, 316 and 317and of Schedule XIII of the Act, the board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or whole time Director(s) of Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.).
To What Provision He Shall be Subjected	109	Subject to the provisions of Section 255 of the Act and Article 89 (d) hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Director or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the Company) he shall be subjected to the same provisions as to resignation and removal as the Directors, and he shall, ipso facto and immediately, cease to be a Managing Director, if he ceased to hold the office of Director from any cause.
Remuneration of Managing Director	110	Subject to the provisions of Section 198, 309, 310 & 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remuneration as may from time to time be sanctioned by the Company.
Power of Managing Director	111	Subject to the provisions of the Act, in particular to the prohibitions and the restrictions contained in Section 292 thereof, the Board may from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and be exercised for such objects and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of and in substitution for any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or very all or any such powers.

COMMENCEMENT OF BUSINESS

Title of Article	Article No.	Contents
Compliance before Commencement of New Business	112	The Company shall not at any time commence any business in relation to any of the objects stated in clauses III(C) of the Memorandum of Association unless the provisions of sub-section 2(A) of Section 149 of the Act, have been duly complied with by it.

DIVIDENDS

Title of Article	Article No.	Contents
How Profits Shall Be Divisible	113	Subject to right of members entitled to shares (if any) with preferential or special right attached to them, the profits of the Company from time to time determine to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the shares provide that unless the Board otherwise determine all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise pro-vided as the case may be) only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up, in advance of cells such capital shall not confer a right to participate in profit.
Declaration Of Dividend	114	The Company in general meeting may declare a dividend to be paid to the member according to their right and interests in the profits and may, subject to the provisions of sections 207 of the Act, fix the time for payment.
Restrictions on amount of dividends	115	No larger dividend shall be declared then is recommended by the Directors but the Company in General Meeting dividends may declare a smaller dividend
Dividends out of profit only	116	No dividend shall be payable except out of the profits of the, Company of the year or any other undistributed profits.
What to be deemed no profits	117	The declaration of the Directors as to amount of the net profits of the Company for any year shall be conclusive
Interim Dividend	118	The Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.
Debit may be deducted	119	The Directors may retain any dividends on which the company has a line and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respects of which the line exists subject to Section 205a of the Act.
Dividend and call together	120	Any General Meeting declaring a dividend may make a cell on the members of such amount as the meeting fixes, but so that the cell on each member shall not exceed the dividend payable to him and so that the call be made payable at the same times as the dividend and the dividend may, if so arranged between the Company and the member, be set out of and against the call.
Right to dividend Transfer	121	A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
Retention in Certain Cases	122	The Directors may retain the dividends payable upon shares in respect of which any persons is under the transmission article entitled to become a member or which any person under that Articles is

		entitled to transfer until such person shall duly become a member in respect there of or shall transfer the same.
Dividend to joint holders	123	Any one of the several persons who are registered as joint holders of any share may give effectual receipts or all dividends and payments on account of dividends in respect of such shares.
Payment to post	124	Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled there to or in the case of joint holders to the Registered address of that one whose name stands first on the Registers in respect of the joint holding or to such persons and such address and the member or person entitled or such joint holders as the case any be, may direct and every cheque or warrant so sent shall be made payable to the persons or the order of the persons as the member or persons entitled or such joint-holder as the case may be direct.
Dividend payment and unpaid dividend	125	The payment of every cheque or warrant sent under the provisions of the last preceding Article shall, if such cheque or warrant purports to be duly endorsed be a good discharge to the Company in respect there of, provide nevertheless that the company shall not be responsible for order which shall be sent by post to any members or by his order to any other person in respect of any dividend. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or claimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any Scheduled Bank, to be called "________ Unpaid Dividend Account" 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 205C of the Act. The Board shall forfeit unclaimed or unpaid dividend. The company shall comply with the provisions of section 205A and 205B with section 205C of the act in respect of any dividend remaining unpaid or unclaimed with the company. The company shall comply with the provisions of section 205C of the act in respect of any money remaining unpaid with the company in the nature of: (i) Application monies received by the company for allotment of any securities and do for refund; (ii) deposits received by the company and due for repayment; (iii) Debentures issued by the company and matured for redemption; and (iv) The interest, if any, accrued on the amounts referred at items (i), (ii) and (iii) respectively.

BOOKS AND DOCUMENTS

Title of Article	Article No.	Contents
Audits and Place where to be kept	126	Balance Sheet and Profit and Loss Account will be audited once in a year by a qualified auditor for correctness as per provisions of the Act. The Books of Account shall be kept at the Registered Office or at such other place as the Directors think fit and shall be open to inspection by the Directors during business hours.
Inspection By	127	The Directors shall from time to time determine whether and to what

Members		extent and at what times and places and under what conditions or regulations or regulations the accounts or books of documents of the Company or any of them shall be open for inspection to member (not being a Director) shall have any right of inspecting any books of account or documents of the Company expect as conferred by law or authorised by the Directors or by the company in the General Meeting.

