RED HERRING PROSPECTUS
Dated April 21, 2016
Please read section 32 of the Companies Act, 2013
Book Built Issue

PARAG MILK FOODS LIMITED

Our Company was incorporated as Parag Milk & Milk Products Private Limited on December 29, 1992 with the registrar of companies at Mumbai with our registered office at Pune as a private limited company under the Companies Act, 1956. The name of our Company was changed to Parag Milk Foods Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Maharashtra at Pune ("**RoC**") on April 11, 2008. Our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 16, 2015. Consequently, the name of our Company was changed to Parag Milk Foods Limited and a fresh certificate of incorporation consequent upon conversion to a public limited company was granted to our Company by the RoC on July 7, 2015. For details of changes in the name and Registered Office of our Company, see "History and Certain Corporate Matters" on page 162.

Registered Office: Flat No.1, Plot No. 19, Nav Rajasthan Society, S.B. Road, Shivaji Nagar, Pune 411 016.
Corporate Office: 20th floor, Nirmal Building, Nariman Point, Mumbai 400 021.
Contact Person: Rachana Sanganeria, Company Secretary and Compliance Officer; **Tel:** (91 22) 4300 5555; **Fax:** (91 22) 4300 5580
Email: cs@paragmilkfoods.com; **Website :** www.paragmilkfoods.com; **Corporate Identity Number**: U15204MH1992PLC070209

PROMOTERS OF OUR COMPANY: DEVENDRA SHAH, PRITAM SHAH AND PARAG SHAH

PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF PARAG MILK FOODS LIMITED (OUR "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLION CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000 MILLION AND AN OFFER FOR SALE OF UP TO 20,572,573 EQUITY SHARES COMPRISING OF 14,286,449 EQUITY SHARES BY THE INVESTOR SELLING SHAREHOLDERS AND 6,286,124 EQUITY SHARES BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED HEREIN) (THE OFFER FOR SALE AND THE FRESH ISSUE ARE COLLECTIVELY REFERRED TO AS THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF 300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND DISCOUNT, IF ANY, TO RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE INVESTOR SELLING SHAREHOLDERS (AS DEFINED HEREIN) AND THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ALL EDITIONS OF ENGLISH NATIONAL DAILY NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER JANSATTA, AND THE PUNE EDITION OF THE MARATHI NEWSPAPER LOKSATTA (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED) EACH OF WIDE CIRCULATION IN ACCORDANCE WITH THE SEBI REGULATIONS.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the 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 BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release, and also by indicating the change on the websites of the BRLMs, the terminals of the Syndicate Members and the Self Certified Syndicate Banks ("**SCSBs**").

In terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), the Equity Shares issued in the Issue shall aggregate to at least such percentage of the post-Issue Equity Share capital of our Company (calculated at the Issue Price) that will be at least ₹ 4,000 million and the post-Issue capital of our Company at the Issue Price will be more than ₹16,000 million but less than or equal to ₹ 40,000 million. The Issue is being made through the Book Building Process, in compliance with Regulation 26(2) of the SEBI Regulations, wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company in consultation with the Investor Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor 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 QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**"), subject to valid Bids being received at or above the Issue Price. Further, [●] Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above Issue Price after the Employee Discount, if any. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"), to participate in this Issue. For details, see "Issue Procedure" on page 371.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Investor Selling Shareholders and the BRLMs as stated under the section "Basis for Issue Price" on page 106) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 entire investment. Bidders 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 the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 16.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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. Each Selling Shareholder, severally and not jointly, accepts responsibility only for statements made by such Selling Shareholder in relation to itself in this Red Herring Prospectus and the Equity Shares being sold by it through the Offer for Sale.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received the 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated October 16, 2015 and October 14, 2015, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be BSE. A copy of this Red Herring Prospectus has been delivered to the RoC and a copy of the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 428.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (91 22) 4336 0000 Fax: (9122) 6713 2447 E-mail: parag.ipo@kotak.com Investor Grievance ID: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**JM Financial Institutional Securities Limited*** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: parag.ipo@jmfl.com Investor Grievance E-mail: grievance.ibd@ jmfl.com Website: www.jmfl.com Contact Person: Lakshmi Lakshmanan SEBI Registration No.: INM000010361	**IDFC Securities Limited**** Naman Chambers, C-32, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Tel: (91 22) 6622 2600 Fax: (91 22) 6622 2501 Email: parag.ipo@idfc.com Investor Grievance Email: investorgrievance@idfc.com Website: www.idfccapital.com Contact Person: Akshay Bhandari SEBI Registration No.: MB/INM000011336	**Motilal Oswal Investment Advisors Private Limited**** Motilal Oswal Tower, Rahimtullah Sayani Road, opposite Parel ST Bus Depot, Prabhadevi, Mumbai 400 025 Tel: (91 22) 3980 4380 Fax: (91 22) 3980 4315 E-mail: parag.ipo@motilaloswal.com Investor Grievance ID: moiaplredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact Person: Subodh Mallya SEBI Registration No.: INM000011005	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel : (91 40) 6716 2222; Fax: (91 40) 2343 1551; Email: einward.ris@karvy.com Investor grievance E-mail:parag.ipo@karvy.com; Website: https://karisma.karvy.com Contact Person: M. Murali Krishna; SEBI Registration No.: INR000000221

BID/ ISSUE PROGRAMME

BID/ISSUE OPENS ON: May 4, 2016(1)	BID/ISSUE CLOSES ON: May 6, 2016

* *Formerly, JM Financial Institutional Securities Private Limited*

** *In compliance with the proviso to Regulation 21A(1) of the SEBI (Merchant Bankers) Regulations, 1992, read with proviso to Regulation 5(3) of the SEBI Regulations, IDFC Securities Limited and Motilal Oswal Investment Advisors Private Limited will be involved only in marketing of the Issue.*

(1) *Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may offer a discount of up to ₹ [●] per Equity Share on the Issue Price to Eligible Employees and a discount of up to ₹ [●] per Equity Share on the Issue Price to the Retail Individual Bidders. Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. Notwithstanding the foregoing, terms in the sections "Statement of Tax Benefits", "Financial Statements" and "Main Provisions of the Articles of Association" on pages 110,191 and 415, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page numbers of this Red Herring Prospectus, unless otherwise specified.

General Terms

Term	Description
"our Company", the "Company", the "Issuer" or "PMFL"	Parag Milk Foods Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Flat No.1, Plot No. 19, Nav Rajasthan Society, S.B. Road, Shivaji Nagar, Pune 411 016
"We", "our", "us" or "Group"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiary

Company Related Terms

Term	Description
Articles / Articles of Association	Articles of association of our Company, as amended from time to time
BDFPL	Bhagyalaxmi Dairy Farms Private Limited
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Compliance Officer	Our company secretary who has been appointed as compliance officer of our Company
Corporate Office	The corporate office of our Company, which is located at 20th Floor Nirmal Building, Nariman Point, Mumbai 400 021
Director(s)	Director(s) on the Board of Directors of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOS 2015	The employee stock option scheme of our Company administered by the ESOP Trust
ESOP Trust	The Parag Milk Foods Employees Stock Option Trust
Investor Selling Shareholders	IBEF I, IDFC PE and IBEF
IBEF	India Business Excellence Fund (a unit scheme of Business Excellence Trust, a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and represented by its trustee, IL&FS Trust Company Limited)
IBEF I	India Business Excellence Fund I, a public limited company incorporated under the laws of the Republic of Mauritius
IDFC PE	IDFC Private Equity Fund III, a unit scheme of the IDFC Infrastructure Fund 3 (being a trust created under the Indian Trusts Act, 1881 and a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) of which IDFC Trustee Company Limited, is a trustee and represented by IDFC Alternatives Limited
IDFC S.P.I.C.E.	IDFC S.P.I.C.E. Fund, a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, and represented through IDFC Asset Management Company Limited
Key Management Personnel / KMPs	Key management personnel disclosed in the section "Our Management" on page 183
Memorandum of Association/ Memorandum	Memorandum of association of our Company, as amended from time to time
Other Selling Shareholders	Netra Shah, Priti Shah, Ladderup Finance Limited, Parvati Devi Pasari, Anmol

Term	Description
	Insurance Consultants Private Limited, Chetan Pasari and Seema Pasari, Satyanarayan Kanhaiya Lal Kabra, Seema Narayan Pasari and Narayan Ramgopal Pasari, Meet Narayan Pasari, Nipa Doshi, Placid Limited, Suneeta Agrawal, Vimla Oswal and Pratik Oswal
Poojan Foods	Poojan Foods Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Block No. 1, Ramkrishna Niwas, 1st Floor, Gokhale Road (North), Dadar (West), Mumbai 400 028. For further information, see "History and Certain Corporate Matters – Our relationship with Poojan Foods Private Limited" on page 165
Promoters	Promoters of our Company, namely, Devendra Shah, Pritam Shah and Parag Shah
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and which is disclosed in "Promoters, Promoter Group and Group Companies" on page 185
Promoter Group Selling Shareholders	Netra Shah and Priti Shah
Registered Office	The registered office of our Company, which is located at Flat No.1, Plot No. 19, Nav Rajasthan Society, S.B. Road, Shivaji Nagar, Pune 411 016
Registrar of Companies/RoC	Registrar of Companies, Maharashtra at Pune
Remaining Selling Shareholders	The Other Selling Shareholders excluding the Promoter Group Selling Shareholders
Restated Consolidated Financial Statements	Restated consolidated financial statement of assets and liabilities as at December 31, 2015 and March 31, 2015, 2014, 2013, 2012 and 2011 and statement of profit and loss and statement of cash flows for the nine months ended December 31, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 of our Company and its Subsidiary read alongwith all the notes thereto and included in the section "Financial Statements" on page 192
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and Restated Standalone Financial Statements
Restated Standalone Financial Statements	Restated standalone financial statement of assets and liabilities as at December 31, 2015 and March 31, 2015, 2014, 2013, 2012 and 2011 and statement of profit and loss and statement of cash flows for the nine months ended December 31, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 of our Company read along with all the notes thereto and included in the section "Financial Statements" on page 249
Selling Shareholders	Collectively, the Investor Selling Shareholders and the Other Selling Shareholders
Shareholders	Shareholders of our Company from time to time
Statutory Auditor/Auditor	Statutory auditor to our Company, namely Haribhakti & Co., LLP, Chartered Accountants
Subsidiary	Subsidiary of our Company namely, Bhagyalaxmi Dairy Farms Private Limited
Working Capital Consortium Loan / WCCL	The working capital facility comprising of fund based and non-fund based facilities of ₹2,400.00 million and ₹55.00 million, respectively, sanctioned to our Company by the consortium consisting of Union Bank of India, State Bank of India and IDBI Bank Limited

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder after the Basis of Allotment has been approved by the Designated Stock Exchange

Term	Description
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of ₹100 million, in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investor in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs on the Anchor Investor Bid/Issue Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any bids from Anchor investors, and Allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Investor Selling Shareholders and the BRLMs to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorising a SCSB to block the Bid Amount in the ASBA Account.
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidder	All Bidders except Anchor Investors
Bankers to the Issue/Escrow Collection Banks	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) for Anchor Investors will be opened, in this case being Axis Bank Limited
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section "Issue Procedure" on page 404
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (other than Anchor Investor) pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations in terms of this Red Herring Prospectus and the Bid cum Application Form
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Anchor Investors/blocked in the ASBA Account for other Bidders on submission of a Bid in the Issue which shall be net of the Employee Discount and Retail Discount, as applicable. However for Eligible Employees applying in the Employee Reservation Portion and the Retail Individual Bidders applying at the Cut-Off Price, the Bid amount shall be Cap Price net of Employee Discount or Retail Discount multiplied by the number of Equity Shares Bid for by such Eligible Employee or Retail Individual Bidders and mentioned in the Bid cum Application Form

Term	Description
	net of Employee Discount / Retail Discount, as the case may be.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and the Pune edition of the Marathi newspaper Loksatta (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation
Bid/ Issue Opening Date	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting ASBA Bids for the Issue, which shall be notified in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and the Pune edition of the Marathi newspaper Loksatta (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●] Equity Shares
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges
BRLMs/Book Running Lead Managers	The book running lead managers to the Issue, being Kotak Mahindra Capital Company Limited, JM Financial Institutional Securities Limited, IDFC Securities Limited and Motilal Oswal Investment Advisors Private Limited (In compliance with the proviso to Regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with proviso to Regulation 5 (3) of the SEBI Regulations, IDFC Securities Limited and Motilal Oswal Investment Advisors Private Limited will be involved only in marketing of the Issue)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	Agreement dated April 11, 2016 entered into by our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs and the Escrow Collection Bank(s) for collection of the Bid Amounts from the Anchor Investors, transfer of funds from the Escrow Account to the Public Issue Account and where applicable, refunds of the amounts collected from the Bidders, on the terms and conditions thereof
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.

Term	Description
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLMs, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in
Cut-off Price	The Issue Price, finalised by our Company in consultation with the Investor Selling Shareholders and the BRLMs. Only Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹200,000 (which shall be net of Employee Discount / Retail Discount, as applicable). QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details
Designated Date	Date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) or instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Issue
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm)
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/3/3/0/0/Recognised-Intermediaries or such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE Limited
Diluted Earnings per Share	Diluted Earnings per Share has been calculated by dividing restated profit after tax attributable to Equity shareholders for the year or period by weighted average dilutive number of Equity Shares.
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated September 30, 2015 issued in accordance with the SEBI Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened
Eligible Employees	All or any of the following: (a) a permanent and full time employee of our Company or of our Subsidiary as of the date of filing of this Red Herring Prospectus with the RoC and

Term	Description
	who continues to be an employee of our Company or of our Subsidiary until the submission of the ASBA Form and is based, working and present in India as on the date of submission of the ASBA Form; (b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as of the date of filing this Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the ASBA Form and is based and present in India as on the date of submission of the ASBA Form; and (c) An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of filing this Red Herring Prospectus with the RoC and date of submission of the ASBA Form will also be deemed a 'permanent and a full time employee'. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹200,000
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and this Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Employee Discount	Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may offer a discount of up to ₹[●] per Equity Share on the Issue Price to Eligible Employees and which shall be announced at least five Working Days prior to the Bid/Issue Opening Date
Employee Reservation Portion	Portion of the Issue being 300,000 Equity Shares aggregating up to ₹[●] million available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	Account(s) opened for this issue with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue transfer money through direct credit/NECS/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Equity Listing Agreement	Listing agreements to be entered into by our Company with the Stock Exchanges
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹3,000 million by our Company
IDFC Securities	IDFC Securities Limited
IMARC	International Market Analysis Research and Consulting
IMARC Report	The report titled "Indian Dairy Industry: 2015" dated July 30, 2015 by The International Market Analysis Research and Consulting Group
Issue	Public issue of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale after taking into condieration Employee Discount and Retail Discount, if applicable. The Issue includes a reservation of 300,000 Equity Shares aggregating up to ₹[●] million for subscription by Eligible Employees and the Issue less Employee Reservation Portion is referred to as the Net Issue
Issue Price	The final price at which the Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of this Red Herring Prospectus. Issue

Term	Description
	Price will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs, on the Pricing Date. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors A discount of up to ₹[●] per Equity Share on the Issue Price may be offered to Eligible Employees bidding in the Employee Reservation Portion and a discount of up to ₹[●] per Equity Share on the Issue Price may be offered to Retail Individual Bidders. The Rupee amount of such discount, if any, will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs
JM Financial	JM Financial Institutional Securities Limited (formerly JM Financial Institutional Securities Private Limited)
Kotak	Kotak Mahindra Capital Company Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of Issue expenses. For further information about the Issue expenses, see "Objects of the Issue" on page 97
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being not being less than 15% of the Net Issue, or [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Offer Agreement	Agreement dated September 30, 2015, as amended by amendment agreement dated March 22, 2016 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Offer For Sale	Offer for sale of up to 20,572,573 Equity Shares aggregating to up to ₹[●] million, comprising of such number of Equity Shares by each of the Selling Shareholders as set out in "The Issue" on page 65
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of [●] per Equity Share (Cap Price) including any revisions thereof Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and the Pune edition of the Marathi newspaper Loksatta (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation
Pricing Date	Date on which our Company in consultation with the Investor Selling Shareholders and the BRLMs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information including any addenda or corrigenda there to
Public Issue Account(s)	Account(s) opened with the Public Issue Bank(s) to receive monies from the Escrow Account(s) and to which funds shall be transferred by the SCSBs from the ASBA Accounts, on or after the Designated Date
Public Issue Bank(s)	Bank(s) with whom the Public Issue Account for collection of bidding amount from Escrow Account and ASBA Accounts will be opened, in this case being

Term	Description
	Axis Bank Limited
QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) amounting to at least 75% of the Net Issue consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus or RHP	This red herring prospectus dated April 21, 2016 issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered. This Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Accounts	The account opened with the Refund Banks, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Bank	Axis Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue/Registrar	Registrar to the Issue, namely, Karvy Computershare Private Limited
Registrar Agreement	The agreement dated September 29, 2015, as amended by an amendment agreement dated March 22, 2016 entered into between our Company, the Selling Shareholders and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Retail Discount	Our Company in consultation with the Investor Selling Shareholders and the BRLMS, may decide to offer a discount aggregating to ₹[●] per Equity Share to the Issue Price to the Retail Individual Bidders and which shall be announced at least five Working Days prior to the Bid/ Issue Opening Date
Retail Individual Bidders	Individual Bidders other than Eligible Employees bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Net Issue being not more than 10% of the Net Issue, or [●] Equity Shares which shall be available for allocation to Retail Individual Bidders subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Retail Individual Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Forms. Kindly note that QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bid (in terms of number of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/3/3/0/0/Recognised-Intermediaries) or such other website as may be prescribed by SEBI from time to time
Share Escrow Agreement	Agreement dated January 19, 2016, as amended by amendment agreement dated April 8, 2016 entered into between the Selling Shareholders, our Company, the BRLMs and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Stock Exchanges	BSE and NSE

Term	Description
Syndicate Agreement	Agreement dated April 11, 2016 entered into between the BRLMs, the Syndicate Members, the Registrar to the Issue, our Company, and the Selling Shareholders in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Kotak Securities Limited, JM Financial Services Limited, Sharekhan Limited and Motilal Oswal Securities Limited
Syndicate / Members of the Syndicate	The BRLMs and Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the Designated Intermediary (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and Syndicate Members
Underwriting Agreement	Agreement to be entered into among the Underwriters, our Company and the Selling Shareholders
Working Days	"Working Day", with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms

Term	Description
BIS	Bureau of Indian Standards
BR	Base Rate
BRR	Bank Base Rate
ERP	Enterprise Resource Planning
EU	European Union
FDA	Food and Drug Administration
FSSAI	Food Safety and Standards Authority of India
GCMMF	Gujarat Co-operative Milk Marketing Federation
ISO	International Organisation for Standardisation
LLPD	Lakh Litre per day
MMT	Million Metric Tonne
SAP	Systems, Applications and Products
UHT	Ultra Heat Treatment

Conventional Terms/ Abbreviations

Term	Description
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	Unless the context requires, shall refer to the twelve month period ending December 31, of the year
Category III Foreign Portfolio Investors/ Category III FPIs	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Client ID	Client Identification Number of the Bidder's beneficiary account

Term	Description
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Cr.P.C.	The Code of Criminal Procedure, 1973
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FIIs	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/FY/Fiscal Year	The period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFC	International Financial Corporation
IFRS	International Financial Reporting Standards
Income Tax Act/ I.T. Act	The Income Tax Act, 1961
Ind-AS	The Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards"
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	The Indian Penal Code, 1860
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
LIBOR	London Interbank Offered Rate
MICR	Magnetic ink character recognition
Mutual Funds	Mutual Funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NBFC	Non Banking Financial Company
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified as having come into effect prior to the date of this Red Herring Prospectus
NR / Non-Resident	A person resident outside India, as defined under the FEMA and includes an

Term	Description
	NRI, FIIs, FPIs and FVCIs
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Rule 144A	Rule 144A under the U.S. Securities Act
RoNW	Return on Net Worth
₹/Rs./Rupees	Indian Rupees
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
SPV	Special Purpose Vehicle
STT	Securities Transaction Tax
State Government	The government of a State in India
UBI	Union Bank of India
UK	United Kingdom
ULIP	Unit Linked Insurance Plan
U.S. / United States / USA	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. QIBs	"Qualified Institutional Buyer" as defined in Rule 144A under the U.S. Securities Act

Term	Description
U.S. Securities Act	U.S. Securities Act of 1933
USD / US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WC	Working Capital

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

Financial Data

Unless stated otherwise, financial data included in this Red Herring Prospectus is derived from the Restated Financial Statements of our Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and / or Companies Act, 2013 and restated in accordance with the SEBI Regulations, as stated in the report of the Auditors. The Restated Financial Statements have been included in the section "Financial Statements" from page 191 to page 301.

Our Company's financial year commences on April 1 and ends on March 31 of the next year, so all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. In addition, see "Risk Factors – Our Company, will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and there is no clarity on the impact of such transition on our Company" on page 36. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Unless otherwise indicated, any percentage amounts, as set forth in this Red Herring Prospectus, including in the sections "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 141 and 302 respectively, have been calculated on the basis of the Restated Financial Statements prepared in accordance with Indian GAAP and the Companies Act, 1956 to the extent applicable and the Companies Act, 2013 to the extent enforced and restated in accordance with the SEBI Regulations.

Currency and Units of Presentation

All references to:

- "₹" or "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India; and
- "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the report titled "Indian Dairy Industry: 2015" dated July 30, 2015 by The International Market Analysis Research and Consulting ("**IMARC**") Group (the "**IMARC Report**") and publicly available information as well as other industry publications and sources. The IMARC Report has been prepared at the request of our Company.

Industry publications generally state that information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been

independently verified by the BRLMs or our Company, the Selling Shareholders or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "Risk Factors" on page 16. Accordingly, investment decisions should not be based solely on such information.

The extent to which market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI Regulations, the section "Basis for Issue Price" on page 106 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the Selling Shareholders or the BRLMs have independently verified such information.

Exchange Rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the US$ (in Rupees per US$):

(*in* ₹)

Currency	December 31, 2015	As on March 31, 2015	As on March 31, 2014[(1)]	As on March 31, 2013[(2)]	As on March 31, 2012[(3)]	As on March 31, 2011
1 USD	66.32	62.59	60.10	54.39	51.16	44.65
1 EUR	72.50	67.51	82.58	69.54	51.15	63.24

Note:

1. *Period end for Fiscal 2014 taken on March 28, 2014 as data is not available for March 29, 2014, March 30, 2014 and March 31, 2014 as these were non-trading days.*
2. *Period end for Fiscal 2013 taken on March 28, 2013 as data is not available for March 29, 2013, March 30, 2013 and March 31, 2013 as these were non-trading days.*
3. *Period end for Fiscal 2012 taken on March 30, 2012 as data is not available for March 31, 2012 as this was non-trading day.*

FORWARD-LOOKING STATEMENTS

This 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", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, 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.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

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

- Dependence on third parties for procurement of raw milk and transportation and other services;
- Changes in customer preferences;
- Increase in competition in the dairy industry;
- Our geographical concentration;
- Emergence of modern trade channels;
- Non compliance with changes in the safety, health, environmental and other regulations applicable to us;
- Reliance on institutional lenders to meet our financial requirements and non compliance with specific obligations thereunder; and
- General economic and business conditions and policies in India.

For further discussion on factors that could cause actual results to differ from expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 141 and 302, 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.
Forward-looking statements reflect current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs 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 will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

Each Selling Shareholder will ensure that Bidders are informed of material developments in relation to statements and undertakings made by such Selling Shareholder (in relation to itself and the Equity Shares offerred by it in the Issue) in this Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate in or to India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the section titled "Our Business" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 141 and 302, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. See "Forward-Looking Statements" on page 15.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.

1. There are outstanding criminal proceedings against our Company and our Directors.

There are criminal proceedings outstanding against our Company. These proceedings have been initiated by the Government of Maharashtra and the Government of Jammu & Kashmir alleging contravention of Food Safety and Standards (Prohibition and Restriction of Sale) Regulations, 2011, Food Safety and Standards (Food Product Standards & Additives) Regulations, 2011, Food Safety and Standards (Packaging and Labelling) Regulations, 2011 and Food Safety and Standards Act, 2006 by our Company and are pending before the Chief Judicial Magistrate ("**CJM**"), Alibaug, the CJM, Kathua and the High Court of Jammu & Kashmir (wherein our Company has filed a writ petition against the Food Safety and Standards authorities), respectively.

In relation to the criminal proceedings initiated by the Government of Maharashtra, if found guilty, our Company would be liable to penalties ranging from ₹100,000 to ₹500,000 for each such violation. In relation to the criminal proceedings initiated by the Government of Jammu & Kashmir (and pending before the High Court of Jammu and Kashmir), a fine of ₹5,000 has been levied on our Company and our Company was directed to destroy the products seized by the Food Safety Officer. The value of the seized products was approximately ₹145,912. In relation to the criminal proceedings initiated by the Government of Jammu & Kashmir before the CJM, Kathua, if found guilty, our Company would be liable to penalties ranging from ₹100,000 to ₹500,000 for each such violation.

Additionally, there are outstanding criminal proceedings against our Independent Directors pending before appropriate forums. For further details, see "*Outstanding Litigation and Material Developments–Litigation involving our Directors*" on page 333.

2. Our operations are dependent on the supply of large amounts of cow's raw milk, and our inability to procure adequate amounts of good quality raw milk, at competitive prices, may have an adverse effect on our business, results of operations and financial condition.

Our manufacturing operations are dependent on the supply of large amounts of cow's raw milk, which is the primary raw material used in the manufacture of all our dairy products. Our manufacturing facilities are located at Manchar, Maharashtra and Palamaner, Andhra Pradesh, and our supply chain

network includes procurement presence in 29 districts across Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu. All of our products are derived only from cows' milk and we procure milk from milk farmers and through chilling centres and bulk coolers, with whom we have no formal arrangements. Our average daily milk procurement for the nine months ended December 31, 2015 and 2014 and the financial years 2015 and 2014 was approximately 1.00 million litres, 1.00 million litres, 1.05 million litres and 0.77 million litres, respectively.

Since we have no formal arrangements with milk farmers, chilling centers or bulk coolers, they are not obligated to supply their milk to us and they may choose to sell their milk to our competitors. Also, the amount of raw milk procured and the price at which we procure such supplies, may fluctuate from time to time in the absence of a formal supply arrangement. The availability and price of raw milk is subject to a number of factors beyond our control including seasonal factors, environmental factors, general health of cattle in India and Government policies and regulations. For instance, the volume and quality of milk produced by cows is dependent upon the quality of nourishment provided by the cattle feed and could be adversely affected during period of extreme weather. Also, any disease or epidemic affecting the health of cows in India, specially within our procurement regions, could significantly affect our ability to procure adequate amounts of raw milk. Further, any change in the policies of the Government or the respective State Governments where our operations are based, including those affecting the use or ownership of agricultural land or the dairy industry in general, could adversely affect our business and results of operations.

We cannot assure you that we will be able to procure all of our raw milk requirements at prices acceptable to us, or at all, or that we may be able to pass on any increase in the cost of milk to our customers. Any inability on our part to procure sufficient quantities of raw milk and on commercially acceptable terms, could lead to a decline in our production and sales volumes and value, which could have an adverse effect on our business, results of operations and financial condition.

3. A slowdown or shutdown in our manufacturing operations or the under-utilisation of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. Milk, which is our primary raw material, is a perishable product, any consequently malfunction or break-down of our machinery or equipment resulting in the slowdown or stoppage of our operations may adversely affect the quality of products stored with us. Further, we may also be exposed to public liability from the end consumer for defects in the quality of the products stored in our premises.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any significant disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilisation of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

4. We do not have long term agreements with suppliers for our other raw materials and traded goods and an increase in the cost of or a shortfall in the availability of such raw materials and traded goods could have an adverse effect on our business, results of operations and financial condition.

Apart from raw milk, we require sugar, flavour, spices, cultures, packaging material, stabilizers, preservatives and other additives for our manufacturing operations. The cost of materials consumed by us constituted 74.84%, 76.42% and 76.72% of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively. The price and availability of these raw materials depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. We usually do not enter into long term supply contracts with any of the raw material suppliers and typically place orders with them in advance of our

anticipated requirements. The absence of long term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations.

Further, we source packaging for our UHT products from Tetra Pak India Private Limited ("**Tetra Pak**"), which is a leading food processing and packaging solutions company. Our negotiating ability with Tetra Pak may be limited and if we are unable to procure packaging material from them on reasonable terms, we cannot assure you that we will be able to make arrangements to procure alternate packaging material, which could disrupt our operations. Any inability to obtain alternate packaging material or to pass on additional costs to our customers, could have an adverse effect on our business, results of operations and financial condition.

5. The improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.

All the products that we manufacture are for human consumption and are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage. Although raw milk is tested at collection centers and thereafter extensively tested at our facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Also, raw milk, certain of our other raw materials and our products are required to be stored, handled and transported at specific temperatures and under certain food safety conditions. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any allegation that our products contain contaminants could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

We also sell certain ingredients to institutional customers and if the end products manufactured by those customers are found to be contaminated on account of our ingredients, our customers may return our goods, terminate their relationships with us and initiate legal proceedings against us. We cannot assure you that we will not be subject to such product liability claims in the future. Should any of our products be perceived or found to be contaminated, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected.

6. The examination report of our Statutory Auditors on our restated financial statements contains certain qualifications.

Our Statutory Auditor has provided certain qualifications in the examination report relating to our restated financial statements and made certain observations pursuant to the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) Order, 2015, for the last five financial years. Pursuant to the Companies (Auditor's Report) Order, 2003, our Statutory Auditor observed that for the financial years 2011 and 2012, our internal control system needed to be strengthened to be commensurate with the size of our Company. Although our Statutory Auditors have not made such observations for the last three financial years, if we are unable to maintain proper and effective internal controls, and otherwise implement other relevant risk management and related practices, we could be required to incur additional costs, our business and financial condition and operating results could be harmed and we could be prevented from meeting our reporting obligations. For further details of the auditor's qualifications, see "Financial Statements" on page 191. Investors should consider these matters emphasised in evaluating our financial position, cash flows and results of operations. For details on the steps taken by our Company, see "Summary of Financial Information – Auditor Qualifications and Observations in the Annexure to the Auditor's Report" on page 60.

7. Our inability to expand or effectively manage our growing distribution network may have an adverse effect on our business, results of operations and financial condition.

We have an extensive sales and distribution network, that covered approximately 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016, spread across most states and union

territories in India. To sell products to our end consumers, we use modern trade channels which comprise super-markets and hyper-markets and general trade channels that include smaller retail stores, and our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We continuously seek to increase the penetration of our products by appointing new distributors targeted at different customer groups. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. If the terms offered to such distributors by our competitors are more favourable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. We may be unable to appoint replacement distributors in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition.

Further, our competitors may have exclusive arrangements with distributors and may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. While we offer our distributors certain incentive schemes to distribute our products, we may not be able to effectively implement them across our distribution network. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or adhere to the terms of the distribution agreement, or if our distribution agreements are terminated, our business and results of operations may be adversely affected.

8. A shortage or non-availability of electricity or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our manufacturing operations require a significant amount and continuous supply of electricity and water and any shortage or non-availability may adversely affect our operations. The production process of certain products, as well as the storage of dairy products at particular temperatures requires significant power. We are also required to store our raw milk and other raw materials in temperature controlled environments. We currently source our water requirements from bore wells and water tankers and depend on state electricity supply for our energy requirements. Although we have installed a cogeneration turbine at our Manchar facility and have diesel generators to meet exigencies at both our facilities, we cannot assure you that our facilities will be operational during power failures. Any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

9. Our manufacturing facilities and procurement operations are concentrated in a few regions and any adverse developments affecting these regions could have an adverse effect on our business, results of operations and financial condition.

Our manufacturing facilities are located at Manchar, Maharashtra and Palamaner, Andhra Pradesh and we procure raw milk from 29 districts across Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu from milk farmers and through chilling centers and bulk coolers. Our business in our top 5 states in India contributed approximately 75%, approximately 75%, approximately 75% and approximately 85% of our total revenue from operations for the nine months ended December 31, 2015 and the financial years 2013, 2014 and 2015, respectively. Further, for the nine months ended December 31, 2015 and the financial year 2015, we derived approximately 57% and 55% of our revenue from operations, respectively, from the sale of our products in the western regions of India. Since most of our infrastructure, facilities and business operations are currently concentrated in these regions, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies of the state or local governments of these regions or the Government of India, could require us to incur significant capital expenditure, change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

10. We rely on third party logistic providers, with whom we have no formal arrangements, to transport milk to our facilities and our products to our distributors and customers. Consequently, any disruption in our transportation arrangements or increases in transportation costs may adversely affect our business, results of operations and financial condition.

Milk and dairy based food and beverage products are perishable in nature and are required to be transported in temperature controlled vehicles to ensure their preservation. Milk is the primary raw material used in the manufacture of all our dairy products and a delay in the delivery of raw milk to our production facilities may result in the slowdown or shutdown of our operations. Further, milk and dairy based food and beverage products have a limited shelf-life and the improper storage or delay in transportation may result in spoilage. We rely on third party logistic providers, with whom we have no formal arrangements, to transport milk to our production facilities and our finished products to institutional customers, distributors and a large number of retail outlets. There are a limited number of such logistic providers and in the absence of a formal arrangement, we are exposed to fluctuations in transportation costs. Also, if the terms offered to such logistic providers by our competitors are more favourable than those offered by us, they may decline to provide their services to us and terminate their arrangements with us. We may also be affected by transport strikes, which may affect our delivery schedules. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected.

11. The emergence of modern trade channels in the form of hypermarkets, supermarkets and online retailers may adversely affect our pricing ability, which may have an adverse effect on our results of operations and financial condition.

We sell our products to retail customers through modern trade channels, which include supermarkets and hypermarkets. India has recently witnessed the emergence of such chains and online retailers and the market penetration of large scaled organised retail in India is likely to increase further. While we believe this provides us with an opportunity to improve our supply chain efficiencies and increase the visibility of our brands, it also increases the negotiating position of such stores. We cannot assure you that we will be able to negotiate our distribution agreements, specially our pricing or credit provisions, on terms favorable to us, or at all. Any inability to enter into distribution agreements and on terms favorable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.

12. The supply of raw milk is subject to seasonal factors, and does not necessarily match the seasonal change in demand for our products. Consequently, our inability to accurately forecast demand for our products, may have an adverse effect on our business, results of operations and financial condition.

The supply of raw milk is subject to seasonal factors. Cows generally produce more milk in temperate weather, and extreme cold or hot weather could lead to lower than expected production. Our raw milk procurement and production is therefore higher in the second half of the financial year during the winter months with temperate climate in our milk procurement region. In contrast, the demand for our products such as curd and beverages are higher in the first half of the financial year during summer months and the demand for *ghee* is higher during festive seasons. As a result, comparisons of our sales and operating results over different quarterly periods during the same financial year may not necessarily be meaningful and should not be relied upon as accurate indicators of our performance.

Further, while we forecast the demand for our products and accordingly plan our production volumes, any error in our forecast could result in surplus stock, which may not be sold in a timely manner. Each of our products has a specific shelf life and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition.

13. Non compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.

We are subject to laws and government regulations, including in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. For instance, the provisions of The Food Safety and Standards Act, 2006 are applicable to us and our products, which sets forth

requirements relating to the license and registration of food businesses and general principles for food safety standards, and manufacture, storage and distribution. Further, a recent amendment to the Food Safety and Standards (Packaging and Labelling) Regulations, 2011, on February 17, 2015, has prescribed certain additional labelling requirements for yoghurts, spreads, dairy based drinks, cheese, cream and milk product based sweets. The FSSAI is also in discussion to introduce legislations to toughen product recalls. For further details, see "– Key Regulations in relation to the Milk Production Sector in India – The Food Safety and Standards Act, 2006" on page 157.

Our Company receives notices from regulatory and statutory authorities in its ordinary course of business, including under the Food Safety and Standards Act, 2006, the Legal Metrology Act, 2009 and rules and regulations issued thereunder. These notices may be in the nature of of *inter alia* alleging that some food articles like Gowardhan Process Cheese supplied by our Company to a shop which was inspected by the Joint Commissioner did not have a license as required under Clause 14 of Annexure 3 of the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 and non-compliance with specified standards under these laws alleging samples of our products to be "sub-standard" as defined under section 3(1)(zx) of Food Safety and Standards Act, 2006 if it *"does not meet the specified standards but not so as to render the article of food unsafe*". For further details, see "Outstanding Litigation and Material Developments" on page 330. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition.

In addition, our Company and its Subsidiary have, in the past, also received notices from MPCB for non-compliances with certain environmental laws and the terms and conditions of the authorisations granted.

We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. Any accidents at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. The loss or shutdown of our operations over an extended period of time could have an adverse effect on our business and operations.

14. We make advances to our vendors for purchase of raw milk and milk products and if such advances are not repaid or set off against purchase of raw milk or milk products, we may have to write-off such advances, which may have an adverse effect on our financial condition.

We make advances in the normal course of business to our vendors for purchase of raw milk and milk products from time to time. These advances are offset against the purchase of raw milk and milk products and as such, there are no amounts that are recovered from them in cash. As at December 31, 2015, we had made advances of an aggregate amount of ₹149.24 million to our vendors, and advances for purchase of raw milk aggregating to ₹135.96 million. These included, as at December 31, 2015, amongst others, advances to Radhakrishna Milk and Milk Products aggregating to ₹113.82 million. The details of closing amounts of the advances for the periods indicated below is as follows:

(₹in million)

Particulars	As at December 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Advances to milk suppliers	135.96	754.76	245.62	38.25
Advances to other vendors	13.28	137.33	26.97	34.77
Total short-term advances to vendors	**149.24**	**892.09**	**272.59**	**73.02**

We do not have any contractual arrangement for the advances that we have provided to these entities. These advances are not secured. While these advances were considered good as at December 31, 2015, we cannot assure you that we will be able to recover such advances or set these off against purchase of raw milk and milk productsfrom such vendors. Any failure to recover such advances or set these off against purchase of raw milk, will have an adverse effect our financial condition and results of operations.

15. We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service, and limits our ability to operate freely.

As of February 29, 2016, our total indebtedness of secured and unsecured fund based was ₹3,947.86 million and secured non fund based was ₹6.31 million. The Non Fund bases indebtedness includes the guarantees and letter of credit provided by bank on our behalf to our suppliers. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Increasing level of our indebtedness also has important consequences to us such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow additional funds; and
- increasing our interest expenditure.

We cannot assure you that we will generate sufficient cash to service existing or proposed borrowings or fund other liquidity needs, which could have an adverse effect on our business, results of operation and cash flows.

16. If we are unable to anticipate or respond to changing consumer preferences in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, results of operations and financial condition.

The success of our business depends upon our ability to anticipate and identify changes in consumer preferences and offer products that appeal to consumers. We commenced our business with collection and distribution of milk operations and we currently sell a diverse range of dairy based food and beverage products. We constantly seek to develop our research and development capabilities to distinguish ourselves from our competitors to enable us to introduce new products and different variant of our existing products, based on consumer preferences and demand. Although we seek to identify such trends in the industry and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in these new product segments. If we are unable to respond to changes in consumer preferences in a timely manner, or at all, or if our competitors respond to such changes more effectively, our business, results of operations and financial condition may be adversely affected.

17. Our business and prospects may be adversely affected if we are unable to maintain and grow our brand image.

We are one of the leading manufacturers and marketers of dairy based food and beverage products in India and our flagship brands '*Gowardhan*' and '*Go*' are among the leading ghee, cheese and other value added product brands. Our brand and reputation are among our most important assets and we believe our brands serve in attracting customers to our products in preference over those of our competitors. We also believe that continuing to develop awareness of our brand, through focused and consistent branding and marketing initiatives, among retail consumers and institutional customers, is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets. Consequently, any adverse publicity involving us, or any of our products may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects.

18. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- effecting any change in the capital structure;

- undertaking any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise or effecting any scheme of amalgamation or reconstruction;
- undertaking any new project or implementing any scheme of expansion or acquiring fixed assets or carrying out any change of business or undertaking any allied line of business;
- investing, lending, extending advances or placing deposits with any other concern;
- raising terms loans or debentures or incurring major capital expenditure or making any investments either directly or through our Subsidiary;
- entering into borrowing arrangements with any other bank, financial institution or company;
- creating any charges, lien or encumbrances over its assets or undertaking or any part thereof in favor of any third party;
- making inter-firm transfer of funds, except for genuine trade transactions;
- selling, assigning, mortgaging or disposing off any fixed assets charged to a lender;
- entering into any contractual obligation of a long-term nature or affecting our Company financially to a significant extent;
- undertaking guarantee obligations or providing any collateral on behalf of any other company, including group and subsidiary companies;
- declaring dividend on equity shares;
- changing the ownership, control or management structure of our Company or effecting any material changes in the management of the business or reducing the shareholding of our Promoters or Directors;
- changing the composition of our Board of Directors; and
- making amendments to the Memorandum of Association and Articles of Association.

In addition, certain of our borrowings require us to maintain certain financial ratios which are tested at times on a quarterly or annual basis. For instance, we have in the past not met certain financial covenants with respect to our borrowings from UBI and IFC. The total amount outstanding in respect of the borrowings from UBI and IFC amounted to ₹45.89 million and US$ 14.5 million respectively as on February 29, 2016. Further, we received waivers from IFC pursuant to their letter dated September 10, 2015 ("**Waiver Letter**") for extension of time for development of a sludge / manure management system at our Bhagyalaxmi Dairy Farm upto December 31, 2015 ("**Waste Management System**") and from complying with certain environmental standards set by IFC till February 29, 2016. On January 15, 2016, we received confirmation from IFC of its consent to grant an extension of the timeline until April 2016 in line with our indicative implementation plan for the development of the Waste Management System. All of the other environmental standards have been complied with in accordance with the terms of the Waiver Letter. While we expect to complete the Waste Management System within the stipulated timeline until April 2016, to the extent we are unable to do so, we cannot assure you that we will be able to obtain a further extension of the timeline from IFC.

We have also in the past delayed in repaying the principal and interest on certain of our borrowings. Whilst lenders have in past either waived such defaults/ non-compliances or charged us additional interest, in the absence of a waiver of such breaches, the concerned lender may call for immediate repayment of the entire outstanding amount of the loan. Further, since some of our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets to enforce their claims for repayment.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

We may also be forced to sell some or all of the assets if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition. For details in connection with our borrowings, see "Financial Statements" on pages 192 and 249, respectively.

19. Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.

We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. See the section "Financial Indebtedness" on page 327 for a description of interest payable under our financing agreements. Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

20. We may be unable to grow our business in semi urban and rural markets, which may adversely affect our business prospects and results of operations.

While we currently have a structured pan-India distribution network to cater to our retail and institutional customers, we constantly seek to grow our product reach to new geographies. We intend to introduce new low unit price products in Tier 3 cities and rural areas and appoint additional distributors and super stockists to increase the availability of our products in smaller towns in India, since we believe that these markets offer a significant growth opportunity for us. However, we cannot assure you that we will be able to grow our business in these markets. Poor infrastructure and logistical challenges in these regions may prevent us from expanding our presence in these regions, or increasing the penetration of our products. Further, retail consumers in these regions are typically price conscious and we may be unable to compete effectively with the products of our competitors. Also, general disposable income levels may not continue to rise as anticipated by us, which may lead to a decline in the sales of our products. If we are unable to grow our business in semi urban and rural markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

21. Our Company, our Subsidiary, and our Promoters have been subject to search actions under the Income Tax Act, during the Financial Year 2011.

The Income Tax Department on February 4, 2011 conducted a search action at our Company's and our Subsidiary's premises as well as the residence of our Promoters. Subsequently, the Deputy Commissioner of Income Tax passed an order on March 28, 2013 alleging that our Company, our Subsidiary and our Promoters had furnished inaccurate particulars of their respective income and accordingly issued separate demand notices for Assessment Years ("**AY**") 2005-2006 to AY 2011-2012 to our Company, our Subsidiary and our Promoters. Our Company settled the matter through payment of ₹180.42 million and received a letter from the Income Tax Department in April 2015 stating that there are no further dues outstanding for the period from AY 2005-2006 to AY 2011-2012 in respect of our Company. However, our Promoters and our Subsidiary have disputed the above mentioned order and filed an appeal before the Commissioner of Income Tax in March 2013 and these matters are presently pending. See "Outstanding Litigation and Material Developments" on page 328. We cannot assure you that we will not be subject to similar proceedings in the future. Any adverse outcome from such proceedings may adversely affect business, reputation and results of operations.

22. The dairy products industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.

The dairy products industry in India is intensely competitive and we compete with large multinational companies, as well as regional and local companies in each of the regions that we operate. Some of our competitors may be larger than us or develop alliances to compete against us, have more financial and

other resources and have products with greater brand recognition than ours. Our competitors in certain regions may also have better access to raw materials required in our operations and may procure them at lower costs than us, and consequently be able to sell their products at lower prices. Some of our international competitors may be able to capitalise on their overseas experience to compete in the Indian market. While we derive all our products from cow's milk, our competitors may also use milk from buffaloes for their operations, and thus have a larger milk procurement base. Also, the volatile nature of international pricing for skimmed milk powder may adversely affect our results of operations. Further, the Indian dairy market has historically been dominated by the unorganised sector, which comprises traditional milkmen and vendors. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

We also compete with large dairy cooperatives that also procure milk from farmers in the regions where we procure milk, and any incentives offered by the Central or State Government to such cooperatives, could benefit such entities, which may in turn adversely affect our business. Further, we cannot assure you that we will be able to retain our existing institutional customers or maintain our market share with our retail customers. In addition, our competitors may significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which may have an adverse effect on our business, results of operations and financial condition.

23. If we are unable to raise additional capital, our business prospects could be adversely affected.

We intend to fund our development plans through our cash on hand, cash flow from operations and from the Net Proceeds. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

24. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.

We have experienced considerable growth over the past five years and we have significantly expanded our operations and product portfolio. Our total revenues increased at a CAGR of 21.6% from the financial year 2011 to the financial year 2015, while our net profit after tax grew from ₹188.97 million for the financial year 2012 to ₹259.66 million for the financial year 2015. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion to pursue existing and potential market opportunities. Our future prospects will depend on our ability to grow our business and operations in India further. The development of such future business could be affected by many factors, including general political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems,

procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges.

We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

25. There are outstanding litigation against our Company, our Subsidiary, our Promoters and our Directors. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

There are certain outstanding legal proceedings involving our Company, our Subsidiary, our Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, authorities, enquiry officers and appellate tribunals. The brief details of such outstanding litigation are as follows:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹Million)
Proceedings against our Company		
Civil proceedings*	1	70.67
Criminal proceedings	3	-
Tax matters	9	130.75
Labour	1	-
Past penalties	5	180.90
Proceedings by our Company		
Civil proceedings	2	-
Criminal proceedings	12	2.13
Litigation against our Subsidiary		
Tax matters	1	21.53
Litigation involving our Directors		
Criminal proceedings	2	-
Past penalties	1	0.15
Tax matters	4	151.43
Litigation involving our Promoters		
Tax matters	2	151.43

* France International Trade ("**FIT**") has filed a special civil suit against our Company in relation to a marketing collaboration and a settlement agreement entered into between FIT and our Company (the "**Agreements**"). FIT has alleged that the goods exported by our Company did not meet their requirements, which resuled in alleged pecuniary losses. FIT has claimed that our Company is liable to pay an amount of ₹50.30 million to FIT pursuant to a credit note dated March 9, 2009 (the "**Credit Note**") issued by our Company to FIT and has prayed for an amount of ₹50.30 million along with interest at the rate of 18% per annum till June 2014 amounting to ₹20.37 million be paid by our Company. Our Company has, in its written statement refuted the allegations and stated that the credit note of USD 675,000 was issued to FIT with a view to keep good business relations with our Company and on the understanding that the said credit note was to be appropriated by adjusting 500 USD per ton of the food products for future orders placed by FIT. The matter is currently pending.

Post the filing of the Draft Red Herring Prospectus, our Company has received certain letters the latest being February 3, 2016 from the legal counsel of FIT (the "**Letters**"). Certain letters were also addressed to SEBI, the Stock Exchanges, ICAI, the Registrar of Companies, Mumbai and Pune and the Book Running Lead Managers. The Letters alleged, amongst other things, suppression of material facts, inadequacy of disclosures pertaining to the abovementioned dispute on the part of our Company and the Credit Note not being recorded as a contingent liability and not being reflected in the accounts of our Company for Fiscal Years 2009 to 2013. The legal counsel of FIT has also filed a complaint before ICAI against the erstwhile statutory auditors of our Company in respect of their audits for the

Fiscal Years 2009 and 2010. The erstwhile statutory auditor of our Company for Fiscal Years 2009 and 2010, has, indicated in its response to ICAI that our Company had neither provided the Credit Note to them during the course of their audit nor any adjustment of the same had been made in the financial statements of our Company for Fiscal Years 2009 and 2010. The erstwhile statutory auditor has also indicated that the Credit Note was not included in the list of credit notes appearing in the accounting records of our Company. Our Company has also appropriately responded to the Letters and has submitted that the Letters pertain to a matter which is currently sub-judice before the Judge. Our Company submitted the last reply on March 19, 2016.

For further details, see "–Litigation against our Company – Civil Proceedings" on page 328.

We cannot assure you that these legal proceedings will be decided in favour of our Company, our Subsidiary, our Directors or Promoters, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

Further, we cannot assure you that any inquiries conducted or subsequent actions taken by the ICAI toward our erstwhile statutory auditors for the Fiscal Years 2009 and 2010 as a consequence of the FIT complaint will not result in amendments or updates to the audit reports with respect to those years or whether such outcome or actions will require adjustments to the financial statements of our Company. Our Company may also be subject to investigations or proceedings by other regulatory authorities.

26. Any delay or default in client payment could result in the reduction of our profits.

Our operations involve extending credit for extended periods of time to our distributors and certain customers and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. For the nine months ended December 31, 2015 and the financial years 2015 and 2014, our trade receivables were ₹2,460.63 million, ₹1,714.98 million and ₹1,634.73 million, respectively, which constituted 20.0%, 11.9% and 15.0% of our total revenues for the same periods. If our distributors and customers delay or default in making these payments, our profits margins could be adversely affected.

27. Our inability to protect or use our intellectual property rights may adversely affect our business.

We have applied for, but not yet obtained registration with respect to certain trademarks, copyrights and designs. For instance, we are yet to obtain registration for our Company's logo and some of our brands such as 'Topp-Up'. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. For further details, see "Government and Other Approvals" on page 343.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganised segment using our tradename or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorised use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims

could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

28. We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our manufacturing facilities. For details of approvals relating to our business and operations, see "Government and Other Approvals" on page 335.

A majority of these approvals are granted for a limited duration and require renewal. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. For instance, the consent to operate for our manufacturing facilities situated at Manchar, Pune and Palamaner, Andhra Pradesh issued by the Maharashtra Pollution Control Board ("**MPCB**") and Andhra Pradesh Pollution Control Board under the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"), Water (Prevention and Control of Pollution) Act, 1981 ("**Water Act**") and Hazardous Wastes (Management and Handling) Rules, 1989 ("**HW Rules**") expired on April 30, 2015 and September 30, 2015, respectively. Although we have applied for renewal of the aforementioned consents on March 9, 2015 and September 29, 2015, respectively, we cannot assure you that we will be able to obtain such consent in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

The approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

29. Information relating to the historical capacity of our production facilities included in this Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary.

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

30. Any failure of our information technology systems could adversely affect our business and our operations.

We have information technology systems that support our business processes, including product formulas, product development, sales, order processing, production, distribution and finance. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse affect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorised tampering. If such unauthorised use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The

occurrence of any of these events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

31. Our ability to adopt new technology to respond to new and enhanced products poses a challenge in our business. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, results of operations, cash flows and financial condition.

The industry in which we operate is subject to significant technological changes, with the constant introduction of new and enhanced products. Our success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition.

32. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of February 29, 2016, we employed 1,618 personnel across our operations and our employees at our Manchar facility have formed a registered union. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

33. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

34. The Promoters and Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management – Interest of Directors" and "Promoters, Promoter Group and Group Companies – Interest in our Company" on pages 174 and 185, respectively.

35. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

36. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.

We could be held liable for accidents that occur at our manufacturing facilities or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of insurance coverage includes motor vehicle insurance, boiler and pressure facility insurance, loss of profit (fire) policy, standard fire and perils insurance, machinery breakdown insurance, directors and officers liability insurance, burglary first loss insurance, money insurance, public liability insurance and product liability insurance. Further, we also hold group personal accident insurance and workmen's compensation insurance which covers employees working for our Company. As at December 31, 2015, total fixed tangible assets and inventory of the Company on a consolidated basis was approximately ₹3,130.18 million and ₹2,267.63 million, respectively and the insurance coverage as compared to such assets and inventory of the Company was ₹3,361 million and ₹3,225 million, respectively, or 107.4% and 142.2%, respectively.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. For further details on insurance arrangements, see "Our Business – Insurance" on page 155.

37. We do not own certain premises used by our Company.

Certain premises used by our Company have been obtained on a lease or license basis. Our Registered Office is situated at Flat No. 1, Plot No. 19, Nav Rajasthan Society, S. B. Road, Shivaji Nagar, Pune 411016 and is owned by Priti Shah and Netra Shah, members of our Promoter Group, and is leased to our Company pursuant to a leave and license agreement dated August 4, 2014. If these members of our Promoter Group do not renew the agreement under which we occupy or use the premises, on terms and conditions acceptable to us, or at all, we may suffer a disruption in our operations.

38. Certain of our old corporate records submitted with the Registrar of Companies in connection with the allotment of our Equity Shares are not traceable.

We are unable to trace copies of filings made by our Company with the RoC between the years 1993 and 2004, pertaining to certain forms 2 relating to allotment of Equity Shares. Despite having conducted an extensive search in the records of the RoC, our Company has not been able to retrieve the aforementioned documents.

39. We face foreign exchange risks that could adversely affect our results of operations.

We have certain foreign currency denominated borrowings and as such, we are exposed to fluctuations in exchange rates between US Dollar and the Indian Rupee. Further, a small portion of our revenues, particularly relating to our export sales, is denominated in currencies other than Indian Rupees. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. As of December 31, 2015, our principal amount of unhedged borrowing obligations denominated in foreign currency was U.S.$ 14.5 million. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

40. Any withdrawal, or termination of, or unavailability of tax benefits and exemptions being currently availed by us may have an adverse effect on our business, results of operations, financial condition and cash flows.

We are currently entitled to certain tax benefits and incentives. Sales tax incentives are granted to our Company under the Package Scheme of Incentives, 2007 ("**PSI**") from Government of Maharashtra, Directorate of Industries. Pursuant to the PSI and subject to certain approvals, we are entitled to refunds on the value added tax paid by us, based on capital investment and employment commitment made by us in the Manchar area. Our manufacturing facility at Manchar is also entitled to certain income tax incentives pursuant to Section 80(IB) of the Income Tax Act, 1961. We are entitled to claim deductions of 100% for the first five years and 30% for the next five years. We will be able to claim deductions of only 30% from the financial year 2015 in respect of our Manchar facility. Further, we have received an in-principle approval for certain additional tax incentives with respect to our expansion plans at our Manchar facility, subject to compliance with certain conditions. We cannot assure you that our ability to claim reduced deduction in the future will not affect our financial condition and results of operations. Further, we may be unable to avail these tax benefits in the future, which could result in increased tax liabilities and reduced liquidity and have an adverse effect on our results of operations.

41. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see "Related Party Transactions" on page 189. For details on the interest of our Promoter, Directors and key management personnel of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management – Interest of Directors" and "Our Management – Interests of Key Management Personnel" on pages 174 and 184, respectively. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

42. We have in the past entered into transactions with entities in which our employees are interested and likely do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into transactions with entities in which our employees are interested. These entities are not "related parties" within the meaning of Accounting Standard 18 and such transactions are not separately disclosed under "Related Party Disclosures" in the Restated Financial Statements. As such, these transactions are not subject to the mandatory review by the Audit Committee of our Board of Directors. While we believe that all such transactions have been conducted on an arm's length basis,

we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with other parties. For instance, we have entered into transactions aggregating to ₹545.75 million (representing 9.3% of our total raw milk procurement), ₹589.19 million (representing 6.4%, of our total raw milk procurement) and ₹503.54 million (representing 7.5% of our total raw milk procurement) during the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively, for purchase of raw milk with Poojan Foods Private Limited ("**Poojan Foods**"), a company in which Sachin Shah, an employee of the Company and a cousin of our Promoters, was a director until September 5, 2015 and is a minority shareholder. We have also in the past made advances to Poojan Foods for purchase of raw milk and milk products from time to time. As at December 31, 2015, there were no outstanding advances to Poojan Foods. We also sold milk products aggregating to ₹28.66 million and ₹153.08 million to Poojan Foods for the nine months ended December 31, 2015 and the financial year 2015, respectively. It is likely that we may enter into similar transactions in the future. Such transactions may potentially involve conflicts of interest.

In addition to Poojan Foods, we have also procured raw milk from other entities in which our employees are and were interested, namely, Akshara Milk Products Private Limited (formerly known as Shree Jogeshwari Food Private Limited), Shree Jogeshwari Milk Processors and S.S. Milk Traders. These entities procured raw milk, either exclusively or as a substantial majority of their procurement, for our Company, as and when we required. We do not have any contractual arrangement for the purchase of raw milk or milk products with our suppliers, including with these entities.

For details on such transactions, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Transactions with entities in which employees are interested" on page 323. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

43. Our Company has availed certain unsecured loans that are recallable by the lenders at any time.

Our Company has availed certain unsecured loans that are recallable on demand by the lenders. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. As on February 29, 2016, the total amount of unsecured loans availed and outstanding by our Company were ₹0.05 million. See "Financial Indebtedness" on page 327.

44. We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialise, may adversely affect our financial condition.

As of December 31, 2015, our contingent liabilities that have not been provided for are as set out in the table below:

Particulars	**As of December 31, 2015** *(₹in millions)*
Guarantees given by banks on behalf of our Company	7.88
Corporate guarantees given by Company for loans taken by suppliers from banks / financial institutions	920.34
Sales tax matter under litigation for financial year 2006-07 and 2009-10	83.32
Claim against the company not acknowledge as debt	70.67
Income tax matter under litigation for assessment year 2012-13	56.20
Income tax matter under litigation of the subsidiary company for assessment year 2011-12	21.53
Total	**1,159.94**

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations. For details, see "Financial Statements – Contingent Liabilities & Commitments" on page 236.

45. We have issued Equity Shares during the last one year at a price that may be below the Issue Price.

During the last one year we have issued Equity Shares at a price that may be lower than the Issue Price as detailed in the following table:

Name of Person/Entity	Date of Issue	No. of Equity Shares allotted	Issue price per Equity Share (₹)	Reason
IBEF I	April 21, 2015	1,111,184	113.73	Conversion of 12,637,131 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
IBEF		598,312		Conversion of 10,679,224 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
Suneeta Agrawal		170,377	113.71	
Vimla Oswal		85,168	113.74	
Pratik Oswal		85,168		
IDFC PE		3,047,846	260.61	Conversion of 79,429,643 CCDs (issued or acquired on September 17, 2012, as applicable), pursuant to Share Subscription Agreement dated September 12, 2012
The Shareholders of our Company as on April 22, 2015	May 26, 2015	421,35,038	-	Bonus issue in the ratio of 2:1
IDFC PE	September 2, 2015	1,653,718	59.99	9,920,508 CCDs (issued or acquired on September 17, 2012, as applicable), pursuant to Share Subscription Agreement dated September 12, 2012
IBEF I		583,566	37.80	Conversion of 2,206,113 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
IBEF		314,227	37.80	Conversion of 1,864,562 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
Suneeta Agrawal		89,496	37.80	
Vimla Oswal		44,748	37.80	
Pratik Oswal		44,748	37.00	
ESOP Trust	September 3, 2015	227,000	250	Allotment to ESOP Trust
IBEF I	January 14, 2016	442,511	54.85	Conversion of 8,262,819 CCDs
IBEF		207,583	62.97	
Suneeta Agrawal		59,122	37.93	
Vimla Oswal		29,560	37.93	
Pratik Oswal		29,560	37.93	
IDFC PE		1,426,581	28.60	
IDFC S.P.I.C.E	January 14, 2016	2,060,910	291.13	Conversion of 60,000,000 CCDs

46. We have had negative net cash flows in the past and may continue to have negative cash flows in the future.

We had negative cash flow from our investing and financing activities as set out below:

(₹in million)

Particulars	Nine months ended December 31, 2015	Financial year		
		2015	2014	2013
Net Cash generated from/(used in) operating activities	523.74	660.70	464.85	160.50

Net cash generated from/(used in) from investing activities	(394.16)	(223.36)	(593.42)	(569.55)
Net cash generated from/(used in) financing activities	59.41	(423.21)	145.03	407.01
Net increase / (decrease) in cash and cash equivalents	**189.00**	**14.13**	**16.47**	**(2.05)**

For further details, see "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 191 and 392, respectively. We cannot assure you that our net cash flow will be positive in the future.

47. Our Subsidiary, Bhagyalaxmi Dairy Farms Private Limited has incurred losses during the nine months ended December 31, 2015 and the last three financial years.

Our Subsidiary, Bhagyalaxmi Dairy Farms Private Limited has incurred losses. The financial performance of our Subsidiary during the nine months ended December 31, 2015 and the last three financial years is as follows:

(in ₹million)

Particulars	Nine months ended December 31, 2015	Financial Year 2015	Financial Year 2014	Financial Year 2013
Equity Capital	57.85	17.85	17.85	17.85
Reserves (excluding revaluation reserves) and surplus	397.81	54.48	98.39	132.25
Income including other income	270.18	845.42	1,238.52	1,421.12
Profit after tax/ (loss)	(16.67)	(42.70)	(33.86)	(15.17)
Earnings per equity share (face value ₹10)	(4.73)	(23.91)	(18.96)	(8.50)
Earnings per equity share (diluted) (face value ₹10)	(4.73)	(23.91)	(18.96)	(8.50)
Net asset value per equity share	78.70	40.41	64.94	83.86

48. Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control, and we have not entered into definitive agreements in relation to the objects of the Issue.

The Issue includes an Offer for Sale of 20,572,573 Equity Shares by the Selling Shareholders. The entire proceeds after deducting relevant Issue expenses from the Offer for Sale will be paid to the Selling Shareholders and our Company will not receive any such proceeds. For further details, see "Objects of the Issue" on page 103.

Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates, current quotations from suppliers and our current business plan and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies, and have not been appraised by an independent entity. In the absence of such independent appraisal, or the requirement for us to appoint a monitoring agency in terms of the SEBI Regulations, the deployment of the net proceeds is at our discretion. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Further, we may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board. Additionally, various risks and uncertainties, including those set out in this "Risk Factors" section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business.

We intend to utilise in aggregate ₹1,477.01 million out of the Net Proceeds towards expansion and modernisation of our manufacturing facilities located at Manchar and Palamaner and for modernisation of the dairy farm of our Subsidiary. The modernisation of the dairy farm of our Subsidiary is proposed to be undertaken through equity investment by our Company in the Subsidiary and no dividends have been assured to our Company in respect of such investment. Further, whilst we have received quotations from various vendors for the purchase of the machinery and equipment for the proposed expansion and modernisation of our manufacturing facilities, we have not yet purchased any equipment nor placed any orders in relation to the same.

Further, we have not entered into any definitive arrangements in relation to the objects of the Fresh Issue and the actual procurement of equipments, machineries and vehicles could entail significant outlay of cash in addition to the timeframe involved in procuring and implementing them. Moreover, some of the quotations and estimates may expire in due course and we may be required to obtain fresh quotations and estimates which we may be unable to obtain in a timely manner or at the same rates which may impact our estimates or assumptions for the proposed objects.

Any delays or failure in the purchase of the equipment, machinery and vehicles and time and cost overruns may mean that we may not achieve the economic benefits expected from such investment which could impact our business, financial condition and results of operations.

Furthermore, pending utilisation of the Net Proceeds of the Issue, our Company will temporarily invest the Net Proceeds in deposits with scheduled commercial banks. Accordingly, the use of the Net Proceeds for purposes identified by our Company's management may not result in actual growth of its business, increased profitability or an increase in the value of your investment.

49. Our Company proposes to utilise a portion of the Net Proceeds to partly repay the Working Capital Consortium Loan and accordingly, the utilisation of that portion of the Net Proceeds will not result in creation of any tangible assets.

Our Company intends to use a certain portion of the Net Proceeds for the purposes of partial repayment of the Working Capital Consortium Loan. The details in this regard have been disclosed in the section entitled "Objects of the Issue" on page 102. While the utilisation of Net Proceeds for repayment of the Working Capital Consortium Loan would help us to reduce our cost of debt and enable the utilisation of our funds for further investment in business growth and expansion, the repayment of the said loan will not result in the creation of any tangible assets for our Company.

50. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see "Dividend Policy" on page 190.

51. There is limited information available in the public domain about the Indian dairy industry. We have commissioned a report from International Market Analysis Research and Consulting which has been used for industry related data in this Red Herring Prospectus and such data has not been independently verified by us.

The dairy industry in India is fragmented and there is limited reliable information which is available in the public domain. We have commissioned International Market Analysis Research and Consulting ("**IMARC**") to produce a report on the dairy industry. IMARC has provided us with a report titled "*IMARC Indian Dairy Industry",* dated July 30, 2015, which has been used for industry related data that has been disclosed in this Red Herring Prospectus. The IMARC report uses certain methodologies for market sizing and forecasting. We have not independently verified such data. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context.

52. Our Promoters and Promoter Group will continue to retain control over our Company after completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

Following the completion of the Issue, our Promoters and Promoter Group will continue to hold approximately [●]% of our post-Issue Equity Share capital. As a result, they will have the ability to significantly influence matters requiring share-holders approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

External Risks

Risk Related to India

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

We currently operate only in India and are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

54. Our Company, will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and there is no clarity on the impact of such transition on our Company.

Our Company currently prepares its annual and interim financial statements under Indian GAAP. Companies in India, including our Company, will be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards ("**Ind-AS**"). On January 2, 2015, the Ministry of Corporate Affairs, Government of India (the "**MCA**") announced the revised roadmap for the implementation of Ind-AS (on a voluntary as well as mandatory basis) for companies other than banking companies, insurance companies and non-banking finance companies through a press release (the "**Press Release**"). Further, on February 16, 2015, the MCA has released the Companies (Indian Accounting Standards) Rules, 2015 (the "**Ind AS Rules**") which has come into effect from April 1, 2015. The Ind AS Rules provide for voluntary adoption of Ind AS by companies in fiscal 2015.

Ind-AS will be required to be implemented on a mandatory basis by companies based on their respective net worth as set out below:

Sr. No.	Category of companies	First Period of Reporting
1	Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of ₹5,000 million or more.	Financial year commencing on or after April 1, 2016
2	Companies other than those covered in (1) above and having a net worth of ₹5,000 million or more.	Financial year commencing on or after

Sr. No.	Category of companies	First Period of Reporting
		April 1, 2016
3	Holding, subsidiary, joint venture or associate companies of companies covered above in serial number (1) and (2).	Financial year commencing on or after April 1, 2016
4	Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of less than ₹5,000 million.	Financial year commencing on or after April 1, 2017
5	Unlisted companies having a net worth of ₹2,500 million or more but less than ₹5,000 million.	Financial year commencing on or after April 1, 2017
6	Holding, subsidiary, joint venture or associate companies of companies covered above in serial number (4) and (5).	Financial year commencing on or after April 1, 2017

In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, Ind-AS differs in certain respects from IFRS and therefore financial statements prepared under Ind-AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind-AS than under Indian GAAP or IFRS. When our Company adopts Ind-AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of Ind-AS by our Company will not adversely affect its results of operation or financial condition.

55. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and may result in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services in any manner, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or in any other similar way, or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance of or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be liable to punishment.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act

on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operation and prospects.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

56. Changes in legislation or the rules relating to tax regimes could adversely affect our business, prospects and results of operations.

Our business is subject to a significant number of state tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could adversely affect our results of operations. The applicable categories of taxes and tax rates also vary significantly from state to state, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see "Outstanding Litigation and Material Developments" on page 330. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government or State Governments that affect our industry include income tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government or State Governments could adversely affect our competitive position and profitability.

The Government of India has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Although the Government has announced that it is committed to introduce GST, given the limited availability of information in the public domain concerning the implementation of GST, we are unable to provide any assurance as to the exact date of when GST is to be introduced or any other aspect of the tax regime following implementation of the GST. Further, any disagreements between certain state governments may also create further uncertainty towards the implementation of the GST. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules ("**GAAR**") is proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of such proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

57. Investors may not be able to enforce a judgment of a foreign court against our Company.

Our Company is incorporated under the laws of India. All of our Company's Directors and Key Management Personnel are residents of India and our assets are substantially located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign

court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

58. Fluctuation in the value of the Rupee against foreign currencies may have an adverse effect on our results of operations.

While most of our revenues and our expenses are denominated in Indian Rupees, we have and may enter into agreements in the future, including financing agreements and agreements to acquire components and capital equipment, which are denominated in foreign currencies and require us to bear the cost of adverse exchange rate movements. Accordingly, any fluctuation in the value of the Rupee against these currencies has and will affect the Rupee cost to us of servicing and repaying any obligations we may incur that expose us to exchange rate risk.

59. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

60. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold other than on a recognised stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

61. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

62. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Risks Related to the Issue

63. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

64. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Investor Selling Shareholders and the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "Basis for Issue Price" on page 106 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

65. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.

After the completion of the Issue, our Promoters and significant shareholders will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "Capital Structure" on page 83, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-

emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

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

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

Prominent Notes:

1. Our Company was incorporated as Parag Milk & Milk Products Private Limited on December 29, 1992 with the registrar of companies at Mumbai with our registered office at Pune as a private limited company under the Companies Act, 1956. The name of our Company was changed to Parag Milk Foods Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on April 11, 2008. Our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 16, 2015 and consequently, the name of our Company was changed to Parag Milk Foods Limited and a fresh certificate of incorporation consequent upon conversion to a public limited company was granted to our Company by the RoC at on July 7, 2015. For details of changes in the name and Registered Office of our Company, see "History and Certain Corporate Matters" on page 162.

2. Public issue of [●] equity shares of face value of ₹10 each (the "**Equity Shares**") of our Company for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹3,000 million and an Offer for Sale of up to 20,572,573 Equity Shares (comprising 14,286,449 Equity Shares by the Investor Selling Shareholders and 6,286,124 Equity Shares by Other Selling Shareholders) aggregating to up to ₹[●] million, comprising of such number of Equity Shares by each of the Selling Shareholders as set out in "The Issue" on page 65. The Issue includes a reservation of 300,000 Equity Shares aggregating up to ₹[●] million for subscription by Eligible Employees (Employee Reservation Portion). The Issue less the Employee Reservation Portion is referred to as the Net Issue. Our Company in consultation with the Investor Selling Shareholders and BRLMs, may offer a discount of up to ₹[●] on the Issue Price to Eligible Employees and up to ₹[●] to Retail Individual Bidders. The Issue and the Net Issue will constitute [●]% and [●]% respectively of the fully diluted post-issue paid-up Equity Share capital of our Company.