NOTICE

Title of Article	Article No.	Contents
How Notice served on members	128	The Company shall comply with the provisions of Sections 53, 172 and 190 of the Act, as to serving of notice.
Transferee etc. bound by prior notice	129	Every person who, by operation of law, or by transfer or by other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly give to the persons from whom he derives his title to such share.
Notice valid though member deceased	130	Any notice or documents delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be them deceased be deemed to have been duly served in respect of any unregistered shares whether held solely or jointly with other persons by such member, until some other persons be registered in his stead as the holder or joint holders thereof and such service shall for all purpose of these presents be deemed a sufficient service of such notice or documents on his or her heirs, executors ,or administrators and all persons, if any jointly interested with him or her in any such share.
How Notice to be signed	131	The signature to any notice to be given by the Company may be written or printed.

RECONSTRUCTION

Title of Article	Article No.	Contents
Reconstruction	132	On any sale of the undertaking of the Company the Directors or the liquidators on a winding up may, if paid up shares, debentures, or securities of any other company whether incorporated in India or not, other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors(if the profits of the Company permit),of the liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees and any special resolution may provide for the distribution or appropriations of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto save only in case the Company, is proposed to be or is in the course of being wound up, such statutory right, if any under section 494 of the

		Act, as are incapable of being varied or excluded by these presents.
No share holder to enter the premises of the company without permission	133	No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the director, or subject to Articles 125 to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter what so-ever which may relate to the conduct of the business of the Company and which in the opinion of the directors it will be inexpedient in the interest of the members of the Company to communicate.

WINDING UP

Title of Article	Article No.	Contents
Distribution of assets	134	If the company shall be wound up and the assets avail for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up is paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares, issued upon special terms and conditions.
Distribution of Assets in specie	135	In the event of company being wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special Revolution divide among the contributories in specie or in kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the company in Trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with like sanction, shall think fit.

INDEMNITY

Title of Article	Article No.	Contents
Indemnity	136	Subject to the provisions of section 201 of the act, every Director, Manager, Secretary and other officer or employee of the company shall be indemnified against and it shall be duty of the Directors to pay out of the funds of the company all costs, losses and expenses (including traveling expenses) which any such Director, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered in to or any way in the discharge of his or their duties and in particular and so as not to limit the generality of the forgoing provisions, against all liabilities incurred by him or by them as such Director, Manager, Secretary, Officer or employee in defending any proceedings whether civil or criminal in which judgment so given in his or their favour or he or they is or are acquitted or in connection with any application under section 633 of the act in which relief is granted by the court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the members over all other claim
Individual	137	Subject to the provisions of the act. And so far as such provisions

responsibility of director		permit no Director, Auditor or other Officer to the company shall be liable for act, receipts neglects or defaults of any other director or officer, or for joining in any receipts or act for conformity, on for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property required by order of the director for on behalf of the Company or for the insufficiency or deficiency or any security in or upon which any of the moneys of the Company shall be invested or for any loss occasioned by any error of judgment, commission, default, or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation there to unless the same happens through his own dishonesty.

THE SEAL

Title of Article	Article No.	Contents
Seal	138	The Board shall provide a common seal for the purposes of the Company and from time to time destroy the same and substitute new seal in lieu there of and shall provide for the safe custody of the seal for the time being. The seal of the company shall not be fixed to any instrument except by the authority of the board of Directors or of a committee of the Board authorized by it in that behalf
Custody of seal	139	The Director shall provide for the safe custody of the seal and the seal shall never be used except by authority of the directors or a committee of the directors previously given and one Director at least shall sign every instrument to which the seal is affixed Provided never the less that any instrument bearing the seal of company and issued for valuable consideration shall be binding on the company not with standing any irregularity touching the authority of the Directors to affixed the same.
Seal For Use Abroad	140	The company may exercise the power conferred by section 50 with regard to having and official seal for use abroad and such power shall be vested in the board
Subscription Agreement	141	The Provisions of the Subscription Agreement shall be deemed to form part of these Articles. In the event of any inconsistency between the provisions of Article 1 to 140 and the Provisions of the Subscription Agreement, the Provisions of the Subscription Agreement shall prevail.
Secrecy	142	Subject to the provisions of law of land and the Act, no member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors, or to require discovery or any information respecting any detail of the Company's trading or any matter which is or may be in nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interest of the members of the Company to communicate.
Auditors	143	1. The first auditors of the company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of first annual general meeting. 2. The Directors may fill up any casual vacancy in the office of the auditors. 3. The remuneration of the auditors shall be fixed by the company in the annual general meeting except as otherwise decided or that remuneration of the first or any auditors appointed by the directors may be fixed by the directors.

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 5-0-1 Basement, R.C. Vyas Colony, Bhilwara (Rajasthan) - 311001, India from 10.00 a.m. to 4.00 p.m. on working days from the date of filing of the Draft Red Herring Prospectus until the date of closure of this Issue.