3. Our Company's net worth was ₹1,338.09 million and ₹2,897.23 million, as of March 31, 2015 and December 31, 2015, respectively, as per the Restated Standalone Financial Statements. Further, our Company's net worth was ₹1,231.72 million and ₹2,775.08 million, as of March 31, 2015 and December 31, 2015, respectively, as per the Restated Consolidated Financial Statements.

4. Our Company's net asset value per Equity Share was ₹83.79 and ₹43.79, as of March 31, 2015 and December 31, 2015, respectively, as per the Restated Standalone Financial Statements and ₹77.13 and ₹41.94, as of March 31, 2015 and December 31, 2015, respectively, as per the Restated Consolidated Financial Statements.

5. The average cost of acquisition of Equity Shares by our Promoters is as follows[*]:

Name of the Promoter	Average cost of acquisition per Equity Share (in ₹)
Devendra Shah	1.90
Pritam Shah	1.51

Parag Shah	1.01

[*]The average cost of acquisition of Equity Shares has been calculated on the basis of the Equity Shares acquired through allotments, purchase of Equity Shares, receipt of Equity Shares by way of gift and bonus issuance.

6. The average cost of acquisition of Equity Shares by the Selling Shareholders is as follows[*]:

Name of the Selling Shareholders	Average cost of acquisition per Equity Share (in ₹)
Investor Selling Shareholders	
IBEF I	39.61
IDFC PE	109.66
IBEF	40.14
Other Selling Shareholders	
Netra Shah	42.62
Priti Shah	3.14
Parvati Devi Pasari	20.83
Meet Narayan Pasari	20.83
Chetan Narayan Pasari and Seema Narayan Pasari	20.83
Seema Narayan Pasari and Narayan Ramgopal Pasari	20.83
Satyanarayan Kanhaiya Lal Kabra	20.83
Nipa Doshi	20.83
Suneeta Agrawal	37.89
Vimla Oswal	37.89
Pratik Oswal	37.89
Ladderup Finance Limited	20.83
Anmol Insurance Consultants Private Limited	34.72
Placid Limited	109.75

[*] *The average cost of acquisition of Equity Shares has been calculated on the basis of the Equity Shares acquired through allotments, purchase of Equity Shares, receipt of Equity Shares by way of gift and bonus issuance.*

7. For details of related party transactions entered into by our Company with our Subsidiary during the last financial year, the nature of transactions and the cumulative value of transactions, see "Related Party Transactions" on page 189.

8. There has been no financing arrangement whereby our Promoter Group, the Directors 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 the Draft Red Herring Prospectus with SEBI.

9. Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaints, information or clarifications pertaining to the Issue. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted as the case may be, giving full details such as name, address of the Bidder, number of Equity Shares applied for, DP ID, Client ID, Bid Amounts blocked, ASBA Account number and the address of the Designated Intermediary with whom the ASBA Form was submitted. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

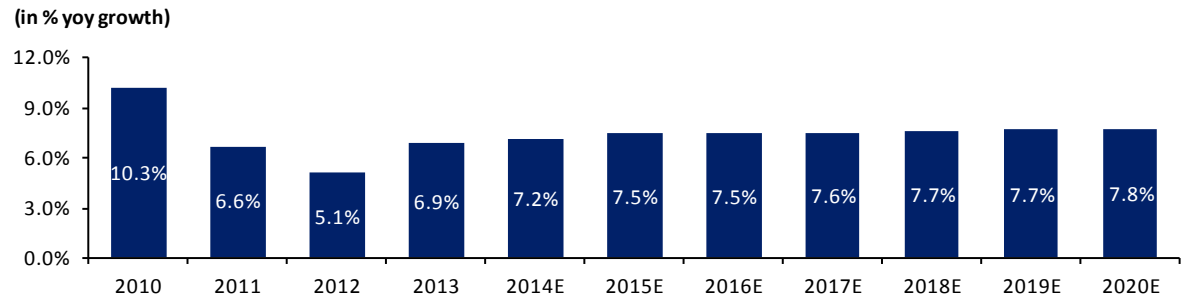
The information contained in this section is derived from the IMARC Indian Dairy Industry Report, dated July 30, 2015, which was commissioned by our Company and other publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Information" on pages 16 and 191, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section "Risk Factors" on page 16.

Overview of the Indian Economy

The Indian economy is the fourth largest economy in the world by purchasing power parity. *(Source: https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)* For 2015, India's gross domestic product ("**GDP**") based on purchasing power parity per capita is estimated to be approximately US$ 6,265.64 *(Source: International Monetary Fund, World Economic Outlook Database, April 2015).* In the calendar year 2014, Indian GDP grew at rate of 7.2%.

The following graph sets forth the annual GDP growth rate of India for the historical and forecasted periods indicated:



(Source: International Monetary Fund World Economic Outlook Database, April, 2015)

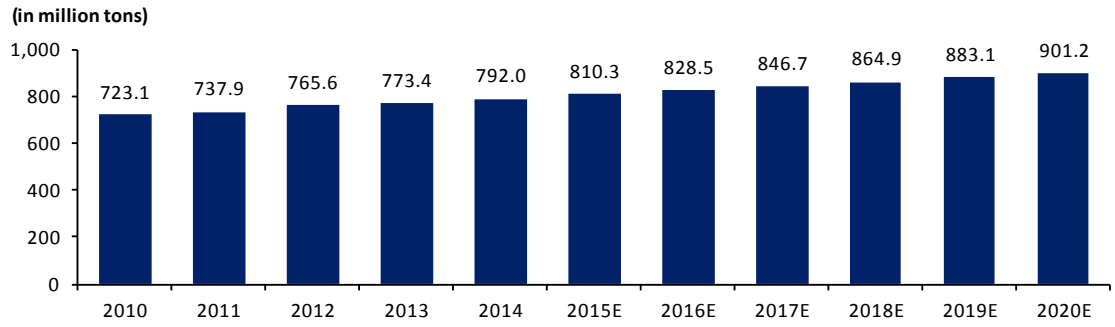
The Global Dairy Industry

Overview

The dairy industry includes businesses involved in cattle farming to food manufacturing. Dairy products produced by businesses in the dairy industry using basic to sophisticated production processes, cover all types of food products derived from animal milk. Globally, approximately 66% of milk and dairy products are consumed for factory use, 33% for fluid use and 1% for feed use.

The global production of milk grew at a CAGR of 2.3% between 2010 to 2014, reaching 792 MMT. This growth was primarily driven by population growth, rising disposable incomes, urbanisation and westernisation of diets in developing countries such as India and China.

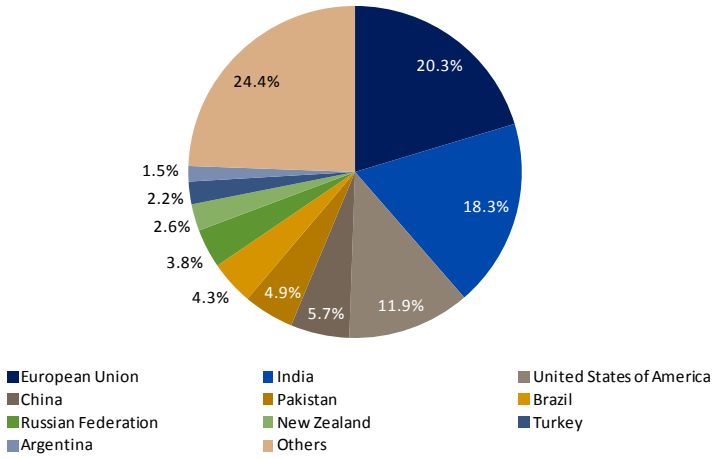
The following graph sets forth the production volumes of milk and milk products for historical and forecast periods indicated:



(Source: IMARC Report)

It is expected that the global demand for milk and milk products will grow continuously. However, milk supply in China and India, as well as countries within south-east Asia and Africa is not expected to keep pace with higher growth in these developing economies. For the years between 2015 and 2020, the total production of milk and milk products is expected to grow at a CAGR of 2.1% to reach 901.2 MMT by the year 2020.

The European Union, India and the United States are currently the largest milk and dairy product producers and consumers worldwide. These countries account for 20.3%, 18.3% and 11.9%, respectively, of global production of milk and dairy products for the year 2014 as depicted in the graph below:



(Source: IMARC Report)

Further milk and dairy products production is expected to increase in India at a CAGR of 4.2% over 2015-20, resulting in India overtaking the European Union to become the largest milk and dairy products producer by 2020. The following table sets forth the estimated country-wise top producers of milk and milk product for the periods indicated:

(000 mm Metric Tons)

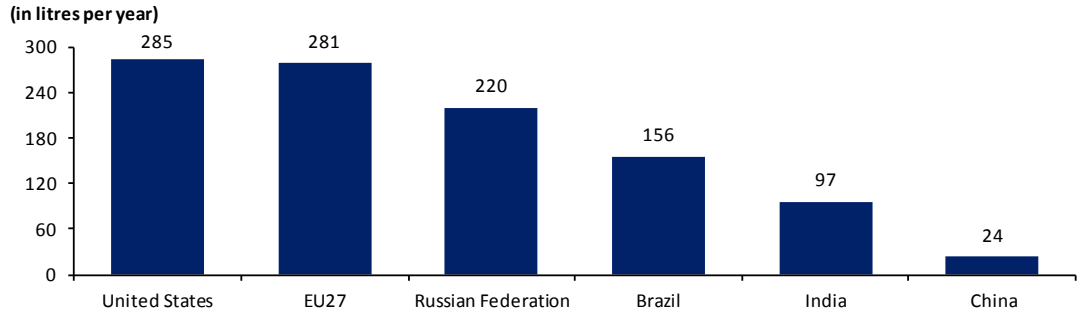
	2012	2013	2014	2015E	2016E	2017E	2018E	2019E	2020E	CAGR 15-20E
EU	155,624	156,917	160,800	163,452	166,148	168,889	171,674	174,506	177,384	1.6%
India	133,538	138,093	144,860	150,876	157,142	163,668	170,465	177,545	184,918	4.2%
USA	90,865	91,210	93,939	95,515	97,117	98,746	100,403	102,087	103,799	1.7%
China	44,790	44,919	45,252	45,485	45,719	45,954	46,190	46,428	46,667	0.5%
Pakistan	37,866	38,560	38,750	39,200	39,655	40,115	40,580	41,051	41,528	1.2%
Brazil	33,050	33,362	34,397	35,091	35,799	36,521	37,258	38,010	38,776	2.0%

(Source: IMARC Report)

The Indian Dairy Industry

Overview

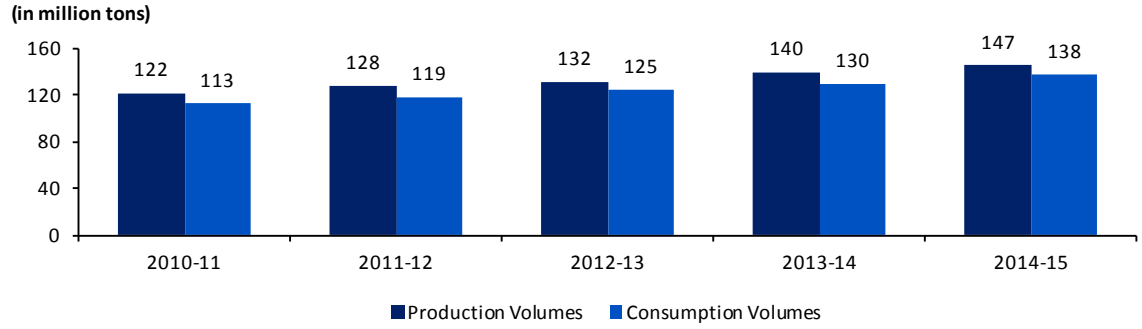
India is the world's biggest producer and consumer of milk on a country-wise basis. However, the per capita consumption of milk at 97 litres per year is well below that of other major milk markets, except for China as illustrated in the chart below:



(Source: IMARC Report)

Milk production volumes in India have grown at a rapid pace from 17 MMT during the financial year 1952 to reach 147 MMT during the financial year 2015, enabling India to become the world's biggest milk producer. Similarly, on account of a steady population growth and rising incomes, milk consumption continues to rise in India. India consumed 138 MMT of milk in the financial year 2015 and was the world's largest consumer of milk.

The following graph sets forth total milk production and consumption volumes in India for the periods indicated:



(Source: IMARC Report)

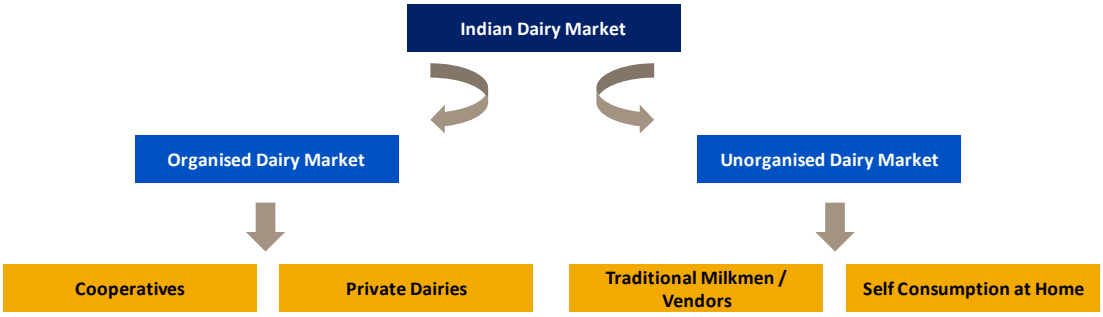
In 2014, India's dairy industry was worth approximately ₹4,061 billion, growing at a CAGR of 15.4% during 2010 to 2014. Total production of milk and dairy products in India is expected to increase from 147 MMT in 2015 to 189 MMT in 2021, and total consumption of milk and dairy products is expected to increase from 138 MMT in 2015 to 192 MMT in 2021. India's dairy industry is expected to maintain growth at a CAGR of approximately 14.9% between 2015 to 2020, to reach a value of ₹9,397 billion by 2020.

In India, milk consumption mainly consists of buffalo milk at 49% followed by cow milk at 48% for the financial year 2014. However, cow milk is growing at a faster pace than buffalo milk and is expected to account for the majority of the total milk consumed in line with the developed markets.

On a state level, Uttar Pradesh, Rajasthan and Andhra Pradesh were the largest milk producers' accounting for 17.7%, 10.5% and 9.8% of total milk production in 2014, respectively. Further, of the 35 states and union territories in India, cow milk is dominant in 24 states and union territories. The top five cow milk producing states in India currently are Tamil Nadu, Uttar Pradesh, Rajasthan, Maharashtra and West Bengal.

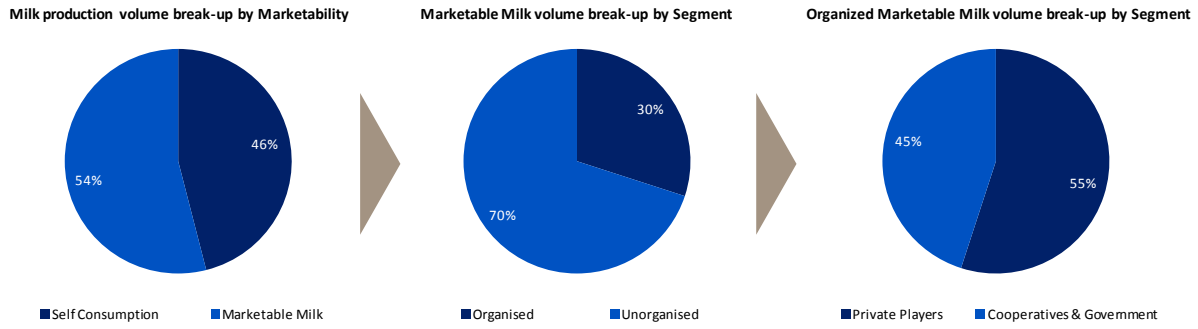
Indian Dairy Market Structure

The Indian dairy industry is divided into the organised and unorganised segments. The unorganised segment consists of traditional milkmen, vendors and self-consumption at home and the organised segment consists of cooperatives and private dairies as illustrated in the flowchart below:



(Source: IMARC Report)

In 2014, 30% of the total marketable milk in India was processed by the organised segment, with private players processing 55% and cooperatives processing 45% of the total marketable milk in the organised segment as illustrated in the chart below:



(Source: IMARC Report)

During 2010 to 2014, the organised segment grew at a CAGR 20.7% whilst the unorganised segment grew at a CAGR of 14.2% during the same period. However, the unorganised segment still dominates the Indian dairy industry at 80% compared to the organised segment at 20% by value in 2014. The organised segment is expected to grow at a CAGR of 19.5% between 2015 to 2020, accounting for approximately 25.5% of the Indian dairy industry by 2020. The unorganised segment is expected to grow at a CAGR of 13.2% during the same period and is expected to account for 74.5% of the total Indian dairy industry by 2020.

(*Source: IMARC Report)*

SUMMARY OF OUR BUSINESS

Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.

Investors should note that this is only a summary of Our Business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Information" on pages 16 and 191, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section "Risk Factors" on page 16.

Overview

We are one of the leading manufacturers and marketers of dairy-based branded foods in India. We commenced our business in 1992 with collection and distribution of milk and have now developed into a dairy-based branded consumer products company with an integrated business model, manufacturing a diverse range of products including cheese, *ghee* (clarified butter), fresh milk, whey proteins, *paneer,* curd, yoghurt, milk powders and dairy based beverages targeting a wide range of consumer groups through several brands. A significant portion of our product range includes long shelf-life food and beverage products that enable us to sell our products to retail and institutional customers across India. We derive all of our products only from cows' milk. Our aggregate milk processing capacity is 2 million litres per day and our cheese plant has the largest production capacity in India, with a raw cheese production capacity of 40 MT per day. *(Source: IMARC Report)*. 'Gowardhan' and 'Go', our flagship brands, are among the leading *ghee,* cheese and other value added product brands in India.

Our brands and products along with their target consumer base are set forth below:

Brands	Products	Brand attributes and target consumers groups
Gowardhan	• Fresh milk in variants such as Vital, Gold, Fresh and T-Star • Curd products such as curd, trim curd and buttermilk • *Ghee* • *Paneer* • Butter • Milk powders such as dairy whitener, milko, skimmed milk powder and whole milk powder • Whey proteins and whey permeate powders • *Gulab jamun* mix • *Shrikhand*	Targeted at house-hold consumption and to be used as cooking ingredients.
GO	• Cheese products including processed cheese blocks, pizza cheese, cheese spreads, cheese wedges, cheese angles, cheese slices, cheezoo tubes, nacho sauce, filler cheese, shredded natural cheese, mozzarella, cheddar, mild cheddar, orange cheddar, gouda, emmental, parmesan, colby and monterey jack cheese, cream cheese, cheese chutney slice	Targeted at children and the youth generation, primarily for direct consumption.

Brands	Products	Brand attributes and target consumers groups
	• UHT milk: Go Milk, Go Slim Milk and Go Supremo Milk • Fresh milk: Go Kidz • Curd • Fruit yoghurts in six flavours • Fresh cream • Beverages such as *lassi*, buttermilk in two flavours, and badam milk	
	• Premium cow milk	Farm-to-home concept of milk, directly delivered from the farm to a consumer's door-step, through a subscription model. Targeted at household consumers seeking premium quality cow's milk.
	• Flavoured milk in six flavours	Targeted at the youth generation and travellers as a source of instant nourishment.

Our total revenues were ₹12,311.88 million, ₹14,405.19 million and ₹10,895.00 million and our profit after tax was ₹319.23 million, ₹259.66 million and ₹159.68 million for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively. Our revenue from the sale of manufactured goods accounted for ₹10,928.95 million, ₹13,289.78 million and ₹9,593.24 million, or 88.8%, 92.3% and 88.1% of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively, and comprised the sale of:

- Gross fresh milk, which accounted for ₹2,503.43 million, ₹2,627.91 million and ₹2,306.92 million, or 20.3%, 18.2% and 21.2%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- *Ghee*, butter and cream, which accounted for ₹3,510.29 million, ₹2,628.98 million and ₹2,067.82 million, or 28.5%, 18.3% and 19.0%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- Cheese/*paneer*, which accounted for ₹2,307.24 million, ₹2,669.81 million and ₹2,015.95 million, or 18.7%, 18.5% and 18.5%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- UHT products, which accounted for ₹589.93 million, ₹467.67 million and ₹250.46 million, or 4.8%, 3.2% and 2.3%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;

- Whey products, which accounted for ₹361.91 million, ₹225.08 million and ₹222.27 million, or 2.9%, 1.6% and 2.0%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;

- Skimmed milk powder and dairy whitener, which accounted for ₹1,244.71 million, ₹3,010.03 million and ₹2,030.02 million, or 10.1%, 20.9% and 18.6%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively; and

- Other products, which include curd, fruit yoghurt, *gulab jamun* mix, and flavoured milk, accounted for ₹607.87 million, ₹1,660.30 million and ₹699.80 million, or 4.9%, 11.5% and 6.4%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively.

Our manufacturing facilities are strategically located at Manchar in the Pune district of Maharashtra and Palamaner in the Chittoor district of Andhra Pradesh, which have a high population of dairy cows, with milk processing capacities of 1.2 million litres per day and 0.8 million litres per day, respectively. We produce cheese and whey products only at our Manchar facility, UHT products only at our Palamaner facility and other products at both facilities. We produce cheese in 75 stock keeping units at our cheese plant. As of February 29, 2016, we employed 1,618 personnel across our operations. We place significant emphasis on quality control and product safety at each step of the manufacturing process, right from the procurement of raw milk until the final product is packaged and ready for distribution. We have obtained several quality control certifications and registrations for our facilities.

Our supply chain network includes procurement from 29 districts across Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu, through over 3,400 village level milk collection centres. We procure milk from milk farmers and through chilling centres and bulk coolers. Our average daily milk procurement for the nine months ended December 31, 2015 and 2014, and the financial years 2015, 2014 and 2013 was approximately 1.00 million litres, 1.00 million litres, 1.05 million litres, 0.77 million litres and 0.85 million litres, respectively. We have an extensive sales and distribution network, which covers 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016, spread across most states and union territories in India. We also have a dedicated sales and marketing team comprising 560 personnel based in our key distribution centres. Some of our leading institutional customers include leading restaurant and cafe chains such as Yum! Restaurants (India) Private Limited (for Pizza Hut, Taco Bell and KFC), Jubilant Foodworks Limited (for Domino's Pizza) and Sankalp Recreation Private Limited (for Sam's Pizza).

In 2005, we set up our Bhagyalaxmi Dairy Farm at Manchar, with an aim to educate farmers about best practices of breeding, feeding, animal management and improving productivity. Our dairy farm is fully automated and houses over 2,000 holstein breed cows with higher yields of superior quality milk. We supply farm-to-home premium fresh milk from our Bhagyalaxmi Dairy Farm, which we market and sell under our 'Pride of Cows' brand in Mumbai and Pune.

Our Company is promoted by Mr. Devendra Shah, Mr. Pritam Shah and Mr. Parag Shah, each of whom has over 20 years of industry experience and have well established relationships with farmers in the vicinity of our facilities, distributors and institutional customers. Motilal Oswal group (the "**MO Group**") and IDFC, through their private equity funds, have made financial investments in our Company over the years. We have been awarded a number of industry awards and recognition and our 'Gowardhan' brand was ranked among the top 25 most trusted brands in the food products category by the Economic Times in 2014. Go Cheezooz, one of our products, was awarded the 'Best Children's Dairy Product' for the product innovation category at the Dairy Innovation Awards 2012 and Go Cheese was awarded 'India's Most Promising Brand 2014-15' in the FMCG Category by World Consulting & Research Corporation in December 2015. We were also recently awarded a state level award for excellence in energy conservation and management by the Maharashtra Energy development Agency on February 18, 2016.

Our Competitive Strengths

We believe that the following are our principal strengths:

Well Established Brands Targeting a Range of Consumer Groups

We believe that a strong and recognisable brand is a key attribute in our industry, which increases customer confidence and influences a purchase decision. We sell our products under our 'Gowardhan', 'Go', 'Pride of

Cows' and 'Topp Up' brands, which we believe are well recognised brands and have been developed to cater to various sections of the market for dairy based food and beverage products. Our 'Gowardhan' brand was ranked among the top 25 most trusted brands in the food products category by The Economic Times in 2014 and Go Cheese was awarded 'India's Most Promising Brand 2014-15' in the FMCG Category by World Consulting & Research Corporation in December 2015. We sell fresh milk, *ghee*, butter, cheese, curd, milk powder, *paneer* and *gulab jamun* mix under our 'Gowardhan' brand, which is targeted at consumer consumption at home. We sell UHT milk, fresh cream, cheese, yoghurt and beverages such as buttermilk and *lassi* under our 'Go' brand, which is targeted at children and the youth generation, primarily for direct consumption. Our 'Pride of Cows' brand offers farm-to-home fresh milk and is targeted at customers seeking premium quality cow milk. We sell our beverages for instant consumption under our 'Topp Up' brand, which is targeted at the youth generation and travellers as a source of instant nourishment. We also believe that the strength of our brands helps us in many aspects of our business, including expanding to new markets, entering into agreements with distributors and retailers and building relationships with our customers, investors and lenders.

Integrated Business Model

We have an integrated business model that encompasses the entire value chain of the dairy based food and beverages business and includes a range of activities including manufacturing and processing to branding and distributing a wide variety of products. We have well established relationships, developed over several years, with farmers in the proximity of our facilities, and our continuous engagement with them enables us to consistently procure raw milk and at competitive prices. We procure milk from milk farmers and through chilling centres and bulk coolers located close to our facilities at Manchar and Palamaner. We believe that we have a strong procurement base with a presence in 29 districts across the states of Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu. Further, the strategic location of our manufacturing facilities enables us to control costs associated with the transportation and handling of raw milk, without wastage or any substantive loss of quality or nutritional value.

We manufacture a wide range of products at our manufacturing facilities at Manchar and Palamaner, which have automated production facilities to ensure operational efficiencies, quality control and lower production losses. Over the years, we have introduced a range of innovative and value added products in the market to cater to the evolving needs of our retail and institutional customers. Branding and marketing strategies are a key component of our business policy and we have a dedicated sales and marketing team comprising 560 personnel based in our key distribution centres. We have also established a pan-India distribution network comprising 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016 to sell our products to our retail and institutional customers. We believe that our integrated business model with a strong procurement base, diversified product portfolio and growing distribution network enable us to cater to diverse customer requirements and compete effectively.

Diversified Product Portfolio and Customer Base

Over the years we have diversified our product portfolio, which consists a range of products including fresh, premium fresh and UHT milk, *ghee*, cheese, milk powders, whey proteins, dairy based beverages, curd, *paneer*, *shrikhand*, fruit yoghurts and fresh cream. We believe that we have pioneered several new products and some manufacturing and development processes in the dairy industry in India. Our cheese plant at Manchar has the largest production capacity for raw cheese in India *(Source: IMARC Report)*, where we currently manufacture 75 stock keeping units of cheese. We have recently introduced dairy based products, which focus on consumer health and nutrition. We classify our product portfolio into fresh milk, skimmed milk powder, *ghee*, cheese/*paneer*, UHT products, whey products and other products, which accounted for 18.2%, 20.9%, 18.3%, 18.5%, 3.2%, 1.6%, and 11.5% of our total revenues for the financial year 2015, respectively. Our diverse product portfolio enables us to effectively cater to evolving consumer trends.

We sell our products to several customer categories such as retail customers, hotels, restaurants, institutional customers and caterers. We are one of the leading suppliers in India of whey protein to consumer product companies such as Nestle India Limited and UTH Beverage Factory Private Limited. We also sell our skimmed milk powder, whey products, cheese and other products to customers such as McCain Foods India Private Limited, MTR Foods Private Limited, Mother Dairy Fruit & Vegetable Private Limited and Jubilant Foodworks Limited, who utilise our products as ingredients in their operations. Thus, we derive our revenues from the sales of a variety of products to a diverse range of customers, which we believe assists us in mitigating the concentration risks associated with operations in a specific product and customer segment.

Growing Pan-India Distribution Network

In order to cater to our retail and institutional customers, we have established a pan-India distribution network which comprised 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016. Our depots are present in 13 states and union territories in India and assist us in supplying our products to a wide network of retail stores. To sell products to our end consumers, we use modern trade channels, which comprise super-markets and hyper-markets and general trade channels that include smaller retail stores. On account of their short shelf life, our fresh milk and fresh milk products are largely sold in the western and southern regions of India, in proximity to our manufacturing facilities at Manchar and Palamaner. We sell farm-to-home premium fresh milk directly to retail customers in Mumbai and Pune and we sell our beverages to direct consumption outlets such as canteens, railway stations, road-side and highway eateries and educational institutions. We have established a separate route-to-market to focus on the distribution of our low unit price products including *ghee*, flavoured milk, UHT milk, dairy whiteners and *gulab jamun* mix in Tier 3 cities and rural areas in India. We cater to our institutional customers, hotels, restaurants and caterers directly and through distributors appointed by us. Our structured and growing distribution network facilitates the efficient sale of our products in our targeted markets and promotes our brand visibility.

Established Track Record of Growth and Financial Performance

Over the years, we have established a strong track record of growth and financial performance. Our total revenues grew at a CAGR of 21.6% from ₹6,585.03 million for the financial year 2011 to ₹14,405.19 million for the financial year 2015. Our net profit after tax grew from ₹188.97 million for the financial year 2012 to ₹259.66 million for the financial year 2015. The volume of milk procured by us increased at a CAGR of 11.47% from 0.68 million litres per day for the financial year 2011 to 1.05 million litres per day for the financial year 2015. Further, we have invested significant resources over the last few years to install additional plant and machinery and other technological infrastructure at our facilities, including for our UHT, cheese and whey products and we expect to derive benefits from these investments in the near future.

Experienced Senior Management

We have a strong management team with significant industry experience. Our Company is promoted by Mr. Devendra Shah, our Chairman, Mr. Pritam Shah, our Managing Director and Mr. Parag Shah, each of whom has over 20 years of experience in the milk and dairy based food business. Their experience has helped us develop relationships with our vendors including farmers for the procurement of milk, institutional customers and our dealers and distributors. Further, Mr. B. M. Vyas, former managing director of the Gujarat Cooperative Milk Marketing Federation (Amul) has been with our Company since 2010 as an advisor and is a Director on our Board. We believe that the extensive industry experience of our Promoters and Directors has helped us in developing an optimised procurement model and an extensive marketing and sales network. We believe that our management team of qualified and experienced professionals enables us to identify new avenues of growth, and help us to implement our business strategies in an efficient manner and to continue to build on our track record of successful product offerings. For further details, see "Our Management" on page 171.

Our Strategies

The primary elements of our business strategy are as follows:

Grow Our Product Reach

While we currently have a structured pan-India distribution network to cater to our retail and institutional customers, we constantly seek to grow our product reach to under-penetrated geographies. We intend to appoint additional distributors and super stockists to increase the availability of our products in smaller towns in India and introduce new low unit price products in Tier 3 cities and rural areas. As part of our sales strategy, we continue to evaluate potential sales growth drivers for specific products and regularly identify specific states and regions in India to focus our sales efforts and increase our sales volumes. Prior to expanding to new geographies or launching new products, we research and examine the market and demographic characteristic of the region to determine the suitability of our products in that market.

Further, we seek to increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets. We intend to achieve this by appointing new distributors targeted at different consumer groups and increase our sales force. We currently have 15 depots located across the country and we propose to establish six more depots during the financial year 2017, of which two depots would be located in northern India, two in southern India, one in western India and one in eastern

India. Increasing the number of our depots will enable retailers to source a greater number and a wider range of our products more efficiently.

Increase Our Milk Procurement

We require raw milk from cows for all our manufacturing operations, which we procure from milk farmers and through chilling centres and bulk coolers, in the vicinity of our manufacturing facilities and the production volumes of our products are dependent upon the amount and quality of raw milk that we are able to procure. We currently procure milk from 29 districts across the states of Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu. We believe that maintaining good relationships with milk farmers and other milk vendors is essential to increasing our milk procurement. We seek to strengthen our existing relationships with milk farmers and vendors, and cultivate new relationships through various methods including milk quality and quantity based incentives, providing farmers with cattle feed and seeds, assisting with veterinary health-care, vaccinations, artificial insemination and facilitating loans to purchase cattle. Further, we propose to increase our milk procurement by setting up new collection centres for both our manufacturing facilities and access new districts to procure cows' milk. We also propose to purchase new 75 bulk milk coolers and 100 automated milk collection systems and install them at villages in the vicinity of our facilities and establish new village level milk collection centres in under-penetrated areas, thereby further increasing our milk procurement base.

Continue to Focus on Strengthening Our Brands

We believe that our brands are one of our key strengths and that our customers, distributors, stockists and members of the financial community associate our brands with trusted and superior quality products. We undertake extensive consumer and market research to gauge the various aspects of a product and plan our marketing campaigns. On the basis of our product and market based research studies, which we conduct on an ongoing basis, we intend to continue to enhance the brand recall of our products through strategic branding initiatives, including through the use of social media and consumer engagement programs. We use various media channels to promote our brands including placing advertisements and commercials on television, newspapers, hoardings and on digital media. We also extensively promote our brands at stores and super-markets through in-shop activities and engage in consumer activities such as cooking competitions and school contact programs. The aggregate of our advertising and marketing expenses and sales promotion expenses were ₹264.25 million, ₹248.10 million and ₹128.96 million, or 2.1%, 1.7% and 1.2% of our total revenues for the the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively, and we intend to increase this proportion in the future. Our marketing team develops strategies to promote each of our products and we currently propose to focus on promoting our *ghee*, *paneer* and fresh milk under the 'Gowardhan' brand and our UHT milk and cheese products under our 'Go' brand. As of February 29, 2016, our marketing team comprises 560 personnel, or 34.6%, of our total workforce.

Increase Our Value-added Products Portfolio and Focus on Health and Nutrition

We constantly focus on research and development to distinguish ourselves from our competitors to enable us to introduce new products based on consumer preferences and demand. We propose to set up a research and development centre at our Manchar facility to develop new products and processes and a technology centre at our Subsidiary for training and development activities and focus on animal husbandry. We intend to increase the share of our value-added product portfolio by focusing on health and nutrition to cater to evolving consumer trends. We recently launched flavoured milk with higher protein content under our 'Topp Up' brand and buttermilk under our 'Go' brand with a few variants each. We have also introduced milk variants on the basis of specific end-use and introduced our T-Star milk to be used to make tea and coffee and introduced Go Kidz milk with high protein content for growing children. We now intend to increase our dairy based beverages portfolio under our 'Go' brand and introduce milk based high protein drinks.

While our current product portfolio includes plain curd, we propose to introduce a new variant of curd with a higher protein and lower fat content and cream cheese with a lower fat content for health conscious consumers. We also intend to introduce colostrum products, which can be consumed as a daily supplement to improve immunity and general health, introduce several cheese products with low fat, high protein and mineral content and we seek to add value to and convert our milk powder into food supplements and nutritional products for different age groups. Further, we intend to sell premium quality butter and ghee through the farm-to-home concept under our 'Pride of Cows' brand.

Our current range of whey products include whey protein concentrates, whey permeate and demineralised whey powders. We sell whey proteins to our institutional customers including Nestle India Limited and UTH

Beverage Factory Private Limited and whey powders to bakeries and confectionaries. As of December 31, 2015, we had incurred ₹318.47 million in setting up our whey products processing infrastructure and are in the process of commissioning additional technological infrastructure to increase the concentration and grading of whey proteins that we manufacture, and sell them directly to retail consumers in the form of branded health supplement foods and beverages. We believe that we can increase our margins by focussing on increasing sales of our value-added products and that such initiatives will assist us in further diversifying our business.

Increase Operational Efficiencies

We intend to continue to increase our operational efficiencies to strengthen our competitive position. We believe that we have adopted best practices in line with international standards across our production facilities, drawing on our management's expertise and experience in facility management. We will continue to leverage our in-house technological and research and development capabilities to effectively manage our operations, maintain strict operational controls and enhance customer service levels. As part of our environmental, health safety and energy management certifications, we have identified major focus areas of reducing energy and water consumption per litre of milk processed, reducing milk and solid wastage and decreasing emission levels. We have invested significant resources and intend to further invest in our in-house technology capabilities to develop customised systems and processes such as express feeder line for electricity at both our facilities, co-generation turbines for captive power generation, usage of zero-discharge effluent treatment facility equipment for minimal water usage and waste management and automation of processes to achieve higher efficiencies. We intend to further improve our operational efficiencies and reduce our operating costs at our production facilities.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from:

a. The Restated Consolidated Financial Statements of our Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and 2013 as applicable and restated in accordance with the SEBI Regulations as of and for the year ended March 31, 2011, 2012, 2013, 2014, 2015 and nine months period ended December 31, 2015; and

b. The Restated Standalone Financial Statements of our Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and 2013 as applicable and restated in accordance with the SEBI Regulations as of and for the years ended March 31, 2011, 2012, 2013, 2014, 2015 and nine months period ended December 31, 2015.

The Restated Financial Statements referred to above are presented under the section "Financial Statements" on page 191. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the sections "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 191 and 302, respectively.

Restated Consolidated Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	Annexure	For the nine months ended December 31,	As at March 31,				
		2015	2015	2014	2013	2012	2011
I. EQUITY AND LIABILITIES							
(1) Shareholders' Funds							
(a) Share capital	V(1)	661.60	159.69	159.69	159.69	158.10	158.10
(b) Reserves and surplus	V(2)	2,113.48	1,072.03	812.43	652.77	421.13	232.16
		2,775.08	**1,231.72**	**972.12**	**812.46**	**579.23**	**390.26**
(2) Minority Interest		-	-	0.07	0.08	0.08	0.08
(3) Non-current liabilities							
(a) Long-term borrowings	V(3)	1,290.77	1,726.17	2,726.22	2,326.73	1,635.65	1,417.03
(b) Deferred tax liabilities (Net)	V(4)	89.44	58.05	38.00	74.60	100.29	89.66
(c) Other long term liabilities	V(5)	169.96	161.47	111.68	4.00	4.00	4.00
(d) Long term provisions	V(6)	5.17	4.55	3.18	1.83	0.12	0.09
		1,555.34	**1,950.24**	**2,879.08**	**2,407.16**	**1,740.06**	**1,510.78**
(4) Current liabilities							
(a) Short-term borrowings	V(7)	2,361.40	2,572.43	2,478.61	2,231.60	2,130.11	1,586.42
(b) Trade payables	V(8)	1,471.00	1,803.19	1,248.92	921.85	849.73	593.88
(c) Other current liabilities	V(9)	1,452.93	1,667.04	649.50	527.02	561.10	444.32
(d) Short-term provisions	V(10)	85.34	5.20	0.54	14.20	189.40	207.40
		5,370.67	**6,047.86**	**4,377.57**	**3,694.67**	**3,730.34**	**2,832.02**
TOTAL		**9,701.09**	**9,229.82**	**8,228.84**	**6,914.37**	**6,049.71**	**4,733.14**
II. ASSETS							
(1) Non-current Assets							
(a) Fixed Assets							
(i) Tangible assets	V(11)	3,130.18	2,907.96	2,413.90	2,431.43	2,459.60	2,048.27
(ii) Intangible assets		1.78	3.11	5.20	2.36	2.14	2.85
(iii) Capital Work In Progress		245.45	213.71	336.25	30.70	42.11	285.31
(iv) Intangible assets under development		44.57	46.68	37.55	32.08	28.30	-
		3,421.98	**3,171.46**	**2,792.90**	**2,496.57**	**2,532.15**	**2,336.43**
(b) Non-current investments	V(12)	3.06	3.06	3.06	3.06	0.06	0.06
(c) Long-term loans and advances	V(13)	468.70	665.47	1,030.13	937.55	570.32	281.44
(d) Other Non-current assets	V(14)	10.52	18.20	16.44	9.78	7.12	16.12
		3,904.26	**3,858.19**	**3,842.53**	**3,446.96**	**3,109.65**	**2,634.05**

Particulars	Annexure	For the nine months ended December 31,	As at March 31,				
		2015	2015	2014	2013	2012	2011
(2) Current Assets							
(a) Inventories	V(15)	2,267.63	2,118.86	1,902.72	1,394.62	1,394.05	1,170.47
(b) Trade receivables	V(16)	2,460.63	1,714.98	1,634.73	1,472.87	1,186.55	855.96
(c) Cash and bank balances	V(17)	249.97	55.73	42.08	22.19	18.05	13.37
(d) Short-term loans and advances	V(18)	510.68	975.64	422.47	214.81	86.10	30.88
(e) Other Current assets	V(19)	307.92	506.42	384.31	362.92	255.31	28.41
		5,796.83	**5,371.63**	**4,386.31**	**3,467.41**	**2,940.06**	**2,099.09**
TOTAL		**9,701.09**	**9,229.82**	**8,228.84**	**6,914.37**	**6,049.71**	**4,733.14**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Restated Consolidated Summary Statement of Profit and Loss

(₹ in million)

	Particulars	Annexure	For the nine months ended December 31,	For the year ended March 31,				
			2015	2015	2014	2013	2012	2011
I.	**Income**							
	Revenue from operations	V(20)	12,306.02	14,387.00	10,882.54	9,250.35	8,997.65	6,582.56
	Other income	V(21)	5.86	18.19	12.46	21.14	7.75	2.47
	Total Revenue		**12,311.88**	**14,405.19**	**10,895.00**	**9,271.49**	**9,005.40**	**6,585.03**
II	**Expenses:**							
	Cost of materials consumed	V(22) & V(23)	8,419.11	10,833.45	8,220.46	6,796.01	7,209.23	5,397.97
	Purchase of traded goods	V(24)	933.73	392.36	642.72	80.21	16.72	102.48
	Changes in inventories of finished goods & WIP		(138.52)	(216.96)	(504.52)	30.88	(220.23)	(359.79)
	Employee benefits expense	V(25)	507.75	574.91	478.04	398.04	299.33	191.54
	Other expenses	V(26)	1,509.35	1,739.75	1,222.72	1,111.15	869.95	749.12
	Total Expenses		**11,231.42**	**13,323.51**	**10,059.42**	**8,416.29**	**8,175.00**	**6,081.32**
III	**Restated Earnings before interest, tax, depreciation and amortization (EBIDTA) (I-II)**		**1,080.46**	**1,081.68**	**835.58**	**855.20**	**830.40**	**503.71**
IV	Depreciation and amortization expense	V(11)	236.52	275.32	275.25	261.23	225.36	180.78
V	Finance costs	V(27)	349.25	493.88	437.25	402.69	399.95	225.32
VI	**Restated Profit before tax (III-IV-V)**		**494.69**	**312.48**	**123.08**	**191.28**	**205.09**	**97.61**
VII	**Tax Expenses:**							
	(1) Current Tax		143.45	40.61	1.37	26.38	6.56	26.99
	(2) MAT Credit		0.62	(4.10)	(1.37)	(19.26)	(1.71)	-
	(3) Deferred Tax		31.39	20.05	(36.60)	(25.66)	10.61	38.39
	(4) Tax adjustments		-	(3.74)	-	2.08	0.66	36.37
VII	**Restated Profit after tax and before minority interest (VI-VII)**		**319.23**	**259.66**	**159.68**	**207.74**	**188.97**	**(4.14)**
IX	**Less: Minority Interest**		-	-	(0.00)	(0.00)	(0.00)	0.00
X.	**Restated Profit for the year (VIII-IX)**		**319.23**	**259.66**	**159.68**	**207.74**	**188.97**	**(4.14)**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Restated Consolidated Summary Statement of Cash Flows

(₹ in million)

Particulars	Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
A. Cash Flow from Operating Activities						
Net Profit before taxation	**494.69**	**312.48**	**123.08**	**191.28**	**205.09**	**97.61**
Add:						
Depreciation/ amortisation	236.52	275.32	275.25	261.23	225.36	180.78
Bad debts	-	0.24	0.32	-	0.03	0.15
Provision for doubtful debts	2.50	25.27	25.63	45.64	16.89	6.37
Provision for doubtful advances	-	0.53	0.48	-	0.04	1.91
Loss on sale of fixed assets	-	0.19	3.95	2.82	3.40	5.30
Loss on impairment of fixed assets	-	-	0.98	1.84	1.73	1.30
Unrealised forex loss	54.84	-	-	-	-	-
Provision for employees benefit	-	7.63	3.51	1.88	2.50	1.31
Interest expense	349.25	469.21	438.82	403.58	399.95	226.41
Less:						
Dividend income	0.00	0.00	0.00	0.00	0.00	0.00
Interest income	2.76	4.66	3.88	2.11	1.14	0.99
Operating Profit before Working Capital changes	**1,135.04**	**1,086.21**	**868.14**	**906.16**	**853.85**	**520.15**
Adjustments for :						
(Increase)/decrease in inventories	(148.77)	(216.14)	(508.10)	(0.57)	(223.58)	(412.51)
(Increase) in trade receivables	(748.42)	(105.76)	(187.75)	(331.96)	(347.51)	(262.07)
(Increase)/decrease in short term loans and advances	464.96	(583.24)	(203.43)	(8.80)	(30.27)	69.77
(Increase)/ decrease in other current assets	198.50	(119.05)	(21.39)	(107.61)	(226.90)	(28.41)
(Increase)/decrease in long term loans and advances	(25.24)	8.94	(17.38)	(12.89)	(5.64)	(16.91)
Increase/(decrease) in other current liabilities	33.41	(12.69)	117.11	(53.34)	111.35	125.42
Increase in other non-current liabilities	8.48	49.79	107.68	-	-	-
Increase/(decrease) in trade payables	(332.33)	552.29	327.04	72.12	255.85	204.16
Increase/(decrease) in provisions	(1.98)	6.03	(12.31)	(173.49)	(17.98)	38.78
Cash Generated from operations	**583.65**	**666.38**	**469.61**	**289.62**	**369.17**	**238.38**
Direct taxes paid (net of refunds)	59.91	(5.68)	(4.76)	(129.12)	(30.48)	(129.12)
Net Cash flow used in Operating activities	**523.74**	**660.70**	**464.85**	**160.50**	**338.69**	**109.26**
B. Cash Flow from Investing Activities						
Purchase of fixed assets (including capital advance)	(406.36)	(230.86)	(591.20)	(559.83)	(703.96)	(730.37)
Sale of fixed assets	7.01	4.12	4.00	-	-	-
(Increase)/decrease in other non-current assets	7.92	(1.28)	(10.10)	(8.83)	7.83	(11.56)
Investments	(13.16)	-	-	(3.00)	-	-
Interest and dividend received	10.44	4.66	3.88	2.11	1.14	0.99
Net Cash flow used in Investing activities	**(394.16)**	**(223.36)**	**(593.42)**	**(569.55)**	**(694.99)**	**(740.94)**
C. Cash Flow from Financing Activities						
Proceeds from issue of shares	56.76	-	-	25.49	-	-
Proceeds from long term borrowings	585.69	332.34	771.98	1,347.46	560.84	322.66
Repayment of long term borrowings	(11.02)	(305.01)	(372.56)	(654.19)	(342.20)	(222.63)
Proceeds from short term borrowings	-	100.99	372.72	114.72	543.68	700.21
Repayment of short term borrowings	(211.03)	(7.18)	(125.70)	(13.23)	-	-
Interest paid	(360.99)	(544.35)	(501.41)	(413.24)	(402.51)	(224.66)
Net Cash inflow from/ (outflow) from Financing activities	**59.41**	**(423.21)**	**145.03**	**407.01**	**359.81**	**575.58**
Net increase in cash and cash equivalents	**189.00**	**14.13**	**16.46**	**(2.04)**	**3.51**	**(56.10)**
Opening Cash and Cash Equivalents						

Particulars	Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Cash in hand	11.97	16.38	7.75	3.90	8.09	3.84
Bank balances	32.94	14.40	6.57	12.46	4.76	65.11
	44.91	**30.78**	**14.32**	**16.36**	**12.85**	**68.95**
Closing Cash and Cash Equivalents						
Cash in hand	14.04	11.97	16.38	7.75	3.90	8.09
Bank balances	219.87	32.94	14.40	6.57	12.46	4.76
	233.91	**44.91**	**30.78**	**14.32**	**16.36**	**12.85**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

Restated Standalone Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	Annexure	As at December 31,	As at March 31,				
		2015	2015	2014	2013	2012	2011
I. EQUITY AND LIABILITIES							
(1) Shareholders' Fund							
(a) Share capital	V(1)	661.60	159.69	159.69	159.69	158.10	158.10
(b) Reserves and surplus	V(2)	2,235.63	1,178.40	875.10	682.74	436.66	227.21
		2,897.23	**1,338.09**	**1,034.79**	**842.43**	**594.76**	**385.31**
(2) Non-current liabilities							
(a) Long-term borrowings	V(3)	1,276.43	1,686.10	2,653.20	2,237.51	1,505.43	1,244.09
(b) Deferred tax liabilities (Net)	V(4)	117.30	105.53	102.10	107.13	115.31	84.13
(c) Other long term liabilities	V(5)	169.96	161.47	111.68	4.00	4.00	4.00
(d) Long term provisions	V(6)	4.79	4.30	2.07	0.59	0.12	0.09
		1,568.48	**1,957.40**	**2,869.05**	**2,349.23**	**1,624.86**	**1,332.31**
(3) Current liabilities							
(a) Short-term borrowings	V(7)	2,361.39	2,612.43	2,478.61	2,231.60	2,124.81	1,481.46
(b) Trade payables	V(8)	1,426.79	1,753.68	1,167.87	854.51	776.18	555.15
(c) Other current liabilities	V(9)	1,405.94	1,585.44	583.83	462.37	492.33	399.99
(d) Short-term provisions	V(10)	85.26	5.16	0.50	14.07	188.14	207.12
		5,279.38	**5,956.71**	**4,230.81**	**3,562.55**	**3,581.46**	**2,643.72**
TOTAL		**9,745.09**	**9,252.20**	**8,134.65**	**6,754.21**	**5,801.08**	**4,361.34**
II. ASSETS							
(1) Non-current Assets							
(a) Fixed Assets							
(i) Tangible assets	V(11)	2,599.26	2,376.69	1,871.74	1,948.65	2,032.95	1,714.25
(ii) Intangible assets		1.79	2.31	3.29	2.34	2.12	2.83
(iii) Capital Work In Progress		245.60	213.87	330.77	30.27	41.74	285.28
(iv) Intangible assets under development		44.15	46.26	42.62	32.08	28.30	-
		2,890.80	**2,639.13**	**2,248.42**	**2,013.34**	**2,105.11**	**2,002.36**
(b) Non-current investments	V(12)	580.70	180.70	180.70	180.70	177.70	177.70
(c) Long-term loans and advances	V(13)	459.52	656.77	1,018.39	836.49	452.45	157.37
(d) Other Non-current assets	V(14)	10.52	18.20	16.44	9.78	7.12	16.12
		3,941.54	**3,494.80**	**3,463.95**	**3,040.31**	**2,742.38**	**2,353.55**
(2) Current Assets							
(a) Inventories	V(15)	2,254.65	2,097.09	1,870.87	1,355.30	1,351.16	1,130.23
(b) Trade receivables	V(16)	2,429.18	1,692.99	1,621.32	1,467.33	1,175.11	810.59
(c) Cash and bank balances	V(17)	244.84	49.87	38.99	19.02	15.04	10.01
(d) Short-term loans and advances	V(18)	566.96	1,413.47	755.21	509.33	262.08	28.55
(e) Other Current assets	V(19)	307.92	503.98	384.31	362.92	255.31	28.41
		5,803.55	**5,757.40**	**4,670.70**	**3,713.90**	**3,058.70**	**2,007.79**
TOTAL		**9,745.09**	**9,252.20**	**8,134.65**	**6,754.21**	**5,801.08**	**4,361.34**

The above statement should be read with the notes to restated standalone summary Statement of Assets and

Liabilities, Statement of Profit and Loss and Cash Flow Statement in Annexure IV to Annexure VI.

Restated Standalone Summary Statement of Profit and Loss

(₹ in million)

	Particulars	Annexure	For the nine months ended December 31,	For the year ended March 31,				
			2015	2015	2014	2013	2012	2011
I.	**Income**							
	Revenue from operations	V(20)	12,143.96	14,202.03	10,792.21	9,226.48	8,858.03	6,265.04
	Other income	V(21)	4.92	10.06	10.35	18.68	6.58	2.24
	Total Revenue		**12,148.88**	**14,212.09**	**10,802.56**	**9,245.16**	**8,864.61**	**6,267.28**
II.	**Expenses:**							
	Cost of materials consumed	V(22) & V(23)	8,375.45	10,810.76	8,234.04	6,875.84	7,185.37	5,124.78
	Purchase of traded goods	V(24)	933.73	392.36	642.72	80.21	16.72	102.48
	Changes in inventories of finished goods & WIP		(138.52)	(216.96)	(504.52)	30.88	(217.57)	(345.24)
	Employee benefits expense	V(25)	484.21	539.13	432.76	352.20	251.04	180.59
	Other expenses	V(26)	1,437.30	1,614.11	1,157.53	1,050.74	813.80	735.44
	Total Expenses		**11,092.17**	**13,139.40**	**9,962.53**	**8,389.87**	**8,049.36**	**5,798.05**
III.	**Restated earnings before interest, tax, depreciation and amortization (EBIDTA) (I-II)**		**1,056.71**	**1,072.69**	**840.03**	**855.29**	**815.25**	**469.23**
IV.	Depreciation and amortization expense	V(11)	224.10	254.16	248.89	239.26	203.93	172.92
V.	Finance costs	V(27)	342.39	479.02	403.82	392.81	365.19	200.66
VI.	**Restated Profit before tax (III-IV-V)**		**490.22**	**339.51**	**187.32**	**223.22**	**246.13**	**95.65**
VII	**Tax Expenses:**							
	(1) Current Tax		143.45	38.31	1.37	26.38	6.56	25.95
	(2) MAT Credit		-	(4.10)	(1.37)	(19.25)	(1.71)	-
	(3) Deferred Tax		11.76	3.43	(5.04)	(8.17)	31.17	36.36
	(4) Tax adjustments		-	(1.44)	-	2.08	0.66	38.73
VIII	**Restated Profit for the year (VI-VII)**		**335.01**	**303.30**	**192.36**	**222.18**	**209.45**	**(5.39)**

The above statement should be read with the notes to restated standalone summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement in Annexure IV to Annexure VI.

Restated Standalone Summary Statement of Cash Flows

(₹ in million)

Particulars	Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
A. Cash Flow from Operating Activities						
Net profit before taxation	**490.22**	**339.51**	**187.32**	**223.22**	**246.13**	**95.65**
Add:						
Depreciation/ amortisation on fixed assets	224.10	254.16	248.89	239.26	203.93	172.92
Bad debts	-	0.24	0.32	-	0.03	0.15
Provision for doubtful debts	-	25.27	25.57	44.53	15.39	6.37
Provision for doubtful advances	-	-	0.48	-	0.04	1.91
Loss on sale of fixed assets	-	0.19	1.17	-	-	-
Loss on impairment of fixed assets	-	-	0.98	1.84	1.73	1.30
Unrealised forex loss	54.84	-	-	-	-	-
Interest expense	342.39	479.02	403.82	392.81	365.19	200.66
Less:						
Dividend income	0.00	0.00	0.00	0.00	0.00	0.00
Interest income	2.73	4.61	3.83	12.35	1.14	0.96
Operating Profit before Working Capital changes	**1,108.82**	**1,093.78**	**864.72**	**889.31**	**831.30**	**478.00**
Adjustments for :						
(Increase) in inventories	(157.56)	(226.21)	(515.57)	(4.14)	(220.93)	(397.96)

Particulars	Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
(Increase) in trade receivables	(736.46)	(97.17)	(179.89)	(336.74)	(379.95)	(279.09)
(Increase)/decrease in short term loans and advances	846.52	(685.36)	(241.11)	(127.33)	(208.60)	(46.40)
(Increase)/decrease in other current assets	199.73	(119.67)	(21.39)	(107.61)	(226.90)	(28.41)
(Increase)/decrease in long term loans and advances	(24.88)	6.43	(14.32)	(12.79)	(3.10)	(14.99)
Increase/(decrease) in other current liabilties	69.47	1,005.12	119.56	(47.33)	89.41	17.26
Increase in other long term liabilties	8.48	49.79	107.68	-	-	-
Increase/(decrease) in trade payables	(327.03)	585.81	313.36	78.33	221.03	235.05
Increase/(decrease) in provisions	(2.15)	6.89	(12.08)	(173.60)	(18.97)	39.24
Cash Generated from Operations	**984.94**	**1,619.41**	**420.96**	**158.10**	**83.29**	**2.70**
Direct taxes paid (net of refunds)	(59.15)	(5.68)	(4.76)	(129.12)	(30.48)	(9.58)
Net Cash flow from/ (used in) Operating activities	**925.79**	**1,613.73**	**416.20**	**28.98**	**52.81**	**(6.88)**
B. Cash Flow from Investing Activities						
Purchase of fixed assets (Including capital advance)	(355.65)	(247.03)	(592.11)	(495.77)	(594.90)	(518.82)
Sale of fixed assets	0.09	4.12	4.00	-	-	-
Investment in shares of subsidiary company	(400.00)					
Investments in fixed deposit	(0.08)	(1.22)	(10.06)	(8.29)	7.62	(10.90)
Investments in mutual fund	-	-	-	(3.00)	-	(0.00)
Interest and dividend received	1.59	4.61	3.83	12.35	1.14	0.96
Net Cash flow from/ (used in) investing activities	**(754.05)**	**(239.52)**	**(594.34)**	**(494.71)**	**(586.14)**	**(528.76)**
C. Cash Flow from Financing Activities						
Proceeds from issue of shares	56.76	-	-	25.49	-	-
Proceeds from long term borrowings	602.68	332.34	729.04	1,433.50	560.84	142.73
Repayment of long term borrowings	(36.27)	(1,299.46)	(313.35)	(701.42)	(299.46)	(209.71)
Proceeds from short term borrowings	-	101.00	372.71	114.72	643.35	749.34
Repayment of short term borrowings	(251.04)	32.82	(125.70)	(7.93)	-	-
Interest paid	(354.13)	(529.50)	(467.99)	(400.27)	(367.75)	(202.90)
Net Cash flow from/ (used in) Financing activities	**18.00**	**(1,362.80)**	**194.71**	**464.09**	**536.98**	**479.46**
Net increase/(decrease) in cash and cash equivalents	**189.74**	**11.41**	**16.57**	**(1.64)**	**3.65**	**(56.18)**
Opening Cash and Cash Equivalents						
Cash in hand	7.61	14.75	5.98	1.89	6.46	1.91
Bank balances	32.08	13.53	5.73	11.46	3.24	63.97
	39.69	**28.28**	**11.71**	**13.35**	**9.70**	**65.88**
Closing Cash and Cash Equivalents						
Cash in hand	10.89	7.61	14.75	5.98	1.89	6.46
Bank balances	218.54	32.08	13.53	5.73	11.46	3.24
	229.43	**39.69**	**28.28**	**11.71**	**13.35**	**9.70**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(1) EBITDA is calculated after considering impact of Depreciation and amortization (including Goodwill), Finance Costs, Non-Cash Land and Common Costs, Minority Interest and Share of Loss in Associate to Profit Before Tax and exceptional items.

(2) EBITDA is a non-Indian GAAP financial measure. The table above sets forth a reconciliation of EBITDA to our Profit before tax calculated in accordance with Indian GAAP. The use and calculation of EBITDA may vary from similarly titled measures used by other companies in our industry. EBITDA should not be considered as an alternative to net income, income before income taxes or net cash flows provided by operating activities or any other performance measure determined in accordance with Indian GAAP. EBITDA has important limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under Indian GAAP. Some of the limitations with EBITDA are listed below:

- does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, working capital needs;
- does not reflect certain tax payments that may represent reductions in cash available;
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
- does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on indebtedness.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with Indian GAAP. We compensate for these limitations by relying primarily on our GAAP results. You are cautioned not to place undue reliance on EBITDA.

Auditor Qualifications and Observations in the Annexure to the Auditor's Report

Our auditors have included qualifications and certain observations with respect to matters specified in the main audit report and Companies (Auditors Report) Order, 2003, as amended, on our Standalone Financial Statements and Consolidated Financial Statements as of and for the financial years provided below. We have provided below, these auditor qualifications and observations as well as our Company's corrective steps in connection with these remarks:

For Fiscal 2011

Auditor Qualifications

- *The Auditor reported that during the year, our Company entered into transactions for purchase and sale of goods amounting to ₹1,606.04 million and ₹7.33 million, respectively, with a private company in which some of the directors are interested. Our Company had not obtained prior approval of Central Government in this regard under Section 297 of the Companies Act, 1956. However, as informed to the Auditor, our Company had filed the application for compounding of offences with the Company Law Board, Mumbai.*

  Our Company had entered into transactions with our Subsidiary during Fiscal 2011, which required a Central Government approval. This approval was subsequently obtained by our Company in May 2012.

- *Attention was invited to note C 1 (iii) (c) in Schedule 16 in respect of additional income of ₹152.60 million, declared to the Income Tax Authorities. As regards declaration of ₹130.00 million, in respect of which only provision for taxation of ₹43.18 million was made in the books of account of our Company, the Auditors are unable to comment upon its resulting effect on the relevant assets, income/profit for the year and on the report annexed hereto.*

  Our Company had made declaration of additional income to avoid protracted litigation and our Company has received no dues clearance certificate from Income tax department in April 2015. Our Company has already made provision for required tax liability and no further adjustment is necessary in respect of the above matter.

Observations in the Annexure to the Auditor's Report

- *Our Company needs to further streamline its fixed assets register to show proper and identifiable records, showing full particulars, including quantitative details and situation of fixed assets.*

  Our Company has streamlined the maintenance of its fixed asset register subsequent to Fiscal 2012 with retrospective effect and the same is appropriately adjusted for prior periods in Restated Financial Statements.

- *As informed to the Auditor, the management has prepared the inventory of fixed assets based on the physical verification carried during the year. However in view of the limitation of information in Fixed*

assets register, the management is unable to provide information about the discrepancies, if any, arising on such reconciliation.

Our Company has regularized to fixed asset register and reconciled it with the physical assets of the Company in subsequent year. The Restated Financial Statements give effect to this in corresponding Fiscals.

- *The existing internal control system with regard to the purchase of inventory and fixed assets and for the sale of goods and services needs to be strengthened to be commensurate with the size of our Company and the nature of our business. There is no continuing failure to correct major weaknesses in internal control system.*

  Our Company has subsequently strengthened the internal control system with respect to purchase of inventory and fixed assets, sale of goods and services and the restated financials appropriately reflect the same.

- *Our Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*

  Our Company has subsequently strengthened the internal control system and the restated financials appropriately reflect the same.

- *No undisputed statutory dues including provident fund, investor education provident fund, or employees' state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess have remained outstanding for more than six months, so however, there are delays in payment thereof.*

  Our Company has made significant improvement in internal control process, thereby a better management of regulatory dues has been emphasized.

- *According to the information and explanations given to the Auditor and on an overall examination of the balance sheet of our Company, the Auditor reports that our Company has used funds raised on short term basis for long term investment.*

  Our Company had subsequently invited Long Term Borrowings from IFC to improve liquidity.

For Fiscal 2012

Observations in the Annexure to the Auditor's Report

- *Our Company needs to further streamline its fixed assets register to show proper and identifiable records, showing full particulars, including quantitative details and situation of fixed assets.*

  Our Company has streamlined the maintenance of its fixed asset register subsequent to Fiscal 2012 with retrospective effect and the same is appropriately adjusted for prior periods in Restated Financial Statements.

- *As informed to the Auditor, the management has prepared the inventory of fixed assets based on the physical verification carried during the year. However in view of the limitation of information in fixed assets register, the management was unable to provide information about the discrepancies, if any, arising on such reconciliation.*

  Our Company has regularised to fixed asset register and reconciled it with the physical assets of our Company in subsequent year. The Restated Financial Statements give effect to this in corresponding Fiscals.

- *In the Auditor's opinion and according to the information and explanation provided to the Auditor, there exists an adequate internal control system commensurate with the size of the Manchar Plant and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and service. During the course of the audit, the Auditor did not observe any continuing failure to correct weakness in internal control system of the plant. In case of Palamaner plant, the existing*

internal control system with regard to the purchase of inventory and fixed assets and for the sale of goods and services was needed to be strengthened to be commensurate with the size of the plant and the nature of its business. However, there is no continuing failure to correct major weakness in internal control system.

Our Company has subsequently strengthened the internal control system at the Palamaner Plant and the restated financials appropriately reflect the same.

- *In the opinion of the Auditor, our Company has an internal audit system which commensurate with the size and nature of its business except at Palamaner Plant.*

  Our Company has subsequently appointed internal auditor commensurate to the size and operation of our business in Palamaner.

- *No undisputed statutory dues including provident fund, investor education provident fund, or employees' state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess have remained outstanding for more than six months, However, there are delays in payment thereof.*

  Our Company has made significant improvement in internal control process, thereby a better management of regulatory dues has been emphasised.

- *According to the information and explanations given to the Auditor and on an overall examination of the balance sheet of our Company, the Auditor reports that our Company had used funds raised on short term basis for long term investment.*

  Our Company had subsequently invited Long Term Borrowings from IFC to improve liquidity.

For Fiscal 2013

Auditors Qualifications

- *The Auditor draws attention to note no 27 (C) to the Financial Statements, our Company had made following declaration of additional income upon action under section 132 of the Income Tax Act, 1961.*

  i) additional income to avoid protected litigation ₹130.0 million (For FY 2010-11)
  ii) Increase in the value of inventory ₹22.60 million (FY 2010-11)
  iii) additional income of ₹276.25 million while moving application for settlement (before Settlement Commission under section 245c(i) of the Income Tax Act, 1961.

  Our Company had made only provision for taxation in above respect and no effect was considered as regard assets and income/profit of our Company. Further, the acceptability of declared additional income was a matter of decision by Settlement Commission and the other Income Tax Authorities and will be known after the proceedings are over.

  Our Company had made declaration of additional income to avoid protracted litigation and our Company has received no dues clearance certificate from Income tax department in April 2015. Our Company has already made provision for required tax liability and no further adjustment is necessary in respect of the above matter.

For Fiscal 2014

Auditors Qualifications

- *The Auditor draws attention to note no. 28 (II) to the Financial Statements. As explained therein, the Auditor noted that consequent to action under section 132 of the Income Tax Act, 1961, our Company had made during various Fiscals declaration of additional income of amounts aggregating ₹341.07 million for AY 2005-06 to AY 2011-12. In its book of account, our Company made only provision of ₹191.65 million being tax and interest thereon for such additional income, as no consequential effect was considered necessary by the management as regard assets and income/profit of our Company.*

Our Company had made declaration of additional income to avoid protracted litigation and our Company has received no dues clearance certificate from Income tax department in April 2015. Our Company has already made provision for required tax liability and no further adjustment is necessary in respect of the above matter.

Observations in the Annexure to the Auditor's Report

- *Except for slight delays in depositing tax deducted at source and sales tax our Company was regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.*

  Our Company has made significant improvement in internal control process, thereby a better management of regulatory dues has been emphasised.

- *According to the information and explanation given to the Auditor, there were no dues of income tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except sales tax on account of dispute, as follows:*

(₹ in Million)

Name of the statute	Nature of dues	Amount (incl. interest)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	VAT & CST	11.40	F.Y. 2006-07	Jt Co. of Sales Tax (App) -1
Central Sales Tax Act, 1956	VAT & CST	62.92	F.Y. 2009-10	Jt Co. of Sales Tax (App) -1

* *Our Company had obtained stay order against payment of these dues.*

Our Company has filed an appeal against the same, therefore this is a contingent liability.

- *In the opinion and according to the information and explanations given to the Auditor, our Company has defaulted in repayment of its dues to Bank. The particulars of delay which related to interest/installment during the year ended March 31, 2014 are as follows:*

(₹ in Million)

Particulars	Amount (including interest)	Period of Delay (days)
EXIM Bank	5.86	61
EXIM Bank	5.74	40
EXIM Bank	5.76	49

Our Company has made significant improvement in internal control process, thereby a better management of banking dues has been emphasised.

For Fiscal 2015

Observations in the Annexure to the Auditor's Report

- *According to the information and explanation given to the Auditor, there are no dues with respect to income tax, wealth tax, service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute, except sales tax and value added tax which are as under:*

(₹ in Million)

Name of the statute	Nature of dues	Amount (incl. interest)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956*	VAT & CST	12.30	F.Y. 2006-07	Jt Co. of Sales Tax (App) -1
Central Sales Tax Act, 1956*	VAT & CST	62.92	F.Y. 2009-10	Jt Co. of Sales Tax (App) -1

* *Our Company has obtained stay order against payment of these dues.*

Our Company has filed appeal against the same, therefore this is a contingent liability.

- *According to the information and explanations given to the Auditor, our Company has not defaulted in repayment of its dues to banks /financial institutions/ debenture holders, except delay in few cases of repayment (including interest), which are as under:*

(₹ in Million)

Particulars	**Amount (including interest)**	**Period of Delay (days)**
Exim Bank	10.28	0 to 30
State Bank of India	29.65	0 to 30
Union Bank of India	113.55	0 to 30

Our Company has made significant improvement in internal control process, thereby a better management of banking dues has been emphasised.

THE ISSUE

The following table summarises the details of the Issue:

Issue	Up to [●] Equity Shares aggregating up to ₹[●] million
of which:	
(i) Fresh Issue[(1)]	Up to [●] Equity Shares aggregating up to ₹3,000 million
(ii) Offer for Sale[(2)(3)]	Up to 20,572,573 Equity Shares aggregating up to ₹[●] million
of which:	
Employee Reservation Portion[(3)(5)]	Up to 300,000 Equity Shares aggregating up to ₹[●] million
Net Issue to the Public	Up to [●] Equity Shares
A) QIB Portion[(3)(6)]	At least [●] Equity Shares
of which	
Anchor Investor Portion[(7)]	Not more than [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))[(7)]	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(4)]	Not more than [●] Equity Shares
C) Retail Portion[(5)]	Not more than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	70,415,887 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Utilisation of Net Proceeds	For details, see "Objects of the Issue" on page 97. Our Company will not receive any proceeds from the Offer for Sale.