Material Contracts

1. Memorandum of Understanding 6th April 2010 dated between us and the BRLMs.

2. Agreement dated 30th September 2010 between our Company and Big Share Services Private Ltd as Registrar to this Issue.

3. Escrow Agreement dated [•] between us, the BRLMs, Escrow Bankers, Syndicate Member and the Registrar to this Issue.

4. Syndicate Agreement dated [•] between us, BRLMs, and the Syndicate Member.

5. Underwriting Agreement dated [•] between us, BRLMs, and the Syndicate.

Material Documents

1. Memorandum and Articles of Association of our Company as amended from time to time.

2. Original Certificate of Incorporation dated 22.10.1997 and Fresh Certificate of Incorporation issued to our Company, pursuant to the change of name from Madhya Bharat Agro Products Private Limited to Madhya Bharat Agro Products Limited dated June 11' 1999 with CIN No-U24121RJ1997PLC029126 issued by Registrar of Companies, Madhya Pradesh.

3. Resolution passed by Board of Directors of our Company at the meeting held on 10th July 2010 authorizing the issue, subject to the approval of the shareholders of our company under section 81(1A) of the companies Act.

4. Resolution passed by the shareholders of the Company at the Annual General Meeting held on September 20th, 2010 authorizing the issue under section 81 (1A).

5. Resolution passed by the shareholders of the company at the Annual General Meeting held on September 20th 2010, pursuant to section 293(1) (d) of the companies Act, 1956 relating to borrowing powers.

6. Resolution passed in Board dated 14th June 2010 appointment of Mr. Pankaj Ostwal as Chairman

7. Resolution passed in the EGM dated 30th June 2010 regarding appointment of Mr. Pankaj Ostwal as Managing Director w.e.f 5th June 2010 containing the terms of remuneration and appointment.

8. Resolution passed by the Board of Directors dated May 12th 2011] authorizing severally Mr. Pankaj Ostwal, Mr. Amit Jain and Mr. Nitin Mehta to make necessary corrections in the Draft Red Herring Prospectus/prospectus and to sign the same.

9. Resolution passed in the AGM dated 20th September 2010 appointing Mr. Amit Jain whole time Director w.e.f 1st July 2010.

10. Report of the Statutory Auditors dated March 04th 2011 from M/s. Ashok Kanther & Associates for the restated financial statements of our Company for the years / period ended March 31, 2006(9 months), March 31, 2007, March 31 2008, March 31, 2009, March 31, 2010 and for the Eight (8) months period ended November 30, 2010.

11. Copies of Auditors Reports of our Company for the years ended March 31, 2006,2007,2008,2009,2010 and Eight months ended 30th November 2010.

12. Copy of the tax benefit report dated 4th March 2011 of M/s. Ashok Kanther & Associates, Chartered Accountants.

13. Copy of certificate from Statutory Auditors, M/s Ashok Kanther & Associates, Chartered Accountants dated [•], regarding the sources and deployment of funds.

14. Copy of certificate from Statutory Auditors, M/s Ashok Kanther & Associates, Chartered Accountants dated [•] regarding cash flow of promoters contribution.

15. Legal Advisor certificate dated [•] regarding Litigation

16. Consents in writing of: our Directors; our Company Secretary and Compliance Officer; the Auditors; Bankers to our Company; BRLMs, Syndicate members; Registrar to the Issue; Legal Advisor to the Issue; IPO Grading Agency; Refund Bank(s) to act in their respective capacities.

17. In-principle listing approval from BSE dated [●].

18. In-principle listing approval from NSE dated [●]

19. Tripartite agreement among the NSDL, our Company and Big Share Services Private Limited dated 11th Feb 2011.

20. Tripartite agreement among the CDSL, our Company and Big Share Services Private Limited dated 23rd Feb 2011.

21. Due Diligence Certificate dated [●] to SEBI from Corporate Strategic Allianz Limited.

22. Consent from IPO Grading Agency for inclusion of their name in the Draft Red Herring Prospectus for as the IPO Grading Agency and for inclusion of their report in the form and context in which they appear in the Draft Red Herring Prospectus dated [●]

23. SEBI observation letter no. [●] dated [●]

24. Sanction Letter dated 23rd May 2010 by Indian Overseas Bank

25. Rent Agreement entered dated 17th November 2010 between our company and Mr. Mahendra Kumar Ostwal for Registered office taken on lease rental.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statute

SECTION XI- DECLARATION

We, the Directors of the Madhya Bharat Agro Products Limited, hereby declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the government or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS, Company Secretary

Pankaj Ostwal
(Chairman & Managing Director)

Amit Jain
(Whole Time Director)

Arvind Kothari
(Independent Director)

Sushil Kumar Surana
(Independent Director)

Nitin Mehta
(Company Secretary & Compliance Officer)

Date: 25.05.2011