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

(1) *The Fresh Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on August 27, 2015 and by our Shareholders pursuant to a resolution passed at the EGM held on August 28, 2015.*

(2) *Except the Equity Shares allotted pursuant to (i) the conversion of investor CCDs in accordance with the Shareholders resolutions dated April 3, 2015, and August 28, 2015 respectively; and (ii) the bonus issue undertaken through the capitalisation of the securities premium account of our Company in the ratio of 2:1 authorised by resolutions of the Board and the Shareholders dated May 26, 2015 and May 16, 2015, respectively, the Equity Shares offered by the Selling Shareholders in the Issue have been held by them for a period of at least one year prior to the date of the Draft Red Herring Prospectus. The Selling Shareholders confirm that the Equity Shares being offered as part of the offer for sale have been held in compliance with Regulation 26(6) of the SEBI Regulations.*

(3) *The Offer for Sale comprises an offer for sale by each Selling Shareholder of such number of Equity Shares as set out in the table below:*

Sr. No.	Selling Shareholders	Number of Equity Shares offered in the Offer for Sale	Number of Equity Shares held	Percentage of Pre-Issue Equity Shares held (in %)
I.	***Investor Selling Shareholders***			
1.	*IDFC PE*	*8,259,928*	*14,134,162*	*20.07*
2.	*IBEF I*	*3,917,238*	*4,359,749*	*6.19*
3.	*IBEF*	*2,109,283*	*2,316,866*	*3.29*
	Sub-Total (A)	***14,286,449***	***20,810,777***	
II.	***Other Selling Shareholders***			
1.	*Netra Shah*	*2,004,633*	*10,272,782*	*14.59*
2.	*Priti Shah*	*1,100,000*	*3,322,820*	*4.72*
3.	*Parvati Devi Pasari*	*12,000*	*12,000*	*0.02*
4.	*Meet Narayan Pasari*	*12,000*	*12,000*	*0.02*
5.	*Chetan Narayan Pasari and Seema Narayan Pasari*	*18,000*	*18,000*	*0.03*
6.	*Seema Narayan Pasari and Narayan Ramgopal Pasari*	*12,000*	*12,000*	*0.02*
7.	*Satyanarayan Kanhaiya Lal Kabra*	*6,000*	*6,000*	*0.01*
8.	*Nipa Doshi*	*48,000*	*48,000*	*0.07*
9.	*Suneeta Agrawal*	*600,747*	*659,869*	*0.94*
10.	*Vimla Oswal*	*300,372*	*329,932*	*0.47*
11.	*Pratik Oswal*	*300,372*	*329,932*	*0.47*
12.	*Ladderup Finance Limited*	*600,000*	*600,000*	*0.85*
13.	*Anmol Insurance Consultants Private Limited*	*72,000*	*72,000*	*0.10*
14.	*Placid Limited*	*1,200,000*	*1,335,000*	*1.90*
	Sub-Total (B)	***6,286,124***	***17,030,335***	
	Total (A+B)	***20,572,573***	***37,841,112***	

(4) *In case of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b)(ii) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares in the Fresh Issue followed by Allotment of Equity Shares offered by Promoter Group Selling Shareholders followed by Allotment of Equity Shares offered by the Investor Selling Shareholders and then Allotment of Equity Shares offered by the Remaining Selling Shareholders. In case of any reduction in the size of the Offer for Sale by the Investor Selling Shareholders on account of under-subscription, the Equity Shares offered by IDFC PE on the one hand and IBEF I and IBEF on the other hand, will be reduced pro rata, however, as between IBEF I and IBEF, Equity Shares offered by IBEF I shall be in preference over and in priority to the Equity Shares offered by IBEF. The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Red Herring Prospectus and SEBI Regulations. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion) of Bidders at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange.*

(5) *Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may offer an Employee Discount of up to ₹[●] per Equity Share and Retail Discount of up to ₹[●] per Equity Share, which shall be announced at least five Working Days prior to the Bid/Issue Opening Date.*

(6) *Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Issue Procedure" on page 371.*

(7) *Subject to valid Bids being received at, or above, the Issue Price.*

GENERAL INFORMATION

Our Company was incorporated as Parag Milk & Milk Products Private Limited on December 29, 1992 with the registrar of companies at Mumbai with our registered office at Pune as a private limited company under the Companies Act, 1956. The name of our Company was changed to Parag Milk Foods Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on April 11, 2008. Our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 16, 2015 and consequently, the name of our Company was changed to Parag Milk Foods Limited and a fresh certificate of incorporation consequent upon conversion to a public limited company was granted to our Company by the RoC on July 7, 2015. For details of changes in the name and Registered Office of our Company, see "History and Certain Corporate Matters" on page 162. For details of the business of our Company, see "Our Business" on page 141.

Registered Office

Flat No.1, Plot No. 19, Nav Rajasthan Society
S.B. Road, Shivaji Nagar
Pune 411 016
Tel: (91 20) 2567 4761
Fax: (91 20) 2567 4763
Website: www.paragmilkfoods.com
Corporate Identity Number: U15204MH1992PLC070209
Registration Number: 070209

Corporate Office

20th Floor Nirmal Building
Nariman Point
Mumbai 400 021
Tel: (91 22) 4300 5555
Fax: (91 22) 4300 5580

Address of the RoC

3rd Floor
PMT Building
Deccan Gymkhana
Pune 411 004

Our Board of Directors

Our Board of Directors consists of:

Name	Designation	DIN	Address
Devendra Shah	Executive Chairman	01127319	Bhagyalakshmi Niwas, Bazarpeth, Manchar, Ambegaon, Pune 410 503
Pritam Shah	Managing Director	01127247	Bhagyalakshmi Niwas, Bazarpeth, Manchar, Ambegaon, Pune 410 503
Sunil Goyal	Independent Director	00503570	731/A, 7th Floor, Akshay Girikunj III, Paliram Road, Andheri (West), Mumbai 400 058
Nitin Dhavalikar	Independent Director	07239870	Flat No.2, Nimit Hsg Soc, 45/5A Karve Nagar, Pune 411052
B.M. Vyas	Non-Executive Director	00043804	A-1, Kaiza Can Complex, Near Chikhodra railway crossing, Anand, Gujarat 388 001
Narendra Ambwani	Independent Director	00236658	1201, Sterling Sea Face, Dr. Annie Besant Road, Worli, Mumbai 400 018
Radhika Pereira	Independent Director	00016712	72, Buena Vista, J. Bhosale Marg, Nariman Point, Mumbai 400 021
Ramesh Chandak	Additional and Nominee Director	00026581	1202, Shrushti Towers, Old Prabhadevi Road, Prabhadevi, Mumbai 400025

For further details of our Directors, see "Our Management" on page 169.

Company Secretary and Compliance Officer

Rachana Sanganeria is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

Parag Milk Foods Limited
20th Floor Nirmal Building
Nariman Point
Mumbai 400 021
Tel: (91 22) 4300 5555
Fax: (91 22) 4300 5580
Email: cs@paragmilkfoods.com

Chief Financial Officer

Bharat Kedia is the chief financial officer of our Company. His contact details are as follows:

Parag Milk Foods Limited
20th Floor Nirmal Building
Nariman Point
Mumbai 400 021
Tel: (91 22) 4300 5555
Fax: (91 22) 4300 5580
Email: bharat.kedia@paragmilkfoods.com

Bidders can contact the Compliance Officer, the BRLMs 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 account and refund orders.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

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

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
27 BKC, Plot No. C-27
"G" Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: (91 22) 4336 0000
Fax: (91 22) 6713 2445
E-mail: parag.ipo@kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

JM Financial Institutional Securities Limited**
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: parag.ipo@jmfl.com
Investor Grievance E-mail: grievance.ibd@ jmfl.com
Website: www.jmfl.com
Contact Person: Lakshmi Lakshmanan
SEBI Registration No.: INM000010361

IDFC Securities Limited*
Naman Chambers, C-32, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: (91 22) 6622 2600
Fax: (91 22) 6622 2501
Email: parag.ipo@idfc.com
Investor Grievance Email: investorgrievance@idfc.com
Website: www.idfccapital.com
Contact Person: Akshay Bhandari
SEBI Registration No.: MB/INM000011336

Motilal Oswal Investment Advisors Private Limited*
Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi
Mumbai 400 025
Tel: (91 22) 3980 4380
Fax: (91 22) 3980 4315
E-mail: parag.ipo@ motilaloswal.com
Investor Grievance ID:moiaplredressal@ motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Subodh Mallya
SEBI Registration No.: INM000011005

***** *In compliance with the proviso to Regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with proviso to Regulation 5(3) of the SEBI Regulations, IDFC Securities Limited and Motilal Oswal Investment Advisors Private Limited would be involved only in marketing of the Issue.*
*** Formerly, JM Financial Institutional Securities Private Limited.*

Syndicate Members

Kotak Securities Limited
Nirlon House, 3rd Floor
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 030
Tel: +91 22 6740 9708
Fax: +91 22 6661 7041
E-mail: umesh.gupta@kotak.com
Investor Grievance ID: ipo.redressal@kotak.com
Website: www.kotak.com
Contact Person: Umesh Gupta
SEBI Registration No.: BSE: INB010808153; NSE: INB230808130

JM Financial Services Limited
2,3 and 4, Kamanwala Chambers
Sir P M Road, Fort
Mumbai 400 001
Tel: +91 22-6136 3400
Fax: +91 22-22665902
E-mail: Surajit.misra@jmfl.com/ deepak.vaidya@jmfl.com
Investor Grievance ID: ig.distribution@jmfl.com
Website: www.jmfinancialservices.in
Contact Person: Surajit Misra/Deepak Vaidya
SEBI Registration No.: BSE: INB011054831; NSE: INB231054835

Sharekhan Limited
10th Floor, Beta Building
Lodha iThink Techno Campus
Off Jogeshwari - Vikhroli Link Road
Opposite Kanjurmarg Railway Station
Kanjurmarg (East)
Mumbai 400 042
Tel: +91 22 6115 0000
Fax: +91 22 6748 1891
E-mail: ipo@sharekhan.com
Investor Grievance ID: ipo@sharekhan.com
Website: www.sharekhan.com
Contact Person: Pravin Darji/Mehul Koradia/Pankaj Patel
SEBI Registration No.: BSE:INB011073351; NSE: INB231073330

Motilal Oswal Securities Limited
Motilal Oswal Tower,
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi
Mumbai 400 025
Tel: +91 22 3027 8129/8100
Fax: +91 22 3980 4315
E-mail: santosh.patil@motilaloswal.com
Investor Grievance ID: ipo.redressal@motilaloswal.com; grievances@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Santosh Patil
SEBI Registration No.: BSE: INB011041257; NSE: INB231041238

Indian Legal Counsel to our Company
Cyril Amarchand Mangaldas

5th Floor, Peninsula Chambers
Peninsula Corporate Park

Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Indian Legal Counsel to the Underwriters
Khaitan & Co

One Indiabulls Centre
13th Floor, Tower 1
841, Senapati Bapat Marg
Mumbai 400 013
Tel: (91 22) 6636 5000
Fax: (91 22) 6636 5050

International Legal Counsel to the Underwriters
Jones Day

138 Market Street
Level 28, Capita Green
Singapore 048 946
Tel: (65) 6233 5963
Fax: (65) 6539 3939

Auditors to our Company

Haribhakti & Co., LLP, Chartered Accountants
705, Leela Business Park
Andheri Kurla Road
Andheri (E)
Mumbai 400 059
Tel: (91 22) 6672 9999
Fax: (91 22) 6672 9777
Email: anup.mundhra@dhc.co.in
Firm Registration No.: 103523W

Registrar to the Issue

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad 500 032
Tel: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Email: einward.ris@karvy.com
Investor grievance E-mail: parag.ipo@karvy.com
Website: https://karisma.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221
CIN: U74140TG2003PTC041636

Banker to the Issue, Escrow Collection Bank and Refund Bank

Axis Bank Limited
Axis Bank Limited, Nariman Point Branch,
Ground Floor, Maker Chamber 4, Nariman Point
Mumbai 400 021
Tel: (91 22) 2283 4296/ 4355 0710
Fax: (91 22) 6639 0935
Email: nariman point.operationshead@axisbank.com
Website: www.axisbank.com
Contact Person: Sanjay Sharma
SEBI Registration No.: INBI00000017

Bankers to our Company

Union Bank of India
Industrial Finance Branch
619 – Sachapir Street, Pune Camp
Pune 411 001

State Bank of India
Industrial Finance Branch
Tara Chambers Wakdewadi, Old Pune-Mumbai Road
Pune 411 003

Tel: (91 20) 2613 0405/2613 4360
Fax: (91 20) 2613 6607
Email: ifbpune@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: Naveen Jain

Tel: (91 20) 2561 8231/ 232/ 233
Fax: (91 20) 2561 8207
Email: sa.08966@sbi.co.in
Website: www.sbi.co.in
Contact Person: Vani Sinha

IDBI Bank Limited
Shop No. 1A, 1B and 1C
Mount Vert Arcade
Pashan Sus Road, Nr. Balaji Chowk
Pashan, Pune 411 021
Tel: (91 20) 6560 53/54/55/56/57/58/59
Fax: (91 20) 2432 5919
Email: chandrashekhar.navalikar@idbi.co.in
Website: www.idbi.com
Contact Person: Chandrashekhar Navalikar

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For list of branches of the SCSBs named by the respective SCSBs to collect the ASBA Forms please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and email address, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue as the Fresh Issue size shall not exceed ₹5,000.00 million. However, as per the SEBI Listing Regulations, the Audit Committee along with the management of our Company would be monitoring the utilisation of the proceeds of the Issue.

Credit Rating

As this is an Issue of Equity Shares, hence, there is no credit rating for the Issue.

Appraising Entity

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

Experts

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

Our Company has received written consent from the Auditor namely, Haribhakti & Co., LLP, Chartered Accountants, to include its name as required under Section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the reports of our Statutory Auditor on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated March 21, 2016 and the statement of tax benefits dated March 21, 2016 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Statement of Inter-se Allocation of Responsibilities for the Issue

S. No	Activity	Responsibility	Coordinating Book Running Lead Manager
1.	Capital structuring with the relative components and formalities such as composition of debt and equity	Kotak, JM Financial	Kotak
2.	Due diligence of the Company including its operations/ management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	Kotak, JM Financial, IDFC Securities*, Motilal Oswal Investment Advisors Private Limited *	Kotak
3.	Drafting and approval of all statutory advertisements	Kotak, JM Financial	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc.	Kotak, JM Financial	Kotak
5.	Appointment of Intermediaries (including co-ordinating all agreements to be entered with such parties) – Registrar to the Issue, Banker(s) to the Issue, Advertising Agency, Printers and and Monitoring Agency	Kotak, JM Financial	JM Financial
6.	Non-Institutional and retail marketing of the Issue, which will cover, inter alia, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Issue material including form, the Prospectus and deciding on the quantum of the Issue material; and • Finalising Bidding Centres	Kotak, JM Financial, IDFC Securities*, Motilal Oswal Investment Advisors Private Limited *	Kotak
7.	Domestic Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedule	Kotak, JM Financial, IDFC Securities*, Motilal Oswal Investment Advisors Private Limited *	JM Financial
8.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	Kotak, JM Financial, IDFC Securities*, Motilal Oswal Investment	JM Financial

S. No	Activity	Responsibility	Coordinating Book Running Lead Manager
		Advisors Private Limited *	
9.	International Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedule	Kotak, JM Financial, IDFC Securities*, Motilal Oswal Investment Advisors Private Limited *	Kotak
10.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading	Kotak, JM Financial	JM Financial
11.	Managing the book and finalisation of pricing in consultation with the Company	Kotak, JM Financial	JM Financial
12.	Post-bidding activities, including management of escrow accounts, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Anchor Investors, etc. The post-Issue activities will involve essential follow-up steps, including finalisation of trading, dealing of instruments and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the bank handling refund business and the SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company Payment of the applicable Securities Transaction Tax ("STT") on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	Kotak, JM Financial	JM Financial

* *In compliance with the proviso to Regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with proviso to Regulation 5(3) of the SEBI Regulations, IDFC Securities and Motilal Oswal Investment Advisors Private Limited will be involved only in marketing of the Issue.*

Trustees

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

Book Building Process

The book building process, in the context of the Issue, refers to the process of collection of Bids on the basis of this Red Herring Prospectus, the Bid cum Application Form and the Revision Form. The Price Band, Retail Discount and Employee Discount, if any and the minimum Bid Lot will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs, and advertised in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta and the Pune edition of the Marathi newspaper Loksatta (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Issue Price shall be determined by our Company in consultation with the Investor Selling Shareholders and the BRLMs after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the CDPs;
- the Syndicate Members;

- the SCSBs;
- the Registered Brokers;
- the RTAs;
- the Registrar to the Issue; and
- the Escrow Collection Bank(s).

The Issue is being made through the Book Building Process and in terms of Regulation 26(2) of SEBI Regulations and Rule 19(2)(b)(ii) of the SCRR wherein at least 75% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the Investor Selling Shareholders and the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. Further, 5% of the QIB Portion (excluding the Anchor Investor 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 QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Further, 300,000 Equity Shares aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received at or above Issue Price. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange.

All Bidders, except Anchor Investors, can participate in the Issue only through the ASBA process.

In accordance with the SEBI Regulations, QIBs bidding in the QIB Portion and Non-Institutional Investors bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "Issue Structure" and "Issue Procedure" on pages 369 and 371, respectively.

Our Company and the Selling Shareholders (in respect of themselves and the shares offered by them respectively in the Offer for Sale) will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for the Issue. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Regulations and the ASBA process is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at bidding centres during the bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

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

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹22.00 in the above example. The Issuer, in consultation with the Investor Selling Shareholders and the BRLMs, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (see "Issue Procedure – Who Can Bid?" on page 372);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. 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 (see "Issue Procedure" on page 377);

4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

5. All Bidders, except Anchor Investors, can participate in the Issue only through the ASBA process;

6. Ensure the correctness of your PAN, DP ID and Client ID given in the Bid cum Application Form. Based on these parameters, the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID and Client; and

7. Bids by ASBA Bidders will have to be submitted to the Designated Intemediaries in physical form. It may also be submitted in electronic form to the Designated SCSB Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission of the ASBA Forms to the Designated Intemediaries to ensure that the ASBA Form submitted by the ASBA Bidders is not rejected.

For further details for the method and procedure for Bidding, see "Issue Procedure" on page 404.

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

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions 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 completed before filing the Prospectus with the RoC.

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹in millions)
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after pricing and actual allocation.

In the opinion of our Board (based on certificates provided by the Underwriters), 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 under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as of the date of this Red Herring Prospectus. The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue, except for ASBA Bids procured by the Syndicate Member(s). The Underwriting Agreement shall specify the role and obligations of each Syndicate Member.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Red Herring Prospectus is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	100,000,000 Equity Shares	1,000,000,000	[●]
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**(3)		
	70,415,887 Equity Shares	704,158,870	[●]
C	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Up to [●] Equity Shares aggregating up to ₹[●] million		
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,000 million(1)	[●]	[●]
	Offer for Sale of up to 20,572,573 Equity Shares(2)	[●]	[●]
	of which		
	Employee Reservation Portion of up to 300,000 Equity Shares aggregating up to ₹[●] million	[●]	[●]
	Net Issue to the public of up to [●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	1,786,896,557	[●]
	After the Issue	**[●]**	[●]

(1) The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on August 27, 2015 and the Fresh Issue has been approved by our Shareholders pursuant to a resolution passed at the EGM held on August 28, 2015.

(2) Except certain Equity Shares alloted pursuant to (i) the conversion of 102,745,998 CCDs on April 21, 2015; (ii) the bonus issue undertaken through the capitalisation of the securities premium account and free reserves of our Company in the ratio of 2:1; and (iii) the conversion of 13,991,183 CCDs on September 2, 2015, the Equity Shares being offered by the Selling Shareholders in the Issue have been held by them for a period of at least one year prior to the date of the Draft Red Herring Prospectus. The Selling Shareholders are offering up to 20,572,573 Equity Shares, comprising the following, pursuant to their respective authorisations, as set out below:

Sr. No.	*Name of the Selling Shareholder*	*Number of Equity Shares offered*	*Particulars and date of authorisation of Equity Shares offered in the Issue*
1.	*Netra Shah*	*2,004,633*	*Letter dated September 10, 2015*
2.	*Priti Shah*	*1,100,000*	*Letter dated September 18, 2015*
3.	*Parvati Devi Pasari*	*12,000*	*Letter dated July 6, 2015*
4.	*Meet Narayan Pasari*	*12,000*	*Letter dated July 6, 2015*
5.	*Chetan Narayan Pasari and Seema Narayan Pasari*	*18,000*	*Letter dated July 6, 2015*
6.	*Seema Narayan Pasari and Narayan Ramgopal Pasari*	*12,000*	*Letter dated July 6, 2015*
7.	*Satyanarayan Kanhaiya Lal Kabra*	*6,000*	*Letter dated July 6, 2015*
8.	*Nipa Doshi*	*48,000*	*Letter dated July 29, 2015*
9.	*Suneeta Agrawal*	*600,747*	*Letters dated September 11, 2015 and March 14, 2016*
10.	*Vimla Oswal*	*300,372*	*Letters dated September 11, 2015 and*

Sr. No.	*Name of the Selling Shareholder*	*Number of Equity Shares offered*	*Particulars and date of authorisation of Equity Shares offered in the Issue*
			March 14, 2016
11.	*Pratik Oswal*	*300,372*	*Letters dated September 11, 2015 and March 14, 2016*
12.	*Ladderup Finance Limited*	*600,000*	*Letter dated July 6, 2015*
13.	*Anmol Insurance Consultants Private Limited*	*72,000*	*Letter dated July 6, 2015*
14.	*Placid Limited*	*1,200,000*	*Letter dated September 9, 2015*
15.	*IDFC PE*	*8,259,928*	*Letter dated September 11, 2015*
16.	*IBEF I*	*3,917,238*	*Letters dated September 11, 2015 and March 21, 2016*
17.	*IBEF*	*2,109,283*	*Letters dated September 11, 2015 and March 14, 2016*
	Total	***20,572,573***	

Changes in the Authorised Capital

See "History and Certain Corporate Matters" on page 162 for details of the changes in the authorised share capital of our Company.

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) The following is the history of the Equity Share capital and securities premium account of our Company:

Date of allotment of the Equity Shares	No. of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of allotment	Consideration (cash, other than cash, etc.)	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
December 29, 1992	30	10	10	Initial subscription to the Memorandum*	Cash	30	300	Nil
August 17, 1994	49,470	10	10	Preferential allotment(1)	Cash	49,500	495,000	Nil
January 28, 1998	60,000	10	10	Preferential allotment (2)	Cash	109,500	1,095,000	Nil
March 31, 1999	3	10	10	Preferential allotment (3)	Cash	109,503	1,095,030	Nil
March 31, 2000	890,497	10	10	Preferential allotment (4)	Cash	1,000,000	10,000,000	Nil
May 16, 2000	1,825,000	10	10	Preferential allotment (5)	Cash	2,825,000	28,250,000	Nil
May 20, 2000	175,000	10	10	Preferential allotment to Prakash Shah	Cash	3,000,000	30,000,000	Nil
March 20, 2006	152,818	10	200	Preferential allotment (6)	Cash	3,152,818	31,528,180	29,035,420
March 25, 2008	111,500	10	200	Preferential allotment (7)	Other than cash (in consideration for purchase of land)	3,264,318	32,643,180	50,220,420
	250,000	10	200	Preferential allotment to Purva Construction &	Cash	3,514,318	35,143,180	97,720,420

Date of allotment of the Equity Shares	No. of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of allotment	Consideration (cash, other than cash, etc.)	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
				Engineering Private Limited[8]				
May 7, 2008	315,000	10	250	Preferential allotment[9]	Cash	3,829,318	38,293,180	173,320,420
May 16, 2008	50	10	250	Preferential allotment [10]	Cash	3,829,368	38,293,680	173,332,420
February 6, 2009	123,200	10	250	Preferential allotment [11]	Cash	3,952,568	39,525,680	202,900,420
March 17, 2009	11,857,704	10	-	Bonus issue[12]	Other than cash	15,810,272	158,102,720	59,371,840
September 17, 2012	159,192	10	314.09	Preferential allotment [13]	Cash	15,969,464	159,694,640	83,267,503
April 21, 2015	1,709,496	10	113.73	Conversion of 19,441,533 CCDs[14]	Other than cash	17,678,960	176,789,600	260,587,873
	3,047,846	10	260.61	Conversion of 79,429,643 CCDs[15]	Other than cash	20,726,806	207,268,060	1,024,405,843
	170,377	10	113.71	Conversion of 1,937,411 CCDs [16]	Other than cash	20,897,183	208,971,830	1,042,076,183
	170,336	10	113.74	Conversion of 1,937,411 CCDs[17]	Other than cash	21,067,519	210,675,190	1,059,746,933
May 26, 2015	42,135,038	10	-	Bonus issue[18]	Other than cash	63,202,557	632,025,570	979,746,933
September 2, 2015	1,076,785	10	37.80	Conversion of 4,070,675 CCDs[19]	Other than cash	64,279,342	642,793,420	1,009,685,833
	1,653,718	10	59.99	Conversion of 9,920,508 CCDs[20]	Other than cash	65,933,060	659,330,600	1,092,353,733
September 3, 2015	227,000	10	250	Allotment to ESOP Trust[21]	Cash	66,160,060	661,600,600	1,146,833,733
January 14, 2016	442,511	10	54.85	Conversion of 2,427,140 CCDs[22]	Other than cash	66,602,571	666,025,710	1,166,680,351
	207,583	10	62.97	Conversion of 1,307,134 CCDs[23]	Other than cash	66,810,154	668,101,540	1,177,676,023
	118,242	10	37.93	Conversion of 448,519 CCDs[24]	Other than cash	66,928,396	669,283,960	1,180,978,522
	1,426,581	10	28.60	Conversion of 4,080,027 CCDs[25]	Other than cash	68,354,977	683,549,770	1,207,512,929
	2,060,910	10	291.13	Conversion of 60,000,000 CCDs[26]	Other than cash	70,415,887	704,158,870	1,786,896,557

* *Devendra Shah, Pritam Shah and Parag Shah were the initial subscribers to the Memorandum of Association and 10 Equity Shares were allotted to each of them.*

(1) *11,490 Equity Shares were allotted to Pritam Shah, 7,240 Equity Shares were allotted to Parag Shah and 30,740 Equity Shares were allotted to Devendra Shah.*

(2) *8,700 Equity Shares were allotted to Parag Shah, 21,300 Equity Shares were allotted to Pritam Shah, 15,000 Equity Shares were allotted to Devendra Shah and 15,000 Equity Shares were allotted to Prakash Shah.*

(3) *One Equity Share each was allotted to Netra Shah, Rajani Shah and Priti Shah.*

(4) *273,250 Equity Shares were allotted to Parag Shah, 190,750 Equity Shares were allotted to Pritam Shah, 329,297*

Equity Shares were allotted to Devendra Shah, 10,000 Equity Shares were allotted to Prakash Shah, 40,000 Equity Shares were allotted to Priti Shah, 40,000 Equity Shares were allotted to Rajani Shah and 7,200 Equity Shares were allotted to Netra Shah.

(5) *114,000 Equity Shares were allotted to Parag Shah, 461,000 Equity Shares were allotted to Pritam Shah, 773,500 Equity Shares were allotted to Devendra Shah, 262,000 Equity Shares were allotted to Prakash Shah, 46,000 Equity Shares were allotted to Priti Shah, 8,000 Equity Shares were allotted to Rajani Shah and 60,500 Equity Shares were allotted to Netra Shah and 100,000 Equity Shares were allotted to Archana Shah.*

(6) *1,000 Equity Shares each were allotted to Pankaj Amratlal Shah and Savita Patel, 1,375 Equity Shares were allotted to Umesh M Shah-HUF, 1,500 Equity Shares each were allotted to Amish G Metha and Meena N. Shah, 1,650 Equity Shares were allotted to Anil K. Talathi, 1,750 Equity Shares each were allotted to Jagdish M. Shah, Neeta H Shah, Parul M Shah and Renuka P Shah, 1,875 Equity Shares were allotted to Sharad S Jain, 1,950 Equity Shares were allotted to Dasharath C Shah, 2,000 Equity Shares each were allotted to Chandrakan Salvi-HUF and Femina P Shah, 2,075 Equity Shares were allotted to Sumirtra Shah, 2,100 Equity Shares were allotted to Dolly K Sharma, 2,225 Equity Shares were allotted to Meena Salvi, 2,250 Equity Shares were allotted to Induben M Shah, 2,375 Equity Shares were allotted to Shradha Jain, 2,500 Equity Shares each were allotted to Anit S. Jain, Bhavika Shah, Girish P Shah, Hetal D Shah, Umesh M Shah and Vinit Jain, 2,575 Equity Shares each were allotted to Hasmukh B Shah- HUF and Jayesh D. Shah, 2,625 Equity Shares were allotted to Chhaya H Mehta, 2,700 Equity Shares were allotted to Dilip A Shah, 2,725 Equity Shares were allotted to Joyti Shah, 2,750 Equity Shares each were allotted to Jigna A Dhami, Suraj K Patel and Vinod P. Jain- HUF, 2,818 Equity Shares were allotted to Babaji Pandurang Temgire, 2,925 Equity Shares were allotted to Anantrai V. Dhami, 3,750 Equity Shares were allotted to Jigar D Shah, 4,750 Equity Shares each were allotted to Chetan A Dhami and Dinesh Ratilal Shah-HUF, 6,750 Equity Shares each were allotted to Dinesh Shah and Kalpan Dinesh Shah, 15,000 Equity Shares were allotted to Cheenik Export (I) Limited and 35,000 Equity Shares were allotted to Chandra Hingorani.*

(7) *4,574 Equity Shares were allotted to Parag Shah, 4,574 Equity Shares were allotted to Pritam Shah, 4,574 Equity Shares were allotted to Devendra Shah and 97,778 Equity Shares were allotted to Prakash Shah for consideration other than cash being purchase of land situated at Ambegaon, Pune, pursuant to the resolution of the Board dated March 25, 2008.*

(8) *250,000 Equity Shares were allotted to Purva Construction & Engineering Private Limited for the part payment of ₹47,500,000. The Equity Shares were subsequently made fully paid-up.*

(9) *50,000 Equity Shares were allotted to Ladderup Finance Limited for the part payment of ₹3,600,000, 15,000 Equity Shares were allotted to Anmol Insurance Consultants Private Limited for the part payment of ₹1,395,000, 25,000 Equity Shares were allotted to Dhaval Desai for the part payment of ₹700,000 and 200,000 Equity Shares were allotted to Aditya Webtech Online Private Limited for the part payment of ₹7,000,000. The Equity Shares were subsequently made fully paid-up. 25,000 fully paid-up Equity Shares were allotted to IRIS Business Solutions Private Limited.*

(10) *10 Equity Shares each were allotted to IBEF, IBEF 1, Suneeta Agrawal, Vimla Oswal and Pratik Oswal.*

(11) *61,115 Equity Shares were allotted to Devendra Shah, 38,234 Equity Shares were allotted to Priti Shah and 23,851 Equity Shares were allotted to Netra Shah.*

(12) *Bonus issue in the ratio of 3:1, undertaken through capitalisation of the securities premium account.*

(13) *159,192 Equity Shares were allotted to IDFC PE.*

(14) *1,111,184 Equity Shares were allotted to IBEF I and 598,312 Equity Shares were allotted to IBEF on account of conversion of 19,441,533 CCDs (issued on May 16, 2008).*

(15) *3,047,846 Equity Shares were allotted to IDFC PE on account of conversion of 79,429,643 CCDs (issued or acquired, as applicable, on September 17, 2012).*

(16) *170,377 Equity Shares were allotted to Suneeta Agrawal on account of conversion of 1,937,411 CCDs (issued on May 16, 2008).*

(17) *85,168 Equity Shares each were allotted to Vimla Oswal and Pratik Oswal on account of conversion of 1,937,411 CCDs (issued on May 16, 2008).*

(18) *Bonus issue in the ratio of 2:1undertaken through capitalisation of the securities premium account and free reserves of our Company.*

(19) *583,566 Equity Shares were allotted to IBEF I, 314,227 Equity Shares were allotted to IBEF, 89,496 Equity*

Shares were allotted to Suneeta Agrawal, 44,748 Equity Shares each were allotted to Vimla Oswal and Pratik Oswal on account of conversion of 4,070,675 CCDs (issued on May 16, 2008).

(20) 1,653,718 Equity Shares were allotted to IDFC PE on account of conversion of 9,920,508 CCDs (issued or acquired on September 17, 2012, as applicable).

(21) 227,000 Equity Shares were allotted to the ESOP Trust in terms of the ESOS 2015.

(22) 442,511 Equity Shares were allotted to IBEF I on account of conversion of 2,427,140 CCDs.

(23) 207,583 Equity Shares were allotted to IBEF on account of conversion of 1,307,134 CCDs.

(24) 59,122 Equity Shares were allotted to Suneeta Agrawal on account of conversion of 224,259 CCDs; 29,560 Equity Shares were allotted to Vimla Oswal on account of conversion of 112,130 CCDs; 29,560 Equity Shares were allotted to Pratik Oswal on account of conversion of 112,129 CCDs.

(25) 1,426,581 Equity Shares were allotted to IDFC PE on account of conversion of 4,080,027 CCDs.

(26) 2,060,910 Equity Shares were allotted to IDFC S.P.I.C.E. on account of conversion of 60,000,000 CCDs.

(b) Our Company had issued and allotted 2,000,000 preference shares having face value of ₹10.00 each (the "**Preference Shares**") to Britannia New Zealand Foods Private Limited on and pursuant to a Board resolution dated August 10, 2002, which were allotted on August 10, 2002. Subsequently, our Company redeemed the Preference Shares pursuant to a board resolution dated July 3, 2004. As of the date of this Red Herring Prospectus, our Company has no outstanding preference shares.

2. **The details of equity shares allotted for consideration other than cash are provided in the following table:**

(a) Except as included below, we have not issued Equity Shares for consideration other than cash:

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reasons for allotment	Benefits accrued to our Company
March 25, 2008	Parag Shah	4,574	10	200	In consideration for purchase of the land bearing survey No. 43/1A/1 and survey No. 43/1A/2 situated at Ambegaon, Pune.	The Manchar Facility of our Company is located at the land purchased.
	Pritam Shah	4,574	10			
	Devendra Shah	4,574	10			
	Prakash Shah	97,778	10			
March 17, 2009	Equity shareholders of our Company as on March 16, 2009	11,857,704	10	-	Bonus issue in the ratio of 3:1.	-
April 21, 2015	IBEF I	1,111,184	10	113.73	Conversion of 12,637,131 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012	-
	IBEF	598,312	10	113.73	Conversion of 10,679,224 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September, 12, 2012	-
	Suneeta Agrawal	170,377	10	113.71		
	Vimla Oswal	85,168	10	113.74		
	Pratik Oswal	85,168	10			
	IDFC PE	3,047,846	10	260.61	Conversion of 79,429,643 CCDs (issued or acquired on September 17, 2012, as applicable), pursuant to Share Subscription Agreement dated September 12, 2012	-
May 26, 2015	Equity shareholders of our Company as on April 22, 2015	421,35,038	10	-	Bonus issue in the ratio of 2:1	-

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reasons for allotment	Benefits accrued to our Company
September 2, 2015	IBEF I	583,566	10	37.80	Conversion of 2,206,113 CCDs (issued on May 16, 2008) pursuant to the Share Subscription Agreement dated September 12, 2012	-
	IBEF	314,227	10	37.80	Conversion of 1,864,562 CCDs (issued on May 16, 2008) pursuant to the Share Subscription Agreement dated September 12, 2012	-
	Suneeta Agrawal	89,496				
	Vimla Oswal	44,748				
	Pratik Oswal	44,748				
	IDFC PE	1,653,718	10	59.99	Conversion of 9,920,508 CCDs (issued or acquired on September 17, 2012, as applicable) pursuant to Share Subscription Agreement dated September 12, 2012	-
January 14, 2016	IBEF I	442,511	10	54.85	Conversion of 8,262,819 CCDs	-
	IBEF	207,583	10	62.97		
	Suneeta Agrawal	59,122	10	37.93		
	Vimla Oswal	29,560	10	37.93		
	Pratik Oswal	29,560	10	37.93		
	IDFC PE	1,426,581	10	28.60		
	IDFC S.P.I.C.E	2,060,910	10	291.13	Conversion of 60,000,000 CCDs	-

(b) Our Company has not made any bonus issue of Equity Shares out of revaluation reserves in the past.

3. **History of Equity Share capital held by our Promoters**

(a) *Details of the build-up of our Promoters' shareholding in our Company*:

Date of allotment/ transfer	No. of Equity Shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /sale price (₹)	Nature of consideration	Nature of transaction	% of pre-Issue Equity Share Capital	% of post-Issue Equity Share Capital
Devendra Shah							
December 29, 1992	10	10	10	Cash	Allotment	0.00	[●]
August 17, 1994	30,740	10	10	Cash	Allotment	0.04	[●]
January 28, 1998	15,000	10	10	Cash	Allotment	0.02	[●]
March 31, 2000	329,297	10	10	Cash	Allotment	0.47	[●]
May 16, 2000	773,500	10	10	Cash	Allotment	1.10	[●]
March 25, 2008	4,574	10	200	Other than cash[(1)]	Allotment	0.01	[●]
February 6, 2009	61,115	10	250	Cash	Allotment	0.09	[●]
March 17, 2009	3,642,708	10	-	Other than cash[(2)]	Allotment	5.17	[●]
May 26, 2015	9,713,888	10	-	Other than cash[(3)]	Allotment	13.80	[●]
Sub-Total	**14,570,832**					**20.69**	**[●]**
Pritam Shah							
December 29, 1992	10	10	10	Cash	Allotment	0.00	[●]
August 17, 1994	11,490	10	10	Cash	Allotment	0.02	[●]
January 28, 1998	21,300	10	10	Cash	Allotment	0.03	[●]
March 31, 2000	190,750	10	10	Cash	Allotment	0.27	[●]
May 16, 2000	461,000	10	10	Cash	Allotment	0.65	[●]

Date of allotment/ transfer	No. of Equity Shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /sale price (₹)	Nature of consideration	Nature of transaction	% of pre-Issue Equity Share Capital	% of post-Issue Equity Share Capital
March 25, 2008	4,574	10	200	Other than cash[(1)]	Allotment	0.01	[●]
February 6, 2009	35,000	10	10	Cash	Transfer from Chandra Hingorani	0.05	[●]
	25,000	10	222	Cash	Transfer from Dhaval Desai	0.04	[●]
	15,000	10	10	Cash	Transfer from Ceenik Exports (I) Limited	0.02	[●]
	(800)	10	250	Cash	Transfer to Richa Gupta	(0.00)	[●]
March 17, 2009	2,289,972	10	-	Other than cash[(2)]	Allotment	3.25	[●]
May 26, 2015	6,106,592	10	-	Other than cash[(3)]	Allotment	8.67	[●]
Sub-Total	**9,159,888**					**13.01**	[●]
Parag Shah							
December 29, 1992	10	10	10	Cash	Allotment	0.00	[●]
August 17, 1994	7,240	10	10	Cash	Allotment	0.01	[●]
January 28, 1998	8,700	10	10	Cash	Allotment	0.01	[●]
March 31, 2000	273,250	10	10	Cash	Allotment	0.39	[●]
May 16, 2000	114,000	10	10	Cash	Allotment	0.16	[●]
March 25, 2008	4,574	10	200	Other than cash[(1)]	Allotment	0.01	[●]
March 17, 2009	1,223,322	10	-	Other than cash[(2)]	Allotment	1.74	[●]
May 26, 2015	3,262,192	10	-	Other than cash[(3)]	Allotment	4.63	[●]
July 28, 2015	(4,793,288)	10	-	Other than cash[(4)]	Transfer to Poojan Shah and Netra Shah	(6.81)	[●]
Sub-Total	**100,000**					**0.14**	[●]
Total	**23,830,720**					**33.84**	[●]

(1) *These Equity Shares were allotted to Parag Shah, Pritam Shah, Devendra Shah and Prakash Shah in consideration of purchase of land located at Ambegaon, Pune.*

(2) *These Equity Shares were allotted to the Shareholders as on March 16, 2009 on account of a bonus issue in the ratio of 3:1 undertaken through the capitalisation of securities premium account.*

(3) *These Equity Shares were allotted to the Shareholders as on April 22, 2015 on account of a bonus issue in the ratio of 2:1 undertaken through the capitalisation of securities premium account and free reserves of our Company.*

(4) *Parag Shah transferred 3,295,000 Equity Shares to Poojan Shah and 1,498,288 Equity Shares to Netra Shah by way of gift.*

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

As on the date of this Red Herring Prospectus, 8,396,564 Equity Shares held by Pritam Shah and 2,165,836 Equity Shares held by Priti Shah which constitute 11.92% and 3.08%, respectively of the pre-Issue paid-up Equity Share capital of our Company, have been pledged with Kotak Mahindra Investment Limited ("**KMIL**") as security for loan availed by Pritam Shah from the lender (the "**Promoter Loan**"). Further, 12,770,832 and 608,188 Equity Shares held by Devendra Shah, which constitutes 18.14% and 0.86%, respectively of the pre-Issue paid-up capital of our Company are subject to a non-disposal undertaking in favour of KMIL as security for the Promoter Loan. The pledged Equity Shares and the Equity Shares subject to non-disposal undertaking

shall be released to permit lock-in of such Equity Shares in accordance with the SEBI Regulations.

(b) *Details of Promoters' contribution and lock-in*:

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be considered as minimum Promoters' contribution and locked-in for a period of three years from the date of Allotment and the shareholding of our Promoters in excess of 20% shall be locked-in for a period of one year from the date of Allotment.

The details of Equity Shares held by the Promoters, which are eligible to be locked-in for a period of three years from the date of Allotment are given below:

Date of allotment/acquisition and when made fully paid-up	Nature of allotment/ transfer	Nature of consideration (Cash)	Number of Equity Shares locked in	Face value (₹)	Issue/acquisition price per Equity Share (₹)	Percentage of post-Issue paid-up Equity Share capital
Devendra Shah						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Pritam Shah						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]		[●]			

Note: Details of Equity Shares to be locked-in will be included in the Prospectus to be filed with the RoC.

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and from the persons defined as 'promoter' under the SEBI Regulations. The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI Regulations. In this regard, our Company confirms the following:

(i) The Equity Shares offered for the Promoters' contribution have not been acquired in the last three years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) pursuant to bonus issue out of revaluation reserves or unrealised profits of our Company or against Equity Shares which are otherwise ineligible for computation of the Promoters' contribution;

(ii) Our Promoters have given undertakings to the effect that they shall not sell, transfer or dispose of, in any manner, the Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Draft Red Herring Prospectus with SEBI till the date of commencement of lock-in in accordance with SEBI Regulations;

(iii) Other than the eligible Equity Shares issued pursuant to bonus issues, Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iv) Our Company has not been formed by the conversion of a partnership firm into a company; and

(v) All Equity Shares held by our Promoters are in dematerialised form.

Our Promoters have confirmed to our Company and the BRLMs that acquisition of the Equity Shares held by our Promoters and which will be locked-in as Promoter's Contribution have been financed from owned funds and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

(c) *Details of the Equity Shares locked-in for one year*

In addition to 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of one year from the date of allotment, except the (i) Equity Shares subscribed to and Allotted pursuant to the Issue; (ii) the Equity Shares held by IDFC S.P.I.C.E. will be locked-in until December 29, 2016, subject to compliance with Regulation 37(b) of the SEBI Regulations, and (iii) the Equity Shares issued to and held by IDFC PE, IBEF and IBEF-1 (which will be locked-in for a period of 90 days from Allotment).

(d) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investor*

Any Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(e) *Other requirements in respect of lock-in*:

The Equity Shares held by our Promoters which are locked-in for a period of three years from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is one of the terms of the sanction of such loans.

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

The Equity Shares held by our Promoters and locked-in may be transferred to any other Promoter or person of our Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

4. **Issue of Equity Shares in the preceding two years**

For details of issue of Equity Shares by our Company in the preceding two years, see "Capital Structure – Share Capital History of our Company" on page 78.

5. **Shareholding of our Promoters and Promoter Group in our Company**:

		Pre-Issue		Post-Issue	
Sr. No.	**Name of the Shareholder**	**No. of Equity Shares**	**Percentage (%)**	**No. of Equity Shares**	**Percentage (%)**
1.	Devendra Shah	14,570,832	20.69	[●]	[●]
2.	Netra Shah	10,272,782	14.59	[●]	[●]
3.	Pritam Shah	9,159,888	13.01	[●]	[●]
4.	Priti Shah	3,322,820	4.72	[●]	[●]
5.	Poojan Shah	3,295,000	4.68	[●]	[●]
6.	Iris Business Solutions Private Limited	2,314,200	3.29	[●]	[●]
7.	Parag Shah	100,000	0.14	[●]	[●]
8.	Shabdali Desai	10,000	0.01	[●]	[●]
9.	Prakash Shah	100	0.00	[●]	[●]
10.	Rajni Shah	100	0.00	[●]	[●]
11.	Stavan Shah	100	0.00	[●]	[●]
	Total	**43,045,822**	**61.13**	**[●]**	**[●]**

6. **Details of the build-up of equity share capital held by the Selling Shareholders in our Company**

Name of the Selling Shareholder	Date of allotment	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
Netra Shah	March 31, 1999	Preferential allotment	1	Cash	10	0.00	[●]
	March 31, 2000	Preferential allotment	7,200	Cash	10	0.01	[●]

Name of the Selling Shareholder	Date of allotment	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
	May 16, 2000	Preferential allotment	60,500	Cash	10	0.09	[●]
	March 25, 2008	Transfer	13,350	Cash	10	0.02	[●]
	April 18, 2008	Transfer	8,625	Cash	10	0.01	[●]
	February 6, 2009	Preferential allotment	23,851	Cash	10	0.03	[●]
	February 6, 2009	Transfer	180,843	Cash	10	0.26	[●]
	March 17, 2009	Bonus Issue[(1)]	883,110	-	10	1.25	[●]
	September 17, 2012	Transfer	477,583	Cash	10	0.68	[●]
	September 17, 2012	Transfer	(477,583)	Cash	10	(0.68)	[●]
	March 5, 2013	Transfer	158,695	Cash	10	0.23	[●]
	March 5, 2013	Transfer	(158,695)	Cash	10	(0.23)	[●]
	July 24, 2013	Transfer	(745,000)	Cash	10	(1.06)	[●]
	July 24, 2013	Transfer	363,722	Cash	10	0.52	[●]
	July 24, 2013	Transfer	122,000	Cash	10	0.17	[●]
	March 26, 2014	Transfer	6,600	Cash	10	0.01	[●]
	May 26, 2015	Bonus Issue[(2)]	1,849,604	-	10	2.63	[●]
	July 28, 2015	Transfer[(3)]	6,949,336	Transfer by way of gift	10	9.87	[●]
	August 27, 2015	Transfer	900,000	Cash	10	1.28	[●]
	March 29, 2016	Transfer	(350,960)	Transfer	10	0.50	[●]
		Total	**10,272,782**			**14.59**	**[●]**
Priti Shah	March 31, 1999	Preferential allotment	1	Cash	10	0.00	[●]
	March 31, 2000	Preferential allotment	40,000	Cash	10	0.06	[●]
	May 16, 2000	Preferential allotment	46,000	Cash	10	0.07	[●]
	February 6, 2009	Preferential allotment	38,234	Cash	10	0.05	[●]
	March 17, 2009	Bonus Issue[(1)]	372,705	-	10	0.53	[●]
	May 26, 2015	Bonus Issue[(2)]	993,880	-	10	1.41	[●]
	July 28, 2015	Transfer[(3)]	1,832,000	Transfer by way of gift	10	2.60	[●]
		Total	**3,322,820**			**4.72**	**[●]**
Ladderup Finance Limited	May 7, 2008	Preferential allotment	50,000	Cash	10	0.07	[●]
	March 17, 2009	Bonus Issue[(1)]	150,000	-	10	0.21	[●]
	May 26, 2015	Bonus Issue[(2)]	400,000	-	10	0.57	[●]
		Total	**600,000**			**0.85**	
Anmol Insurance Consultants Private Limited	May 7, 2008	Preferential allotment	15,000	Cash	10	0.02	[●]
	March 17, 2009	Bonus Issue[(1)]	45,000	-	10	0.06	[●]
	March 23, 2010	Transfer	(20,000)	Cash	10	(0.03)	[●]
	May 24, 2012	Transfer	(16,000)	Cash	10	(0.03)	[●]

Name of the Selling Shareholder	Date of allotment	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
	May 26, 2015	Bonus Issue[2]	48,000	-	10	0.07	[●]
		Total	**72,000**			**0.10**	
Chetan Narayan Pasari and Seema Narayan Pasari	March 23, 2010	Transfer	6,000	Other than cash	10	0.01	[●]
	May 26, 2015	Bonus Issue[2]	12,000	Other than cash	10	0.02	[●]
		Total	**18,000**			**0.03**	**[●]**
Parvati Devi Pasari	March 23, 2010	Transfer	4,000	Cash	10	0.01	[●]
	May 26, 2015	Bonus Issue[2]	8,000	Other than cash	10	0.01	[●]
		Total	**12,000**			**0.02**	
Nipa Doshi	May 24, 2012	Transfer	15,000	Cash	10	0.02	[●]
	May 24, 2012	Transfer	1,000	Cash	10	0.00	[●]
	May 26, 2015	Bonus Issue[2]	32,000	-	10	0.05	[●]
		Total	**48,000**			**0.07**	
Seema Narayan Pasari and Narayan Ramgopal Pasari	March 23, 2010	Transfer	4,000	Cash	10	0.01	[●]
	May 26, 2015	Bonus Issue[2]	8,000	-	10	0.01	[●]
		Total	**12,000**			**0.02**	**[●]**
Meet Narayan Pasari	March 23, 2010	Transfer	4,000	Cash	10	0.01	[●]
	May 26, 2015	Bonus Issue[2]	8,000	-	10	0.01	[●]
		Total	**12,000**			**0.02**	**[●]**
Satyanarayan Kanhaiya Lal Kabra	March 23, 2010	Transfer	2,000	Cash	10	0.00	[●]
	May 26, 2015	Bonus Issue[2]	4,000	-	10	0.01	[●]
		Total	**6,000**			**0.01**	**[●]**
IDFC PE	September 17, 2012	Preferential allotment	159,192	Cash	10	0.23	[●]
	September 17, 2012	Transfer	477,583	Cash	10	0.68	[●]
	April 21, 2015	Conversion of CCDs[4]	3,047,846	Other than Cash	10	4.33	[●]
	May 26, 2015	Bonus Issue[2]	7,369,242	Capitalisation of reserves	10	10.47	[●]
	July 28, 2015	Conversion of CCDs[5]	1,653,718	Other than Cash	10	2.35	[●]
	January 14, 2016	Conversion of CCDs[7]	1,426,581	Other than Cash	10	2.03	[●]
		Total	**14,134,162**			**20.07**	
IBEF I	May 16, 2008	Preferential allotment	10	Cash	10	0.00	[●]
	March 17, 2009	Bonus Issue[1]	30	Capitalisation of reserves	10	0.00	[●]
	April 21, 2015	Conversion of CCDs[4]	1,111,184	Other than cash	10	1.58	[●]
	May 26, 2015	Bonus Issue[2]	2,222,448	Other than cash	10	3.16	[●]
	September 2, 2015	Conversion of CCDs[6]	583,566	Other than cash	10	0.83	[●]
	January 14, 2016	Conversion of CCDs[7]	442,511	Other than cash	10	0.63	[●]
		Total	**4,359,749**			**6.19**	**[●]**
IBEF	May 16, 2008	Preferential allotment	10	Cash	10	0.00	[●]
	March 17, 2009	Bonus Issue[1]	30	-	10	0.00	[●]
	April 21,	Conversion of	598,312	Other than cash	10	0.85	[●]

Name of the Selling Shareholder	Date of allotment	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
	2015	CCDs[4]					
	May 26, 2015	Bonus Issue [2]	1,196,704	-	10	1.70	[●]
	September 2, 2015	Conversion of CCDs[6]	314,227	Other than cash	10	0.45	[●]
	January 14, 2016	Conversion of CCDs[7]	207,583	Other than cash	10	0.29	[●]
		Total	**2,316,866**			**3.29**	[●]
Suneeta Agrawal	May 16, 2008	Preferential allotment	10	Cash	10	0.00	[●]
	March 17, 2009	Bonus Issue [1]	30	-	10	0.00	[●]
	April 21, 2015	Conversion of CCDs[4]	170,377	Other than cash	10	0.24	[●]
	May 26, 2015	Bonus Issue [2]	340,834	-	10	0.48	[●]
	September 2, 2015	Conversion of CCDs[6]	89,496	Other than cash	10	0.13	[●]
	January 14, 2016	Conversion of CCDs[7]	59,122	Other than cash	10	0.08	[●]
		Total	**659,869**			**0.94**	**[●]**
Vimla Oswal	May 16, 2008	Preferential allotment	10	Cash	10	0.00	[●]
	March 17, 2009	Bonus Issue [1]	30	-	10	0.00	[●]
	April 21, 2015	Conversion of CCDs[4]	85,168	Other than cash	10	0.12	[●]
	May 26, 2015	Bonus Issue [2]	170,416	-	10	0.24	[●]
	September 2, 2015	Conversion of CCDs[6]	44,748	Other than cash	10	0.06	[●]
	January 14, 2016	Conversion of CCDs[7]	29,560	Other than cash	10	0.04	[●]
		Total	**329,932**			**0.47**	**[●]**
Pratik Oswal	May 16, 2008	Preferential allotment	10	Cash	10	0.00	[●]
	March 17, 2009	Bonus Issue [1]	30	-	10	0.00	[●]
	April 21, 2015	Conversion of CCDs[4]	85,168	Other than cash	10	0.12	[●]
	May 26, 2015	Bonus Issue [2]	170,416	-	10	0.24	[●]
	September 2, 2015	Conversion of CCDs[6]	44,748	Other than cash	10	0.06	[●]
	January 14, 2016	Conversion of CCDs[7]	29,560	Other than cash	10	0.04	[●]
		Total	**329,932**			**0.47**	**[●]**
Placid Limited	July 31, 2013	Transfer	745,000	Cash	10	1.06	[●]
	May 26, 2015	Bonus Issue[2]	1,490,000	-	10	2.12	[●]
	August 27, 2015	Transfer	(900,000)	Cash	10	(1.28)	[●]
		Total	**1,335,000**			**1.90**	**[●]**

(1) These Equity Shares were allotted to the Shareholders on account of a bonus issue in the ratio of 3:1.

(2) These Equity Shares were allotted to the Shareholders on account of a bonus issue in the ratio of 2:1.

(3) Prakash Shah transfered a total of 6,707,136 Equity Shares as a gift to Netra Shah and Priti Shah, of which Priti Shah recieved 1,832,000 Equity Shares and Netra Shah received 4,875,136. Rajani Shah transfered 575,912 Equity Shares as a gift to Netra Shah. Parag Shah transfered 1,498,288 Equity Shares as a gift to Netra Shah.

(4) 1,111,184 Equity Shares were allotted to IBEF I, 598,312 Equity Shares were allotted to IBEF, 170,377 Equity Shares were allotted to Suneeta Agrawal, 85,168 Equity Shares each were allotted to Vimla Oswal and Pratik Oswal on account of conversion of 23,316,355 CCDs (issued on May 16, 2008) into Equity Shares.

(5) 3,047,846 Equity Shares were allotted to IDFC PE on account of conversion of 79,429,643 CCDs (issued or acquired, as applicable, on September 17, 2012).

(6) 2,730,503 Equity Shares were allotted to IBEF I, IBEF, Suneeta Agrawal, Vimla Oswal and Pratik Oswal on account of conversion of 79,429,643 CCDs (issued on May 16, 2008).

(7) 1,426,581 Equity Shares were allotted to IDFC PE; 442,511 Equity Shares were allotted to IBEF I; 207,583 Equity Shares were allotted to IBEF; 59,122 Equity Shares were allotted to Suneeta Agrawal; 29,560 Equity Shares were allotted to Vimla Oswal on account of conversion of 112,130 CCDs; 29,560 Equity Shares were allotted to Pratik Oswal on account of conversion of 112,129 CCDs (issued or acquired, as applicable, on September 17, 2012).

7. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of filing this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class eg: X	Class eg:y	Total								
(A)	Promoter & Promoter Group	11	43,045,822	Nil	Nil	43,045,822	61.13	43,045,822	Nil	43,045,822	61.13	Nil	61.13		Nil	23,941,420	55.17	43,045,822
(B)	Public	21	27,143,065	Nil	Nil	27,143,065	38.55	27,143,065	Nil	27,143,065	38.55	Nil	38.55		Nil	Nil	Nil	27,143,065
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00		Nil	Nil	Nil	Nil
(C2)	Shares held by Employee Trusts	1	227,000	Nil	Nil	227,000	0.32	227,000	Nil	227,000	0.32	Nil	0.32		Nil	Nil	Nil	227,000
	Total	**33**	**70,415,887**	Nil	Nil	**70,415,887**	**100.00**	**70,415,887**	Nil	**70,415,887**	**100.00**	Nil	**100.00**		Nil	**23,941,420**	**55.17**	**70,415,887**

8. **The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under**:

(a) As of the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Devendra Shah	14,570,832	20.69
2.	IDFC PE	14,134,162	20.07
3.	Netra Shah	10,272,782	14.59
4.	Pritam Shah	9,159,888	13.01
5.	IBEF I	4,359,749	6.19
6.	Priti Shah	3,322,820	4.72
7.	Poojan Shah	3,295,000	4.68
8.	IDFC S.P.I.C.E	2,411,870	3.43
9.	IBEF	2,316,866	3.29
10.	Iris Business Solutions Private Limited	2,314,200	3.28
	Total	**66,158,169**	**93.95**

(b) As of 10 days prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Devendra Shah	14,570,832	20.69
2.	IDFC PE	14,134,162	20.07
3.	Netra Shah	10,272,782	14.59
4.	Pritam Shah	9,159,888	13.01
5.	IBEF I	4,359,749	6.19
6.	Priti Shah	3,322,820	4.72
7.	Poojan Shah	3,295,000	4.68
8.	IDFC S.P.I.C.E	2,411,870	3.43
9.	IBEF	2,316,866	3.29
10.	Iris Business Solutions Private Limited	23,14,200	3.28
	Total	**66,158,169**	**93.96**

(c) As of two years prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Devendra Shah	4,856,944	6.90
2.	Pritam Shah	3,053,296	4.34
3.	Prakash Shah	2,239,112	3.18
4.	Parag Shah	1,631,096	2.32
5.	Netra Shah	924,802	1.31
6.	Iris Business Solutions Private Limited	771,400	1.10
7.	Placid Limited	745,000	1.06
8.	IDFC PE	636,775	0.90
9.	Priti Shah	496,940	0.71
10.	Ladderup Finance Limited	200,000	0.28
	Total	**15,555,365**	**22.09**

9. **Employee Stock Option Scheme, 2015 ("ESOS 2015")**

Our Company instituted the ESOS 2015 on April 21, 2015 pursuant to resolutions dated February 27, 2015 and April 21, 2015 passed by the Board and resolutions dated and April 3, 2015 and May 16, 2015 passed by our Shareholders. The ESOS 2015 is compliant with the SEBI ESOP Regulations.

Pursuant to a Shareholders' resolution dated May 16, 2015, bonus shares were allotted in the ratio of 2:1 to the Shareholders as on a record date of April 22, 2015. The total number of options that can be granted under ESOS 2015 is 696,339, convertible into 696,339 Equity Shares, as approved pursuant to a Board resolution dated April 21, 2015 and a resolution passed by the Shareholders in the EGM held on May 16, 2015.

The ESOS 2015 is administered by the ESOP Trust. 227,000 Equity Shares were allotted to the ESOP Trust on September 3, 2015.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>227,000 options granted in Fiscal 2016</td></tr>
<tr><td>The pricing formula</td><td>227,000 options granted at fair market value</td></tr>
<tr><td>Exercise price of options (as on the date of grant of options)</td><td>₹250 each</td></tr>
<tr><td>Total options vested</td><td>Nil</td></tr>
<tr><td>Options exercised</td><td>Nil</td></tr>
<tr><td>Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)</td><td>227,000</td></tr>
<tr><td>Options forfeited / lapsed / cancelled</td><td>Nil</td></tr>
<tr><td>Variation in terms of options</td><td>Nil</td></tr>
<tr><td>Money realised by exercise of options</td><td>Nil</td></tr>
<tr><td>Options outstanding (in force)</td><td>227,000</td></tr>
<tr><td>Person wise details of options granted to</td><td></td></tr>
<tr><td>(a) Senior Managerial Personnel, i.e. Directors and key managerial personnel</td><td>
<table>
<tr><th>Sr No.</th><th>Key Managerial Personnel</th><th>Designation</th><th>Number of options granted</th></tr>
<tr><td>1.</td><td>Bharat Kedia</td><td>Chief Financial Officer</td><td>14,830</td></tr>
<tr><td>2.</td><td>Mahesh Israni</td><td>Chief Marketing Officer</td><td>14,450</td></tr>
<tr><td>3.</td><td>Shirish Upadhyay</td><td>Senior Vice President-Planning</td><td>13,660</td></tr>
<tr><td>4.</td><td>Rachana Sanganeria</td><td>Company Secretary</td><td>1,250</td></tr>
<tr><td colspan="3">Total</td><td>44,190</td></tr>
</table>
</td></tr>
<tr><td>(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Nil</td></tr>
<tr><td>(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td>Nil</td></tr>
<tr><td>Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'</td><td>Not applicable</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for Financial Year 2015</td><td>Not applicable</td></tr>
<tr><td>Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for Financial Year 2015</td><td>Weighted average exercise price (as on the date of grant) – ₹250.00 per Equity Share
Weighted average fair value (as on the date of grant) – ₹250.00 per Equity Share</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>Discounted cash flow method</td></tr>
<tr><td>Vesting schedule</td><td>Vesting of options granted in the Financial Year ended March 31, 2017:
<table><tr><th>Date of Vesting</th><th>% of Vesting</th></tr><tr><td>September 3, 2016</td><td>100</td></tr></table></td></tr>
<tr><td>Lock-in</td><td>The Equity Shares to be transferred to employees pursuant to the exercise of options granted under the ESOP 2015 may not be sold until the Equity Shares are listed on a recognised stock exchange.</td></tr>
<tr><td>Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 13 of the SEBI ESOP Regulations in respect of options granted in the last three years</td><td>Nil</td></tr>
<tr><td>Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue</td><td>In the event listing of Equity Shares is completed after June 3, 2016, the employees may sell the Equity Shares received on exercise of options within the period of three months after such listing.</td></tr>
</table>

10. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

11. 300,000 Equity Shares aggregating up to ₹[●] million constituting [●]% of the Issue, have been reserved for allocation to Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above Issue Price and subject to a maximum Bid Amount by each Eligible Employee not exceeding ₹200,000. Only Eligible Employees bidding in the Employee Reservation Portion are eligible to apply in the Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees bidding in the Employee Reservation Portion could also be made in the Net Issue and such Bids would not be treated as multiple Bids. The Employee Reservation Portion would not exceed 5% of the post-Issue capital of our Company.

12. Our Company has not issued any Equity Shares out of revaluation of reserves.

13. Except as disclosed below, our Company has not issued Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Red Herring Prospectus:

Name of Person/Entity	Date of Issue	No. of Equity Shares allotted	Issue price per Equity Share (₹)	Reason
IBEF I	April 21, 2015	1,111,184	113.73	Conversion of 12,637,131 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
IBEF		598,312		Conversion of 10,679,224 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
Suneeta Agrawal		170,377	113.71	
Vimla Oswal		85,168	113.74	
Pratik Oswal		85,168		
IDFC PE		3,047,846	260.61	Conversion of 79,429,643 CCDs (issued or acquired on September 17, 2012, as applicable), pursuant to Share Subscription Agreement dated September 12, 2012
The Shareholders of our Company as on April 22, 2015	May 26, 2015	421,35,038	-	Bonus issue in the ratio of 2:1
IDFC PE	September 2, 2015	1,653,718	59.99	9,920,508 CCDs (issued or acquired on September 17, 2012, as applicable), pursuant to Share Subscription Agreement dated September 12, 2012
IBEF I		583,566	37.80	Conversion of 2,206,113 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
IBEF		314,227	37.80	Conversion of 1,864,562 CCDs (issued on May 16, 2008), pursuant to the Share Subscription Agreement dated September 12, 2012
Suneeta Agrawal		89,496		
Vimla Oswal		44,748		
Pratik Oswal		44,748	37.00	
ESOP Trust	September 3, 2015	227,000	250	Allotment to ESOP Trust
IBEF I	January 14, 2016	442,511	54.85	Conversion of 8,262,819CCDs
IBEF		207,583	62.97	
Suneeta Agrawal		59,122	37.93	
Vimla Oswal		29,560	37.93	
Pratik Oswal		29,560	37.93	
IDFC PE		1,426,581	28.60	
IDFC S.P.I.C.E	January 14, 2016	2,060,910	291.13	Conversion of 60,000,000 CCDs

Except as stated in the section "Our Management" on pages 174 and 184 respectively, none of our Directors or key management personnel holds any Equity Shares.

14. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of the Equity Shares or further issue of the Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for the Equity Shares) whether on a preferential basis or by way of issue of bonus issue or on a rights basis or by way of further public issue of the Equity Shares or qualified institutional placements or otherwise.

15. Except for the issue of the Equity Shares pursuant to (i) the conversion of the outstanding CCDs (60,000,000 CCDs held by IDFC S.P.I.C.E.; 2,427,140 CCDs held by IBEF I; 1,307,134 CCDs held by IBEF; 4,080,027 CCDs held by IDFC PE; 224,259 CCDs held by Suneeta Agrawal; 112,130 CCDs held by Vimla Oswal; and 112,129 CCDs held by Pratik Oswal), in accordance with the contractual arrangements entered into with such shareholders, there has been no further issue of Equity Shares by our Company, whether by way of issue of bonus shares, preferential allotment, 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 have been listed on the Stock Exchanges.

16. Except as disclosed below, the Promoter Group, our Directors and their immediate relatives have not purchased or sold any securities of our Company during the period commencing six months prior to the

date of filing the Draft Red Herring Prospectus with SEBI:

Sr. No.	Name of the Shareholder	Promoter/ Promoter Group/ Director	Nature of transaction	Total no. of Equity Shares purchased / subscribed / sold	Percentage of pre-Issue Equity Share capital
1.	Parag Shah	Promoter	Transfer by way of gift	4,793,288	6.81
2.	Netra Shah	Promoter Group	Purchase	900,000	1.28
			Transfer by way of gift	6,949,336	9.87
3.	Prakash Shah	Promoter Group	Transfer by way of gift	6,717,236	9.54
4.	Rajani Shah	Promoter Group	Transfer by way of gift	575,912	0.82
5.	Poojan Shah	Promoter Group	Transfer by way of gift	3,295,000	4.68
6.	Stavan Shah	Promoter Group	Transfer by way of gift	100	0.00
7.	Shabdali Desai	Promoter Group	Transfer by way of gift	10,000	0.01
8.	Priti Shah	Promoter Group	Transfer by way of gift	1,832,000	2.60

17. None of our Promoters, members of the Promoter Group, our Directors and their immediate relatives have purchased or sold any securities of our Subsidiary during the period commencing from six months prior to the date of filing the Draft Red Herring Prospectus with SEBI.

18. There have been no financial arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months preceding the date of filing of the Draft Red Herring Prospectus.

19. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of the Equity Shares being offered in the Issue from any person.

20. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

21. All Equity Shares in the Issue are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

22. Our Company has no outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Red Herring Prospectus.

23. In case of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b)(ii) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares in the Fresh Issue followed by Allotment of Equity Shares offered by Promoter Group Selling Shareholders followed by Allotment of Equity Shares offered by the Investor Selling Shareholders and then Allotment of Equity Shares offered by the Remaining Selling Shareholders. In case of any reduction in the size of the Offer for Sale by the Investor Selling Shareholders on account of under-subscription, the Equity Shares offered by IDFC PE on the one hand and IBEF I and IBEF on the other hand, will be reduced pro rata, however, as between IBEF I and IBEF, Equity Shares offered by IBEF I shall be in preference over and in priority to the Equity Shares offered by IBEF. The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Red Herring Prospectus and SEBI Regulations. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion) of Bidders at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange.

24. Except the Equity Shares held by IDFC PE and IDFC S.P.I.C.E. respectively, both of which are

associates of IDFC Securities Limited and the Equity Shares held by IBEF and IBEF I, both of which are associates of Motilal Oswal Investment Advisors Private Limited, none of the BRLMs or their respective associates hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.

25. As of the date of the filing of this Red Herring Prospectus, our Company has 33 Shareholders.

26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

27. Our Company shall Allot at least 75% of the Net Issue to QIBs on a proportionate basis, provided that our Company may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation on a proportionate basis to the QIB Bidders (other than Anchor Investors) including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange. At least 75% of the Net Issue shall be Allotted to QIBs, and in the event that at least 75% of the Net Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue portion.

28. Our Promoters and members of the Promoter Group will not subscribe to or purchase Equity Shares in the Issue.

OBJECTS OF THE ISSUE

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

The Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting their proportion of Issue related expenses. Our Company will not receive any proceeds of the Offer for Sale. Other than the listing fees which shall be borne by our Company, the expenses in relation to the Issue will be borne by our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue by our Company and the Selling Shareholders, respectively.

The Fresh Issue

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. To meet the capital expenditure requirements in relation to expansion and modernisation of existing manufacturing facilities of our Company at Manchar (the "**Manchar Facility**") and Palamaner (the "**Palamaner Facility**"), and improving the marketing/ distribution infrastructure (the "**Marketing Infrastructure**" and together with the capital expenditure requirements for the expansion and modernisation of the Manchar Facility and the Palamaner Facility, the "**Expansion and Modernisation Plan**");

2. Investment in Subsidiary for financing the capital expenditure requirements in relation to the expansion and modernisation of the Bhagyalaxmi Dairy Farm;

3. Partial repayment of the Working Capital Consortium Loan; and

4. General corporate purposes.

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

Net Proceeds

The details of the Net Proceeds are set forth in the table below:

Particulars[(1)]	Estimated Amount (In ₹million)
Gross proceeds of the Fresh Issue	Up to 3,000
Less: Issue expenses to be borne by our Company[(1)]	[●]
Net Proceeds	**[●]**

(1) To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the Registrar of Companies.

Means of Finance

The fund requirements set out below are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals.

Requirement of Funds and Utilisation of Net Proceeds

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

Particulars	Amount (In ₹million)
Expansion and Modernisation Plan	1,477.01
Investment in Subsidiary for financing the capital expenditure requirements in relation to the expansion and modernisation of the Bhagyalaxmi Dairy Farm	22.99
Partial repayment of the Working Capital Consortium Loan	1,000.00

Particulars	Amount (In ₹million)
General corporate purposes*	[●]
Total	**[●]**

** To be finalised upon determination of the Issue Price*

The fund requirements mentioned above are based on our internal management estimates and have not been appraised by any bank, financial institution or any other external agency.

Schedule of Utilisation of the Net Proceeds

(In ₹million)

Sr. No.	Particulars	Schedule of Utilisation			
		Fiscal 2017	**Fiscal 2018**	**Fiscal 2019**	**Total**
1.	Expansion and Modernisation Plan	831.45	626.31	19.25	1,477.01
2.	Investment in Subsidiary for financing the capital expenditure requirements in relation to the expansion and modernisation of the Bhagyalaxmi Dairy Farm	22.99	-	-	22.99
3.	Partial repayment of the Working Capital Consortium Loan	1,000	-	-	1,000
4.	General corporate purposes*	[●]	[●]	[●]	[●]
Total		[●]	[●]	[●]	[●]

** To be finalised upon determination of the Issue Price*

The fund deployment indicated above is based on current circumstances of our business and we may have to revise its estimates from time to time on account of various factors, such as financial and market conditions, competitive environment, costs of equipments and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the objects of the Issue, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the objects is lower than the proposed deployment, then such balance will be used for future growth opportunities including, funding existing objects (if required) and general corporate purposes, subject to applicable laws.

Details of the Objects of the Issue

The details in relation to the objects of the Fresh Issue are set forth below:

1. *Expansion and Modernisation Plan*

We currently operate from our two manufacturing facilities, the Manchar Facility in Pune, Maharashtra and the Palamaner Facility in Chittoor, Andhra Pradesh, with milk processing capacities of 1.2 million litres per day and 0.8 million litres per day, respectively. We produce cheese and whey products only at the Manchar Facility and UHT products only at the Palamaner Facility. Our other products are produced at both the facilities. The Palamaner Facility has a UHT product manufacturing capacity of 0.17 million litres per day and is capable of producing several UHT treated products in Tetra Pak brick and fino formats. We use a continuous and automated process to manufacture cheese, spray drying process to produce milk powder, filtration process to produce whey powder and thermisation process to manufacture curd. For the refrigeration of our products, we have installed a vapour absorption machine, screw compressor and reciprocating compressors, all with variable frequency drives. We have also installed homogenisers, separators and pasteurisers for the processing of milk. We have installed equipment such as evaporators and dryers for manufacturing milk powders and whey powders, filtration lines for manufacturing whey proteins and powders, sterilization equipment for manufacturing beverages such as flavoured milk, and a fully automated cheese line for manufacturing cheese.

Our supply chain network includes procurement from nine districts across Maharashtra for the Manchar Facility and 20 districts across Andhra Pradesh, Karnataka and Tamil Nadu for the Palamaner Facility. We procure milk from milk farmers and through chilling centres and bulk coolers. Our average daily milk procurement for the

financial years 2015 and 2014 was approximately 0.88 million litres and 0.62 million litres for the Manchar Facility and 0.17 million litres and 0.15 million litres for the Palamaner Facility. As of February 29, 2016, our distribution network in India comprised 15 depots, 104 super stockists and over 3,000 distributors.

We also have a research and development team at the Manchar Facility to support our product development and process development activities. We conduct product development work through changes in product composition and usage of different packaging material and process development work aimed at minimizing process losses and reducing process cycle time.

In line with our strategy of increasing our value added products portfolio, we propose to enhance the production capacity for products such as cheese, whey and curd. Further, we propose to enhance our facilities for milk handling, milk packing, warehousing and cold storage and other facilities at the existing sites. We further propose to set up a research and development centre at the Manchar Facility to develop new products and processes. The above expansions will enable us to meet the increasing demands for our products, increase the penetration of our products in markets, increase our value-added products portfolio, improve operational efficiency and reduce production costs.

Additionally, in an endeavour to have zero liquid discharge, we propose to design, modernise and expand the effluent treatment plant at the Manchar Facility.

We propose to utilise an aggregate amount of ₹1,477.01 million towards the Expansion and Modernisation Plan. This amount includes packing, freight, insurance, applicable taxes, design, installation and commissioning charges, as applicable, and contingency provision.

The Expansion and Modernisation Plan is expected to be completed by March 2019.

The details of the activities proposed to be undertaken in terms of the Expansion and Modernisation Plan, including the details of some of the machinery and equipments proposed to be acquired and installed are set out below:

(A) Expansion and modernisation of the Manchar Facility:

Sr. No.	Particulars	Key machinery and equipment	Total estimated cost (in ₹million)
1.	Expansion and modernisation of the effluent treatment plant from current capacity of 2,000 cubic meter per day to 2,600 cubic meter per day	Storage tanks, agitators, centrifugal pumps and mechanical fine screen	307.20
2.	Expansion of cheese manufacturing facility from 40 MTD to 60 MTD	Cheese making VATs, milk pasteuriser and block former	115.19
3.	Expansion of milk handling capacity from 12 LLPD to 20 LLPD	Pasteuriser system and cream separator	38.40
4.	Expansion of whey processing facility from four LLPD to 10 LLPD	Whey separator, whey clarifier, whey pasteuriser, whey crystallisation system and storage tanks	145.76
5.	Establishment of fully automated paneer manufacturing with capacity of 20 MTD	Paneer making line, paneer cutting machine and blast chiller	78.40
6.	Expansion and modernisation of milk packing facility from two LLPD to three LLPD	Pasteurised milk storage tank and milk pouch cold storage	81.94
7.	Expansion of milk procurement facilities across various procurement centres in and around the Manchar Facility	Bulk coolers, diesel generator sets and testing equipments	51.51
8.	Setting-up of research and development facility	Research and development centre for dairy products	102.00
9.	Contingency	-	2.09
		Total	**922.50**

(B) Expansion and modernisation of the Palamaner Facility:

Sr. No.	Particulars	Key machinery and equipment	Total estimated cost (in ₹million)
1.	Setting-up new production line of milk based beverages of 0.3 LLPD	Retort can filling line, homogeniser and milk tank with agitator	177.40
2.	Expansion and modernisation of milk handling capacity from eight LLPD to 14 LLPD	Cream separator, cream storage tank and pasteuriser	33.46
3.	Expansion and modernisation of curd manufacturing facility from 40 MTD to 60 MTD	Milk pasteuriser, rotary filling machine and blast cold storage	5.44
4.	Expansion and modernisation of liquid milk packing facility from 1.75 LLPD to 2.25 LLPD	Milk packing machines	4.43
5.	Expansion and modernisation of UHT processing facility by 0.80 LLPD	Steriliser with homogeniser	41.23
6.	Enhancement and modernisation of cold storage and warehousing facilities (through installation of an automated system with the capacity to handle 10,000 pellets)	Automatic storage and retrieval system	124.11
7.	Expansion of milk procurement facilities across various procurement centres in and around the Palamaner Facility	Bulk coolers, diesel generator sets and testing equipments	65.45
8.	Contingency	-	0.95
		Total	**452.46**

(C) Expansion of Marketing Infrastructure

We propose to expand our marketing/ distribution infrastructure at an estimated cost of ₹102.05 million by (a) setting-up coolers and cold rooms across super stockists and distribution locations across India; (b) procuring insulators for distribution vans, refrigerated vehicles and merchandising vehicles; and (c) procuring computers, tablets and printers for distributers.

In relation to the purchase of the machinery and equipments for the Expansion and Modernisation Plan as set out above, we have received quotations from various vendors which are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery and equipment or at the same costs. The quantity of machinery and equipment to be purchased is based on management estimates. We do not intend to purchase any second-hand machinery or equipments.

2. *Investment in Subsidiary for financing the capital expenditure requirements in relation to the expansion and modernisation of the Bhagyalaxmi Dairy Farm*

Our Subsidiary, BDFPL, is involved in the business of, amongst others, purchasing, selling, importing, exporting, breeding, raising, acquiring, owning, holding, dealing in, using and rearing milch animals and dairy farming. We set up our Bhagyalaxmi Dairy Farm (the "**BD Farm**"), through BDFPL, at Manchar, Pune, in 2005, with an aim to educate farmers about best practices of breeding, feeding, animal management and improving productivity. The BD Farm is a fully automated cow farm, housing over 2,000 Holstein breed cows with superior quality yields. We have installed a fully automated rotary milking parlour to milk cows without human intervention and to ensure that milk is not exposed to any impurities in the environment. We have also adopted advanced technologies to breed cows at our farm. We produce farm-to-home premium fresh milk at the BD Farm, which we market and sell under our 'Pride of Cows' brand in Mumbai and Pune.

As on the date of this Red Herring Prospectus, our Company has invested ₹577.64 million in BDFPL,

constituting 100% of the paid-up capital of BDFPL. We propose to utilise ₹22.99 million from the Net Proceeds towards further investment in BDFPL for financing the capital expenditure of the BD Farm.

We propose to utilise the proceeds from this investment in BDFPL towards (a) setting up of a technology centre; and (b) undertaking utility expansion, at the BD Farm (collectively, the "**BD Farm Expansion**"). The cost for the BD Farm Expansion is entirely based on management estimates. In relation to purchase of machinery and equipment for such expansion and modernisation, we have received quotations from various vendors which are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery and equipment or at the same costs. The quantity of machinery and equipment to be purchased is based on the estimates of our management. BDFPL does not propose to purchase any second-hand machinery or equipment.

The investment by our Company in BDFPL is proposed to be undertaken by way of subscription to the equity shares of BDFPL. No dividends have been assured to our Company by the Subsidiary for the purposes of the said investment. The said investment will result in the increase in the value of the investment made by our Company in the Subsidiary. Further, such investment is being undertaken in furtherance of our Company's objective of using the BD Farm as a research and development base, to meet the increasing demand of its farm-to-home premium fresh milk, to derive better genetic material from the breed cows through setting up of a semen station, laboratory and artificial insemination delivery system, and to improve operational efficiency.

3. ***Partial repayment of the Working Capital Consortium Loan***

Our business is working capital intensive and we fund majority of our working capital requirements in the ordinary course of its business from internal accruals and from various banks and financial institutions. Our Company has availed of the Working Capital Consortium Loan through the working capital consortium agreement dated March 14, 2005, as supplemented from time to time (the "**Consortium Agreement**") for working capital requirements for the Manchar Facility and the Palamaner Facility (collectively, the "**Facilities**"). The fund-based amounts sanctioned under the Working Capital Consortium Loan aggregated to ₹2,400 million as on February 29, 2016. In addition to the fund based facilities, the Working Capital Consortium Loan also includes non-fund based facilities aggregating to ₹55 million. Further, the amount outstanding under the fund based facilities of the Working Capital Consortium Loan as on February 29, 2016 was ₹2,350.90 million. For further details of the Working Capital Consortium Loan availed by our Company, see "Financial Statements – Statement of Principal Terms of Short term Borrowings as at December 31, 2015, as restated" on page 273.

Further, the amounts outstanding under the Working Capital Consortium Loan are dependant on several factors and may vary with the business cycle and could include interim repayments and drawdown. Given the nature of these borrowings and terms of repayment, aggregate outstanding amount may vary from time to time. In the event sanctioned amounts under the Working Capital Consortium Loan were to increase and be drawn down, such further amounts prior to filing the Red Herring Prospectus with the RoC, we may revise our utilisation of the Net Proceeds towards repayment of amounts under the Working Capital Consortium Loan, as mentioned above, subject to compliance with the SEBI Regulations, Companies Act and other applicable laws.

Our Company intends to utilise ₹1,000 million in Fiscal 2016 to proportionately repay a part of the Working Capital Consortium Loan. Such repayment will help reduce our outstanding indebtedness and our debt-equity ratio. Reducing our indebtedness will result in an enhanced equity base, assist us in maintaining a favourable debt-equity ratio in the near future and enable utilisation of our accruals for further investment in business growth and expansion in new projects. In addition, we believe that the leverage capacity of our Company will improve significantly to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides the details of the Working Capital Consortium Loan which shall be repaid in part from the Net Proceeds:

Sr. No.	Lenders	Particulars of the documentation	Amount Sanctioned as on February 29, 2016 (in ₹million)	Amount availed of and outstanding as on February 29, 2016 under fund based facilities (in ₹million)[(1)]	Interest rate (% per annum)	Purpose	Repayment Schedule
1.	Union Bank of India ("**UBI**"); State Bank of India ("**SBI**"); IDBI Bank ("**IDBI**" and collectively with UBI, and SBI the "**WC Consortium Lenders**")	Working capital consortium agreement dated March 14, 2005, as supplemented through supplemental working capital consortium agreements dated September 12, 2007, June 24, 2009, May 6, 2010, July 25, 2011, July 13, 2012, August 31, 2013 and September 13, 2014, and the sanction letters issued by each of the WC Consortium Lenders	Aggregate amount: Fund Based – 2,400.00	2,350.90		Working capital requirements for the Facilities	The Working Capital Consortium Loan is repayable on demand
			UBI: Fund based – 1,200.00 Non Fund Based – 5.00	1,170.27	UBI base rate + 2.75 basis points		
			SBI: Fund based – 820.00 Non Fund Based – 50.00	809.38	SBI base rate + 3.25 basis points		
			IDBI: Fund based – 380.00	371.24	IDBI base rate + 3.25 basis points		

(1) *As certified by M/s Deepak D. Agrawal & Associates, Chartered Accountant(s), pursuant to their certificate dated March 18, 2016. Further, M/s Deepak D. Agrawal & Associates, Chartered Accountant(s) has certified that as on Februaury 29, 2016, our Company has utilised the amount drawn down under the Working Capital Consortium Loan for the purpose for which it was granted.*

4. *General corporate purposes*

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include meeting exigencies and expenses incurred, by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any

5. *Issue Expenses*

The total expenses of the Issue are estimated to be approximately ₹[●] million. The break-up for the Issue expenses is as follows:

Activity	Estimated expenses[(1)] (in ₹million)	As a % of the total estimated Issue expenses[(1)]	As a % of the total Issue size[(1)]
Fees payable to BRLMs	[●]	[●]	[●]
Selling commission and processing fees for SCSBs[(4)] [(5)]	[●]	[●]	[●]
Selling commission and processing/uploading charges for Members of the Syndicate, RTAs and CDPs[(2)]	[●]	[●]	[●]
Processing/uploading charges for Registered Brokers[(3)]	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Printing and stationary expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others			
• Listing fees	[●]	[●]	[●]
• SEBI, BSE and NSE processing fees	[●]	[●]	[●]
• Fees payable to Legal Counsels	[●]	[●]	[●]
• Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

1) Amounts will be finalised at the time of filing the Prospectus and on determination of Issue Price and other details.

2) Selling commission on the portion for Retail Individual Bidders, portion for Eligible Employees and the portion for Non-Institutional Bidders which are procured by members of the Syndicate (including their Sub Syndicate Members), RTAs and CDPs would be as follows:

Portion for Retail Individual Bidders	*0.35% of the Amount Allotted* (plus applicable service tax)*
Portion forNon-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable service tax)*
Portion for Eligible Employees	*0.35% of the Amount Allotted* (plus applicable service tax)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

In addition to the selling commission referred above, any additional amount(s) to be paid by the Company and Selling Shareholders shall be, as mutually agreed upon the Book Running Lead Managers, their affiliate Syndicate Member, the Company and Selling Shareholders before the opening of the Issue. The Syndicate, RTAs and CDPs shall be entitled to processing/uploading charges of ₹10(plus applicable service tax) per valid Bid cum Application Form procured by them.

3) Processing/uploading charges payable to the Registered Brokers on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees, which are directly procured by the Registered Brokers and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Non-Institutional Bidders	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Eligible Employees	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*

** Based on valid Bid cum Application Forms*

4) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees, which are directly procured by them would be as follows:

Portion for Retail Individual Bidders	*0.35% of the Amount Allotted* (plus applicable service tax)*
Portion forNon-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable service tax)*
Portion for Eligible Employees	*0.35% of the Amount Allotted* (plus applicable service tax)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

No additional processing/uploading charges shall be payable by the Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

5) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are procured by the members of the Syndicate /Sub-Syndicate /Registered Brokers / RTAs /CDPs and submitted to SCSBs for blocking would be as follows.

Portion for Retail Individual Bidders	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Non-Institutional Bidders	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*
Portion for Eligible Employees	*₹10 per valid Bid cum Application Form* (plus applicable service tax)*

** Based on valid Bid cum Application Forms*

The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective intermediaries by the Company in accordance with the arrangements/ aggrements with the relevant intermediary.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Bridge Financing Facilities

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

Monitoring of Utilisation of Funds

Since the proceeds from the Fresh Issue shall not exceed ₹5,000 million, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as prescribed by SEBI, in this regard.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised.

Other Confirmations

No part of the proceeds of the Fresh Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the Investor Selling Shareholders and the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the 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.

Investors should also refer to the sections "Our Business", "Risk Factors" and "Financial Statements" on pages 141, 16 and 191, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that the following are our competitive strengths:

- Well Established Brands Targeting a Range of Consumer Groups;
- Integrated Business Model;
- Diversified Product Portfolio and Customer Base;
- Growing Pan-India Distribution Network;
- Established Track Record of Growth and Financial Performance; and
- Experienced Senior Management.

For further details, see "Our Business - Our Competitive Strengths" on pages 143 and 144 of this Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. For details, see "Financial Statements" on page 191.

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

1. Earnings Per Share (EPS) (as adjusted for changes in capital)

As per our Restated Standalone Financial Statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	3.82	3.26	1
March 31, 2014	3.31	2.82	2
March 31, 2015	5.22	4.45	3
Weighted Average	**4.35**	**3.71**	

For the nine month period ended December 31, 2015, the basic EPS (not annualized) was 5.23 and the diluted EPS (not annualized) was 4.90.

As per our Restated Consolidated Financial Statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	3.58	3.05	1
March 31, 2014	2.75	2.34	2
March 31, 2015	4.47	3.81	3
Weighted Average	**3.75**	**3.20**	

For the nine month period ended December 31, 2015, the basic EPS (not annualized) was 4.98 and the diluted EPS (not annualized) was 4.67.

Notes:

1. Basic and diluted earnings per share calculations are in accordance with Accounting Standard 20 on

Earnings Per Share notified under section 133 of the Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Shares outstanding adjusted for bonus equity shares issued in the ratio of 2:1 post March 31, 2015.

2. *Basic EPS (₹) is Net profit after tax as restated for calculating basic EPS divided by Weighted average number of Equity Shares outstanding during the year.*

3. *Diluted EPS (₹) is Net profit after tax as restated for calculating diluted EPS divided by Weighted average number of diluted Equity Shares outstanding at the end of the year.*

4. *The face value of equity shares of the Company is ₹10.*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
Based on basic EPS as per the Restated Standalone Financial Statements for FY 2015	**[●]**	**[●]**
Based on basic EPS as per the Restated Consolidated Financial Statements for FY 2015	**[●]**	**[●]**
Based on diluted EPS as per the Restated Standalone Financial Statements for FY 2015	**[●]**	**[●]**
Based on diluted EPS as per the Restated Consolidated Financial Statements for FY 2015	**[●]**	**[●]**

3. Return on Net Worth ("RoNW") (as adjusted for changes in capital)

As per Restated Standalone Financial Statements:

Particulars	RoNW %	Weight
Year ended March 31, 2013	26.37	1
Year ended March 31, 2014	18.59	2
Year ended March 31, 2015	22.67	3
Weighted Average	**21.93**	

For the nine month period ended December 31, 2015, the RONW (not annualized) was 11.56%.

As per Restated Consolidated Financial Statements:

Particulars	RoNW %	Weight
Year ended March 31, 2013	25.57	1
Year ended March 31, 2014	16.43	2
Year ended March 31, 2015	21.08	3
Weighted Average	**20.28**	

For the nine months ended December 31, 2015, the RONW (not annualized) was 11.50%.

Return on Net Worth for Equity Shareholders = $\frac{\text{Net Profit After Tax}}{\text{Net Worth excluding revaluation reserve as at the end of the period}}$

The above statement should be read with notes on restated financial information as appearing in

Annexure VII B to the Restated Standalone Financial Statements and Restated Consolidated Financial Statements of the Company.

4. Minimum RoNW after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2015:

To maintain pre-Issue basic EPS

i. Based on Restated Standalone Financial Statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

ii. Based on Restated Consolidated Financial Statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

To maintain pre-Issue diluted EPS

i. Based on Restated Standalone Financial Statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

ii. Based on Restated Consolidated Financial Statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

5. Net Asset Value ("NAV") per Equity Share of face value of ₹10 each

(in ₹)

NAV per Equity Share	Restated Standalone Financial Statements	Restated Consolidated Financial Statements
As on March 31, 2015	83.79	77.13
As on December 31, 2015	43.79	41.94
At Floor Price	[●]	[●]
At Cap Price	[●]	[●]
At Issue Price	[●]	[●]

Net Asset Value Per Equity Share= *Net Worth excluding revaluation reserve and preference share capital at the end of the period/year divided by Number of Equity Shares outstanding at the end of year/period*

6. Comparison with Listed Industry Peers

Our Company is a dairy based branded consumer products company with an integrated business model. There are, however, listed consumer companies in the food and beverage industry, including dairy based, which are listed below as peer group companies:

	Name of the company	For the year ended March 31, 2015						
		Face Value (₹)	Total Income (₹ Million)	Basic EPS (₹)	Diluted EPS (₹)	P/E	RoNW (%)	NAV (₹)
1.	Parag Milk Foods Ltd[#]	10	14,212.09	5.22	4.45	[●]	22.67	83.79

	Name of the company	For the year ended March 31, 2015						
		Face Value (₹)	Total Income (₹ Million)	Basic EPS (₹)	Diluted EPS (₹)	P/E	RoNW (%)	NAV (₹)
2.	**Peer Group[@]**							
	Britannia Industries Limited	2	72,635.20	51.90	51.89	56.91	50.37	103.03
	Hatsun Agro Product Limited	1	29,390.98	3.62	3.62	106.35	17.68	20.37
	Nestle India Limited	10	99,421.60	122.87	122.87	48.84	41.76	294.27
	Prabhat Dairy Limited	10	8,748.74	0.83	0.54	127.05	1.65	24.09*
3.	**Industry Composite**					**86.14**	**27.87**	

 # Source: Based on the Restated Standalone Financial Statements for the year ended March 31, 2015. Shares outstanding adjusted for bonus equity shares Offered in the ratio of 2:1 post March 31, 2015

@ Based on audited standalone financial results for the financial year ended March 31, 2015 except Nestle India Limited where audited standalone financial results for the financial year ended December 31, 2014 have been taken

** Based on shares outstanding as of September 30, 2015.*

Notes:

1. *Total Income is as sourced from the financial results reports of the companies.*
2. *Basic EPS and Diluted EPS refer to the basic EPS sourced from the financial results reports of the companies.*
3. *P/E Ratio has been computed as the closing market prices of the companies sourced from the NSE website as on* [●] *as divided by the basic EPS provided under Note 2.*
4. *RoNW (%) has been computed as net profit after tax divided by the net worth of these companies. Net worth has been computed as sum of share capital and reserves and surplus.*
5. *NAV is computed as the closing net worth of these companies, computed as per Note 4, divided by the closing outstanding number of fully paid up equity shares as sourced from the BSE website as on March 31, 2015.*

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, see "Our Business" and "Risk Factors" on pages 141 and 16, respectively.

The Issue Price of ₹[●] has been determined by our Company in consultation with the Investor Selling Shareholders and the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. The BRLMs believe that the Issue Price of ₹[●] is justified in view of the above parameters. Investors should read the above mentioned information along with the sections "Risk Factors" and "Financial Statements" on pages 16 and 191, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "Risk Factors" beginning on page 16 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Parag Milk Foods Limited,
Flat No. 1, Plot No.19, Nav Rajasthan Society,
Behind Ratna Memorial Hospital, SB Road,
Shivaji Nagar, Pune
Maharashtra- 411016
India

Dear Sirs,

Sub: Statement of possible Special Tax Benefits (the 'Statement') available to Parag Milk Foods Limited (Formerly "Parag Milk Foods Private Limited") and its shareholders under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ('the Regulations')

We hereby confirm that the enclosed Annexure, prepared by Parag Milk Foods Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('the Act') as amended by the Finance Act, 2015 (i.e. applicable for the Financial Year 2015-16 relevant to the Assessment Year 2016-17) presently in force in India as on the signing date. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits, as above, is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits and do not cover general tax benefits. Further, the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

- the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

The report along with enclosed Annexure is intended solely for your information and for inclusion in the Red Herring Prospectus of the Company in connection with its proposed initial public offering of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W

Anup Mundhra
Partner
Membership No: 061083
Place: Mumbai
Date: March 21, 2016

ANNEXURE

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

1.0 Special Tax Benefits available to the Company under the Act

1.1 Subject to the fulfillment of stipulated conditions, the Company is entitled to claim deduction under Section 80-IB(11A) of the Act, with respect to its two manufacturing plants situated at Awasari Phata, Manchar, Pune 410503 ['Manchar-Cheese (Plant I)'] and 149-1, Samudrapalli Village, Post - Pengaragunta, Palamaner Mandal, District - Chittor, Andhra Pradesh -517408 ['Palamner (Plant II)'], respectively. The amount of deduction available is 100% of the profits and gains derived from the business of, for first five years and 30% of the profits and gains for next five years, in such a manner that total period of deduction does not exceed ten consecutive years.

The Company is eligible for deduction under this section since it is in the business of processing, preservation and packaging of dairy products.

Plant I:
In connection with Plant I, the operations were commenced during the Financial Year ('FY') 2009-10.

Accordingly, subject to fulfillment of conditions stipulated under section 80-IB, the Company is eligible to claim deduction as under:

a) Up to FY 2013-14 - 100% of the profits and gains derived by Plant I from the aforesaid business. The Company has already claimed such deduction up to FY 2013-14.
b) From FY 2014-15 to FY 2018-19 - 30% of the profits and gains derived by Plant I from the aforesaid business.

Plant II:
In connection with Plant II, the operations were commenced during the FY 2009-10.

Accordingly, subject to fulfillment of conditions stipulated under section 80-IB, the Company is eligible to claim deduction as under:

a) Up to FY 2013-14 – 100% of the profits and gains derived by Plant II from the aforesaid business. The Company has already claimed such deduction up to FY 2013-14.
b) From FY 2014-15 to FY 2018-19 - 30% of the profits and gains derived from the above business.

1.2 The Company will be entitled to claim additional depreciation @ 20% as per Clause (iia) of section 32(1) of the Act on new plant and machinery acquired and installed after 31 March 2005.

1.3 The Company will be entitled to amortize preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D of the Act, subject to the limit specified in section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed or the new unit commences production or operation.

2.0 Special Tax benefits available to the shareholders of the Company under the Act

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

SECTION IV: ABOUT OUR COMPANY

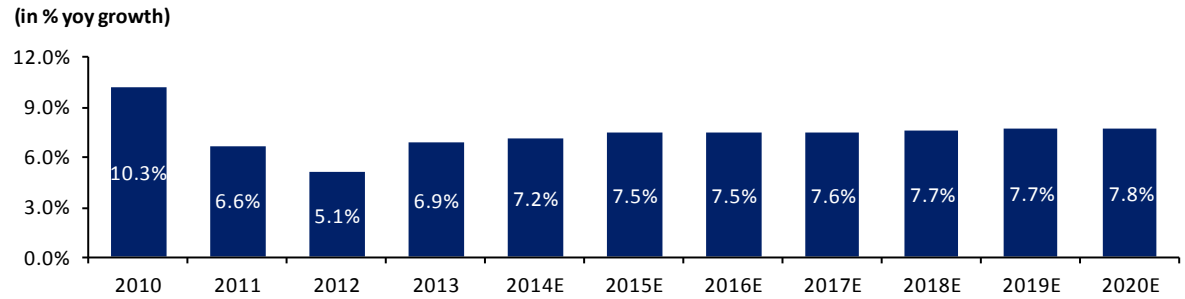
INDUSTRY OVERVIEW

The information contained in this section is derived from the IMARC Indian Dairy Industry Report, dated July 30, 2015, which was commissioned by our Company and other publicly available sources. Neither we, nor any other person connected with the Issue has independently 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 that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Overview of the Indian Economy

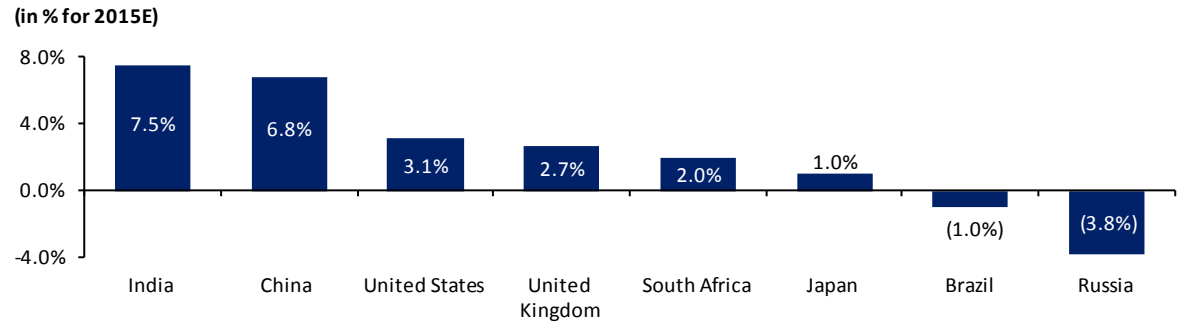
The Indian economy is the fourth largest economy in the world by purchasing power parity. *(Source: https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)* For 2015, India's gross domestic product ("**GDP**") based on purchasing power parity per capita is estimated to be approximately US$ 6,265.64 *(Source: International Monetary Fund, World Economic Outlook Database, April 2015).* In the calendar year 2014, Indian GDP grew at rate of 7.2%.

The following graph sets forth the annual GDP growth rate of India for the historical and forecasted periods indicated:



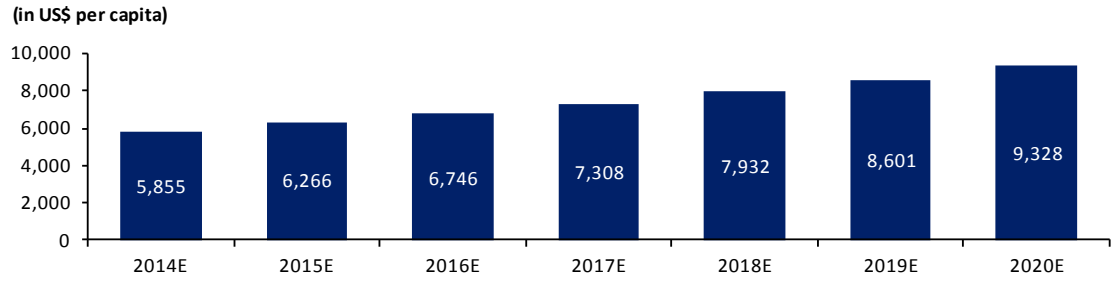
(Source: International Monetary Fund World Economic Outlook Database, April, 2015)

The following graph sets forth the forecasted constant GDP growth rate for certain developed and developing economies for 2015:



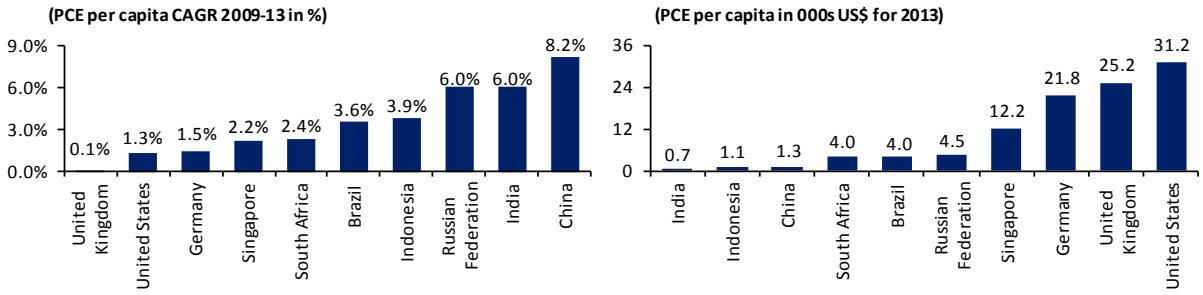
(Source: International Monetary Fund World Economic Outlook Database, April, 2015)

India has experienced rapid urbanisation in recent years, with percentage of population in urban areas increasing from 27.8% in 2001 to 31.2% in 2011. The percentage of population in urban India is expected to increase to 34.5% of the total population in India by 2021. High urbanisation leads to rising affluence levels and higher consumer spending. India's gross domestic product based on purchasing power parity per capita is estimated to reach US$ 9,327.53 by 2020 recording a CAGR of 8.1% from 2014 to 2020 as illustrated in the chart below:



(Source: International Monetary Fund, World Economic Outlook Database, April 2015)

Further, consumer spending in India is on the rise, with private consumption expenditure ("**PCE**") per capita recording CAGR of 6.0% from 2009 to 2013, as illustrated in the chart below:



(Source: World Bank Database)

Increasing income levels in India has resulted in a shift in consumer dietary patterns. Consumers are increasingly moving away from inferior cereals such as jowar and bajra to superior grains such as wheat and rice and more recently from cereals to high value food products such as milk, egg, meat, and fruits and vegetables – a natural corollary to the negative income elasticity for cereals in India and positive income elasticity for high quality food. The change is occurring both among rural and urban households. For the financial year 2012, monthly consumer expenditure towards milk and milk products was 16% of total expenditure on food in urban areas and 15% in rural areas.

*(Source: IMARC Indian Dairy Industry, dated July 30, 2015("**IMARC Report**"))*

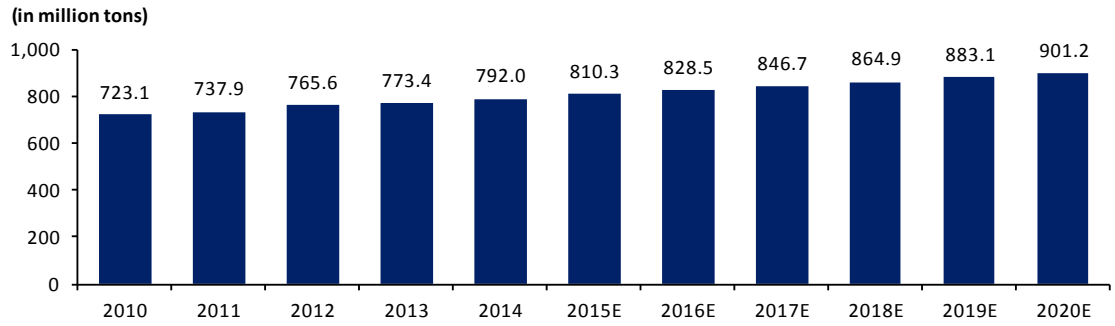
The Global Dairy Industry

Overview

The dairy industry includes businesses involved in cattle farming to food manufacturing. Dairy products produced by businesses in the dairy industry using basic to sophisticated production processes, cover all types of food products derived from animal milk. Globally, approximately 66% of milk and dairy products are consumed for factory use, 33% for fluid use and 1% for feed use.

The global production of milk grew at a CAGR of 2.3% between 2010 to 2014, reaching 792 MMT. This growth was primarily driven by population growth, rising disposable incomes, urbanisation and westernisation of diets in developing countries such as India and China.

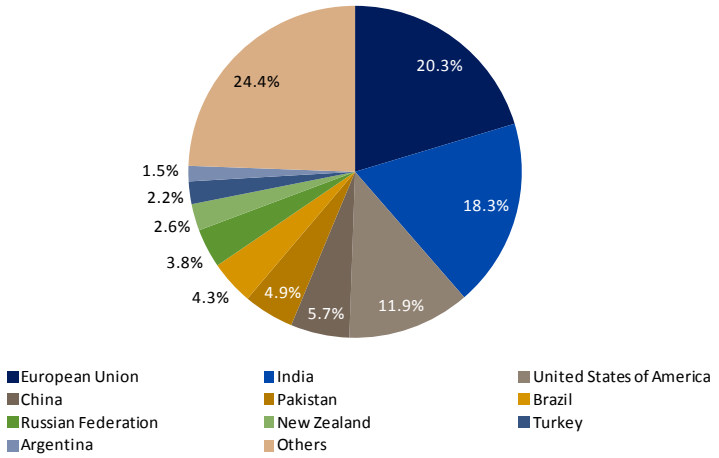
The following graph sets forth the production volumes of milk and milk products for historical and forecast periods indicated:



(Source: IMARC Report)

It is expected that the global demand for milk and milk products will grow continuously. However, milk supply in China and India, as well as countries within south-east Asia and Africa is not expected to keep pace with higher growth in these developing economies. For the years between 2015 and 2020, the total production of milk and milk products is expected to grow at a CAGR of 2.1% to reach 901.2 MMT by the year 2020.

The European Union, India and the United States are currently the largest milk and dairy product producers and consumers worldwide. These countries account for 20.3%, 18.3% and 11.9%, respectively, of global production of milk and dairy products for the year 2014 as depicted in the graph below:



(Source: IMARC Report)

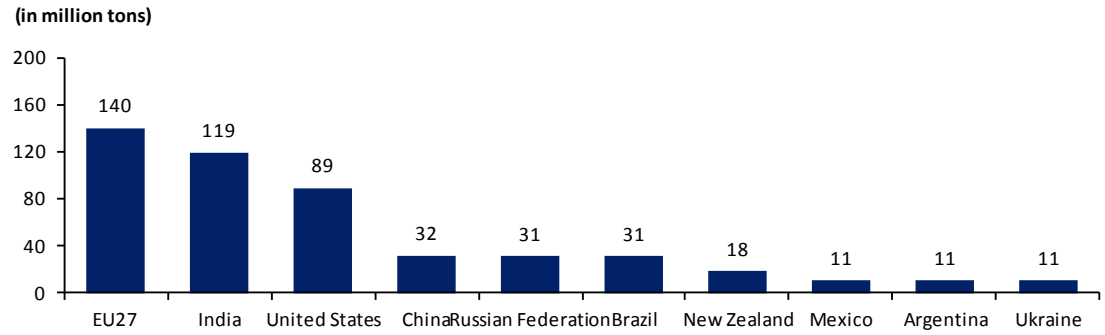
Further milk and dairy products production is expected to increase in India at a CAGR of 4.2% over 2015-20, resulting in India overtaking the European Union to become the largest milk and dairy products producer by 2020. The following table sets forth the estimated country-wise top producers of milk and milk product for the periods indicated:

(000 mm Metric Tons)

	2012	2013	2014	2015E	2016E	2017E	2018E	2019E	2020E	CAGR 15-20E
EU	155,624	156,917	160,800	163,452	166,148	168,889	171,674	174,506	177,384	1.6%
India	133,538	138,093	144,860	150,876	157,142	163,668	170,465	177,545	184,918	4.2%
USA	90,865	91,210	93,939	95,515	97,117	98,746	100,403	102,087	103,799	1.7%
China	44,790	44,919	45,252	45,485	45,719	45,954	46,190	46,428	46,667	0.5%
Pakistan	37,866	38,560	38,750	39,200	39,655	40,115	40,580	41,051	41,528	1.2%
Brazil	33,050	33,362	34,397	35,091	35,799	36,521	37,258	38,010	38,776	2.0%

(Source: IMARC Report)

In terms of consumption, the European Union was the biggest consumer of milk, consuming 140 MMT of milk in 2011, followed by India, the United States, China, and the Russian Federation. The following graph sets forth milk consumption across major regions for the year 2011:



(Source: IMARC Report)

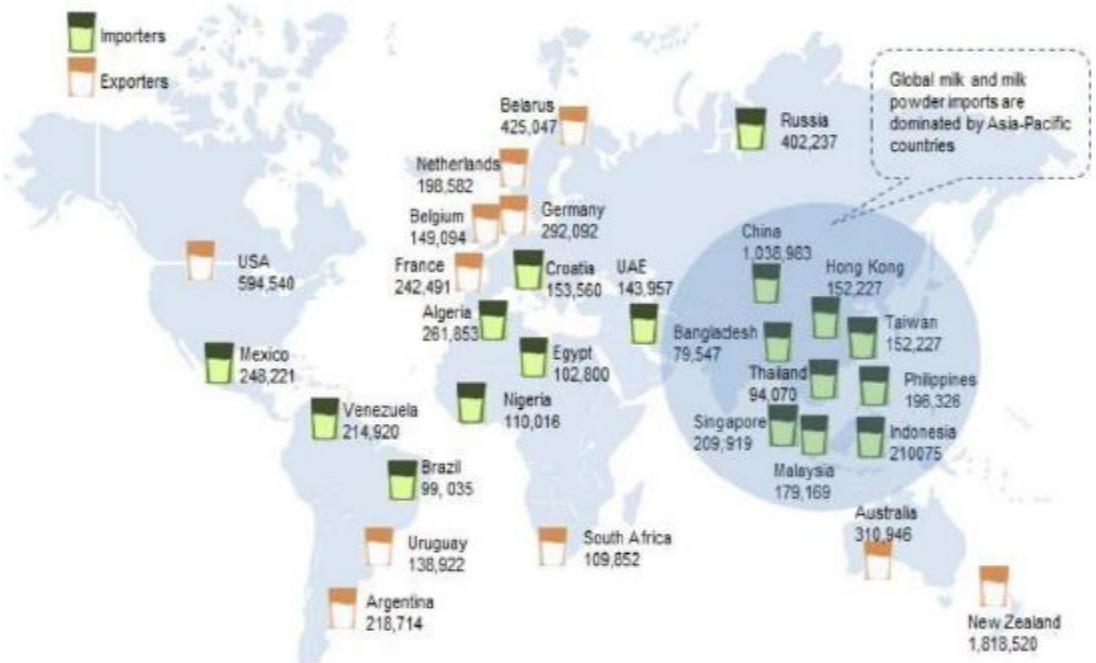
Global Trade in Milk and Milk Products

With respect to importers and exporters of milk and dairy products globally, China, Russia and Saudi Arabia are the largest importers of milk and dairy products, accounting for 22.4%, 6.5% and 4.2% of total global imports in 2014, respectively. The largest exporters of milk and dairy products are New Zealand, the European Union and the United States of America, accounting for 26.5%, 23.2% and 15.3% of total global exports in 2014, respectively.

India currently lags behind in dairy exports, accounting for only 1.3% of the total exports in 2014. However, the potential for dairy exports from India is immense, since it is surrounded by milk deficit countries such as Bangladesh, China, Hong Kong, Singapore, Thailand, Malaysia, Philippines, Japan, UAE, Oman and other gulf countries.

(Source: IMARC Report)

The following map sets forth the global milk surplus and deficit regions, based on milk and milk powder trade, in metric tons for the year 2013:



(Source: IMARC Report)

Global Cattle Population and Milk Production

Globally cow milk represents the preferred milk type across the world. Cows' milk account for nearly the entire milk consumption in the developed world, where consumers are aware of its nutritional benefits and advantages over other milk sources such as buffalo milk. Cows' milk accounted for approximately 83% of the total milk production in 2012 and represented the most popular source of milk in the European Union, the United States of America, China, Australia and New Zealand. Cow milk was followed by buffalo milk which accounted for 12.9% of the total milk produced in the world.

Although, buffaloes accounted for most of the milk produced in Asian countries including India and Pakistan, the share of cows' milk in total consumption has been steadily increasing.

Amongst the major milk producing countries, milk is almost entirely sourced from cow's milk in most developed nations as illustrated in the chart below:

(in % for 2009)

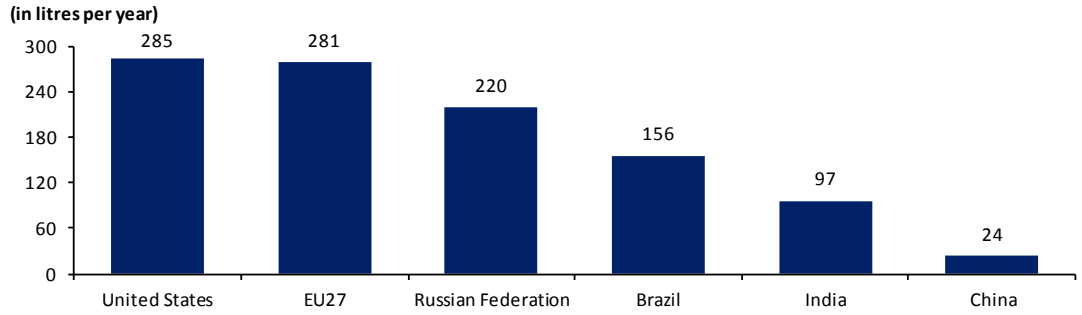
	United States	Brazil	France	United Kingdom	Russian Federation	China	India	Pakistan	Australia and New Zealand
Cow	100.0%	99.5%	96.4%	100.0%	99.3%	88.9%	45.0%	34.9%	100.0%
Buffalo	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%	51.0%	62.9%	0.0%
Others	0.0%	0.5%	3.6%	0.0%	0.7%	3.6%	4.0%	2.2%	0.0%

(Source: IMARC Report)

The Indian Dairy Industry

Overview

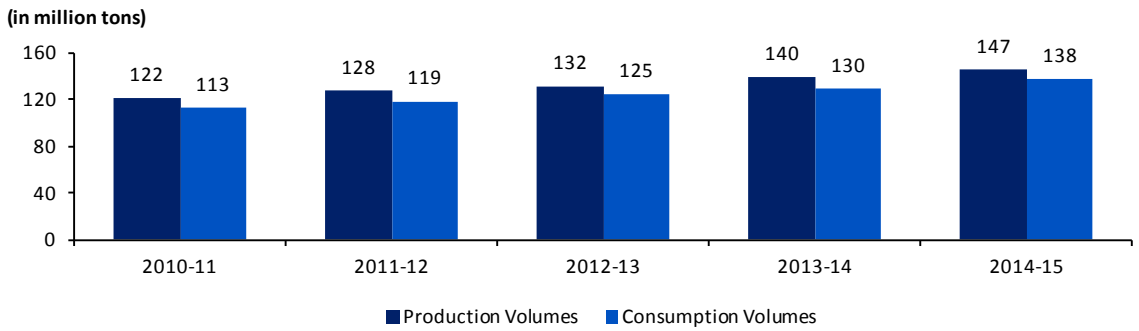
India is the world's biggest producer and consumer of milk on a country-wise basis. However, the per capita consumption of milk at 97 litres per year is well below that of other major milk markets, except for China as illustrated in the chart below:



(Source: IMARC Report)

Milk production volumes in India have grown at a rapid pace from 17 MMT during the financial year 1952 to reach 147 MMT during the financial year 2015, enabling India to become the world's biggest milk producer. Similarly, on account of a steady population growth and rising incomes, milk consumption continues to rise in India. India consumed 138 MMT of milk in the financial year 2015 and was the world's largest consumer of milk.

The following graph sets forth total milk production and consumption volumes in India for the periods indicated:



(Source: IMARC Report)

In 2014, India's dairy industry was worth approximately ₹4,061 billion, growing at a CAGR of 15.4% during 2010 to 2014. Total production of milk and dairy products in India is expected to increase from 147 MMT in 2015 to 189 MMT in 2021, and total consumption of milk and dairy products is expected to increase from 138 MMT in 2015 to 192 MMT in 2021. India's dairy industry is expected to maintain growth at a CAGR of approximately 14.9% between 2015 to 2020, to reach a value of ₹9,397 billion by 2020.

In India, milk consumption mainly consists of buffalo milk at 49% followed by cow milk at 48% for the financial year 2014. However, cow milk is growing at a faster pace than buffalo milk and is expected to account for the majority of the total milk consumed in line with the developed markets.

On a state level, Uttar Pradesh, Rajasthan and Andhra Pradesh were the largest milk producers' accounting for 17.7%, 10.5% and 9.8% of total milk production in 2014, respectively. Further, of the 35 states and union territories in India, cow milk is dominant in 24 states and union territories. The top five cow milk producing states in India currently are Tamil Nadu, Uttar Pradesh, Rajasthan, Maharashtra and West Bengal.

The following table sets forth state-wise cow milk production in India for the financial year 2012:

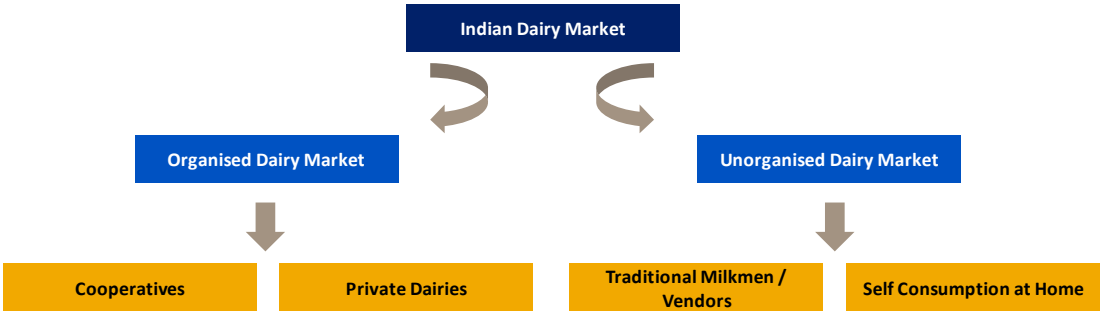
(in 000's of ton for 2011-12)

	Milk production	Cow milk (%)	Cow milk production
Tamil Nadu	6,968	89%	6,202
Uttar Pradesh	22,556	26%	5,865
Rajasthan	13,512	37%	4,999
Maharashtra	8,469	54%	4,573
West Bengal	4,672	92%	4,298
Gujarat	9,817	39%	3,829
Karnataka	5,447	68%	3,704
Bihar	6,643	55%	3,654
Madhya Pradesh	8,149	44%	3,586
Andhra Pradesh	12,088	28%	3,385

(Source: IMARC Report)

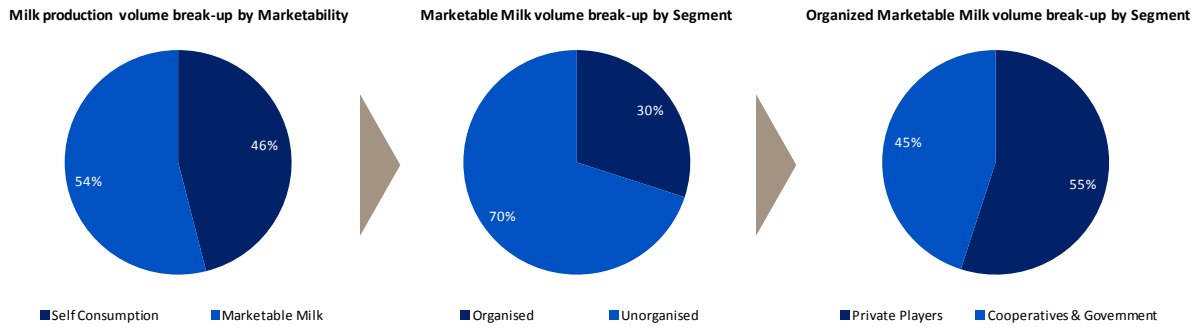
Indian Dairy Market Structure

The Indian dairy industry is divided into the organised and unorganised segments. The unorganised segment consists of traditional milkmen, vendors and self-consumption at home and the organised segment consists of cooperatives and private dairies as illustrated in the flowchart below:



(Source: IMARC Report)

In 2014, 30% of the total marketable milk in India was processed by the organised segment, with private players processing 55% and cooperatives processing 45% of the total marketable milk in the organised segment as illustrated in the chart below:

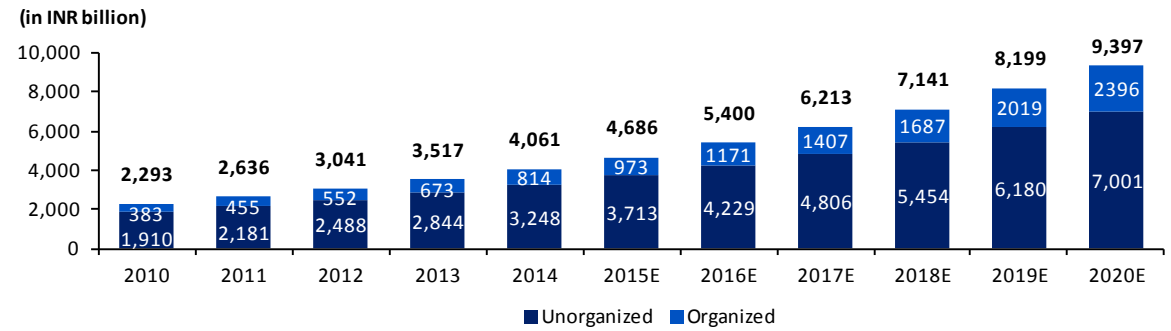


(Source: IMARC Report)

During 2010 to 2014, the organised segment grew at a CAGR 20.7% whilst the unorganised segment grew at a CAGR of 14.2% during the same period. However, the unorganised segment still dominates the Indian dairy industry at 80% compared to the organised segment at 20% by value in 2014. The organised segment is expected to grow at a CAGR of 19.5% between 2015 to 2020, accounting for approximately 25.5% of the Indian dairy industry by 2020. The unorganised segment is expected to grow at a CAGR of 13.2% during the same period and is expected to account for 74.5% of the total Indian dairy industry by 2020.

(*Source: IMARC Report)*

The following graph sets forth historic and forecasted details of the Indian dairy market for the periods indicated:



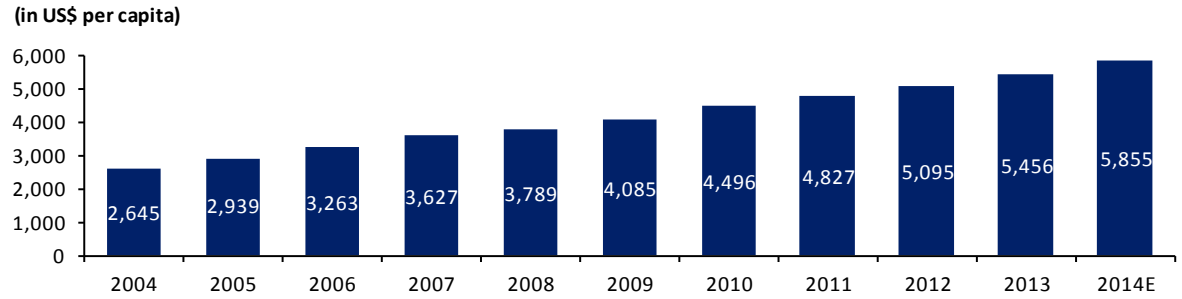
(*Source: IMARC Report)*

Key Growth Drivers

There are several key factors driving growth in the dairy industry including:

Rising income levels

India's GDP per capita based on purchasing power parity per capita increased at a CAGR of 8.3% from US$ 2,645 in 2004 to US$ 5,855 in 2014 as illustrated in the chart below:



(*Source: International Monetary Fund, World Economic Outlook Database, April 2015)*

In 2014, the Indian economy was valued at over US$ 2 trillion and is expected to grow at a CAGR of 7.6% from US$ 2,197.1 billion in 2015 to US$3,172.4 billion in 2020. The sustained rising income levels, growth of the Indian economy, shift in lifestyles and eating habits of Indian consumers is expected to drive the consumption of milk and dairy products.

Rising middle class and urban population

The number of middle class households is expected to significantly increase from 255 million in 2015 to 586 million in 2025 at a CAGR of 8.7%. Also, India's increasing working population, aged between 15 to 64 years, is expected to increase from 826 million in 2015 to 988 million in 2030. The rise in working population and disposable incomes from the increasing number of middle class households is expected to drive growth in the dairy industry. The increasing level of urbanisation across the Indian population is also expected to drive growth in the organised dairy industry as a result of urban consumers preferring clean, hygienic and ready-to-eat milk and dairy products. The proportion of urban population is expected to increase from 31.2% in 2011 to 34.5% in 2021.

Changing dietary patterns

Greater per capita income and urbanisation have changed food consumption patterns in Indian households, particularly from consuming lesser cereals and increasing consumption of milk and dairy products. In 2012, urban and rural households spent approximately 16.4% and 15.2%, respectively, out of total their total monthly income on milk and dairy products.

Milk is considered a perfect health food in India

Milk has traditionally been an important source of proteins, fats, carbohydrates and vitamins, especially for India's vegetarian population, which make up approximately 31% of India's population. It is therefore expected that there will be a continuous strong demand for milk and dairy products.

Consumer shift towards packaged milk to drive organised market

Increasing safety and quality concerns are expected to drive consumers to shift from loose liquid milk to pasteurised packaged milk in the coming years. This would enable the organised market to grow at a CAGR of 19.5% from 2015 to 2020 resulting in organised market share increasing to 26%, by value, by 2020.

(*Source: IMARC Report)*

Competitive Landscape

The Indian dairy industry is highly fragmented with the organised segment accounting for only 15% to 20% of total milk and dairy produced in India. Major cooperatives and private players within the organised segment are

currently present only in specific regions. The industry currently comprises of State-based cooperatives and private players, Urban oriented national players and emerging national players.

State-based cooperatives and private players focus on traditional dairy products such as pouch milk, curd and have a strong distribution network within a particular state or region catering to urban, semi urban and rural populations. Major state-based cooperatives include Karnataka Milk Federation, Rajasthan Co-operative Dairy Federation, and Orissa State Cooperative Milk Producers' Federation among others. Major state-based private players include Hatsun Agro Product Limited ("**Hatsun**") and Tirumala Milk Products Private Limited ("**Tirumala**").

Urban oriented national players focus on value added premium products having higher margins and have a strong pan India distribution network focusing on the urban population. Major urban oriented national private players include Britannia Industries Limited ("**Britannia**") and Nestle India Limited ("**Nestle**"). Gujarat Cooperative Milk Marketing Federation ("**Amul**") is the only national player focused on urban, semi urban population and rural population across the range of traditional and premium products.

Emerging national players focus on both traditional and premium products and have a strong distribution network in one or more state or region catering to urban, semi urban and rural populations. Emerging national players are in the process of building a pan India distribution network and presence. Major emerging national players include our Company and Mother Dairy Food Processing Limited ("**Mother Dairy**").

Current regionalisation of the organised industry is due to several factors including:

Regionalisation of milk procurement

Milk procurement outside of a market player's core region is difficult due to the time required to build relationships with farmers and milk collection agents and negotiating prices with farmers.

Lack of cold chains and high cost of transportation

Milk and dairy products typically have a short shelf life and the lack of reliable and cost-effective cold chain and transport infrastructure in India makes long distance transport difficult.

Lack of differentiation

The dairy industry is price sensitive and most players have similar product portfolios. Charging premium prices therefore requires strong product differentiation.

Product customisation

There are large variations with respect to culture, consumer behavior and eating habits across various parts of India, making it difficult for regional players to customise their products to specific consumer requirements and habits.

Brand image

Most dairy cooperatives and private players do not have a pan India brand image, as a result significant time and investment is required to create brand awareness outside of a market player's core regions.

Focus on core areas

The dairy industry in India remains highly unpenetrated, particularly in semi-urban and rural areas. Players in the organised segment therefore have large untapped markets in their core regions to focus on.
(Source: IMARC Report)

Market Trends

The table below illustrated the market trends for each milk and dairy product category:

Category	2014 Sales *(₹in millions)*	2014 Sales of the organised Sector *(₹in millions)*	2014 Share of the organised Sector	2020 Sales *(₹in millions)*	2020 Sales of the organised Sector *(₹in millions)*	2020 Share of the organised Sector	Total Market CAGR 2014-2020	Organised Market CAGR 2014-2020
Liquid milk	2,621,460	519,400	20%	6,068,000	1,593,000	26%	15%	21%
UHT milk.....	26,045	26,045	100%	103,778	103,778	100%	26%	26%
Flavoured milk.....	12,636	12,636	100%	47,828	47,828	100%	25%	25%
Curd	216,496	12,121	6%	492,690	35,421	7%	15%	20%
Flavoured & Frozen Yoghurt.....	2,268	2,268	100%	12,075	12,075	100%	32%	32%
*Lassi**.....	12,470	12,470	NA	39,298	39,298	NA	21%	21%
Buttermilk*.....	13,822	13,822	NA	43,092	43,092	NA	21%	21%
Cheese.....	11,721	11,721	100%	59,388	59,388	100%	31%	31%
Butter	167,638	21,314	13%	382,238	61,326	16%	15%	19%
Ghee.....	618,225	110,256	18%	1,367,212	288,912	21%	14%	17%
Paneer.....	293,300	6,145	2%	653,576	22,684	3%	14%	24%
Skimmed milk powder	49,568	49,568	100%	112,773	112,773	100%	15%	15%
Cream*.....	12,730	12,730	NA	29,704	29,704	NA	15%	15%
Whey (powder)..	3,009	3,009	100%	9,712	9,712	100%	22%	22%
**Total	**4,061,390**	**813,505**	**20%**	**9,397,344**	**2,458,991**	**26%**	**15%**	**20%**

(*Source: IMARC Report)*

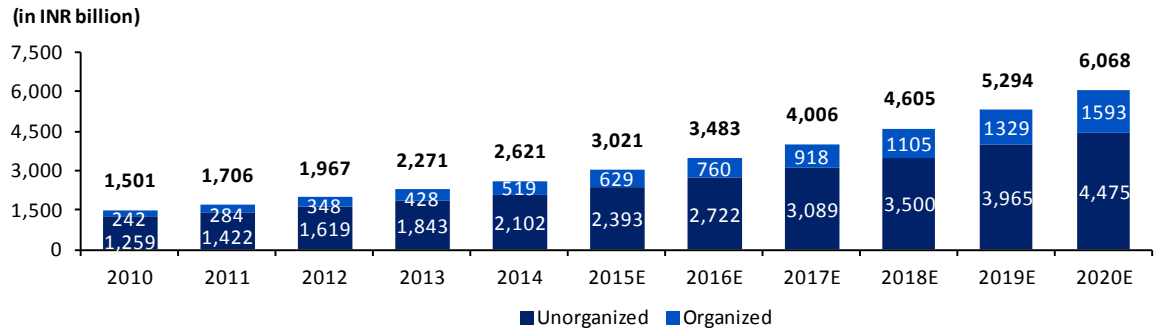
By product category, liquid milk, *ghee*, *paneer* and curd had the highest value of sales in 2014 at ₹2,621,460 million, ₹618,225 million, ₹293,300 million and ₹216,496 million, respectively. Sales in each of these product categories is expected to grow at a CAGR of 15%, 14%, 14% and 15%, respectively, with the value of sales in 2020 expected to reach ₹6,068,000 million for liquid milk, ₹1,367,212 million for *ghee*, ₹653,576 million for *paneer* and ₹492,690 million for curd. The organised segment's share in each of these product categories is expected to grow at a CAGR of 21%, 17%, 24% and 20%, respectively, and by 2020, the organised segment's share in these product categories is expected to reach 26%, 21%, 3% and 7%, respectively. (*Source: IMARC Report)*

Performance of Milk and Dairy Product Categories

Liquid Milk

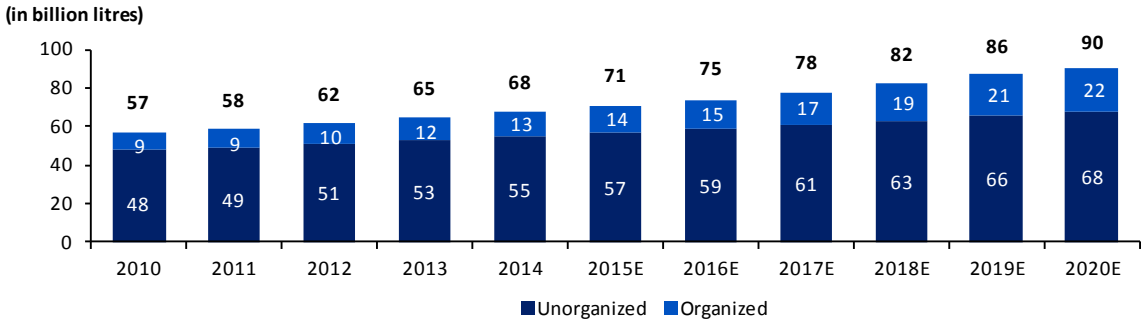
Liquid milk constitutes the largest segment of the Indian dairy industry, valued at ₹2,621 billion in 2014. Currently, 80% of liquid milk is sold through the unorganised segment, however the penetration of the organised segment is increasing having recorded a CAGR of 22% during 2007 to 2014. The annual per capita consumption of liquid milk is expected to increase from 54.1 litres in 2014 to 68 litres in 2020 resulting in total sales value of liquid milk to grow at a CAGR of 15% from ₹3,021 billion in 2015 to ₹6,068 billion in 2020. Similarly, total sales volume of liquid milk is also expected increase from 71 billion litres in 2015 to 90 billion litres in 2020. Further, liquid milk is typically sold in polypacks and has a shelf life of approximately 48 hours only, consequently the organised market for liquid milk is highly localised.

The chart below illustrates the historical and forecasted sales value of the organised and unorganised markets for liquid milk for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of the organised and unorganised markets for liquid milk for the periods indicated:

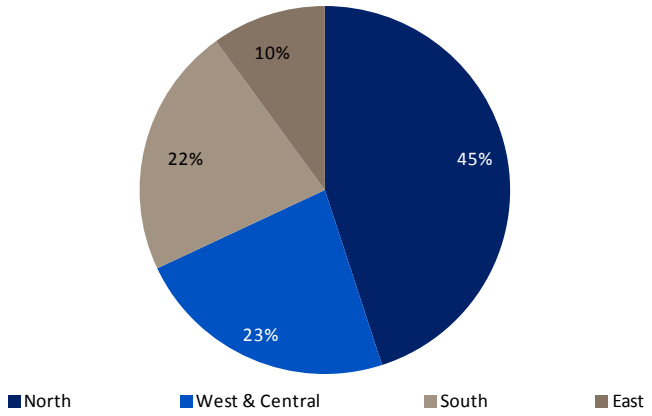


(*Source: IMARC Report)*

The average price per litre for liquid milk in both the organised and unorganised segments are expected to rise from ₹45 per litre and ₹42 per litre in 2015, respectively, to ₹71 per litre and ₹66 per litre in 2020, respectively.

Around 45% of the total liquid milk is consumed in northern India, with Uttar Pradesh, Rajasthan, Punjab and Haryana being the larger markets. Key markets in western and central India include Gujarat, Maharashtra and Madhya Pradesh while south India includes Andhra Pradesh, Tamil Nadu and Karnataka as the top consumers. Bihar and West Bengal are the major milk consuming states in eastern India.

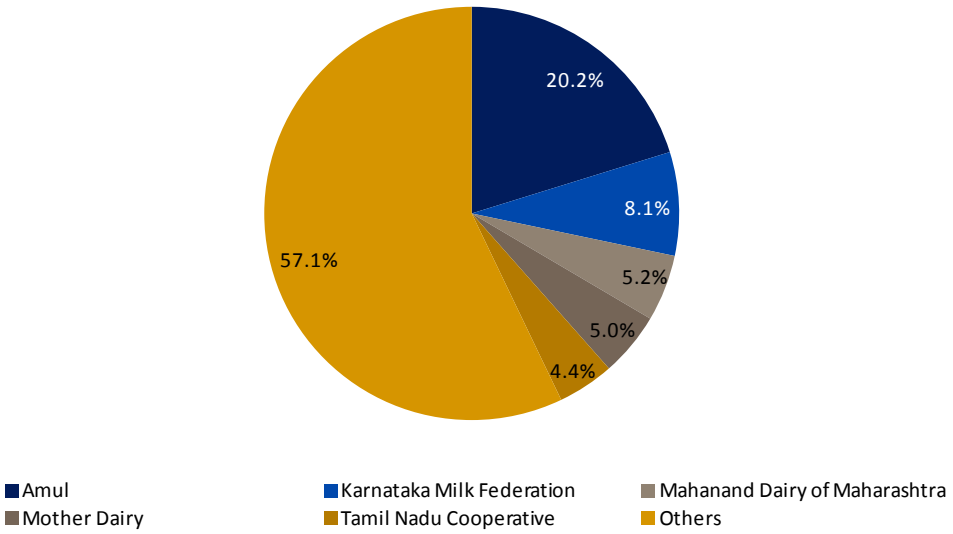
The chart below illustrates the India liquid milk market break-up by region for 2014:



(*Source: IMARC Report)*

Within the organised segment, dairy cooperatives are the key market players in the liquid milk market. In 2014, Amul, the Karnataka Milk Federation and Mahanand Dairy accounted for 20.2%, 8.1% and 5.2%, respectively, of total liquid milk sold in the organised segment. Major private players within the organised segment of the liquid milk market include Hatsun, Tirumala and our Company. Our Company is currently the largest private player in Mumbai, the second largest private player in Pune and the third largest private player in Nagpur. Our Company also represents among the top five private players in Bengaluru and Chennai.

The chart below illustrates market share of key players in the India liquid milk market for 2014:

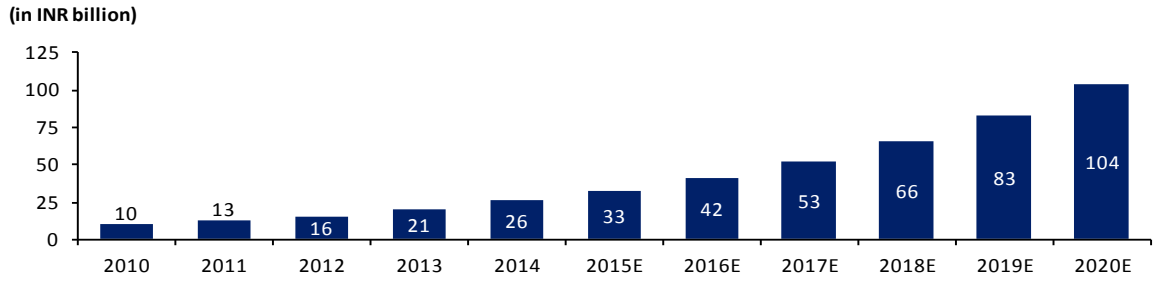


(*Source: IMARC Report)*

UHT Milk

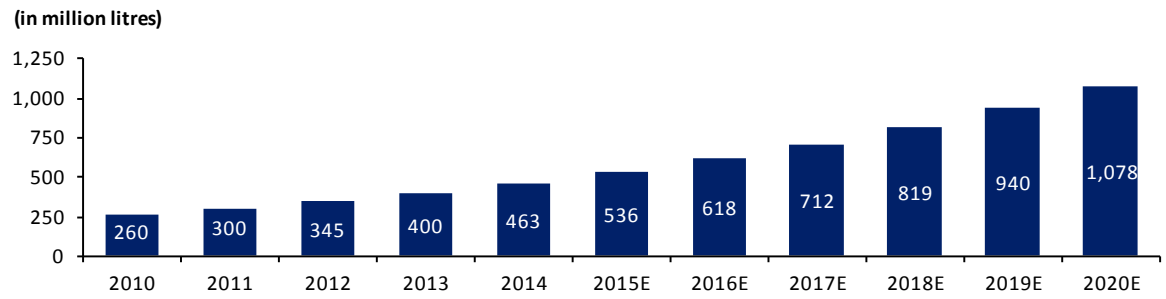
The UHT milk market currently accounts for less than 1% of the total milk market and approximately 5% of the organised milk market and as of 2014 was valued at ₹26 billion. UHT milk has a longer shelf life than regular liquid milk, and demand for it is expected to increase due to urbanisation and changing consumer habits towards value added UHT milk with a low fat content and added nutritional value. Total sales value of UHT milk is expected grow at a CAGR of 26% from ₹33 billion in 2015 to ₹103.8 billion in 2020. Similarly, total sales volume of UHT milk is expected increase from 536 million litres in 2015 to 1,078 million litres in 2020.

The chart below illustrates the historical and forecasted sales value of UHT milk market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of UHT milk market for the periods indicated:

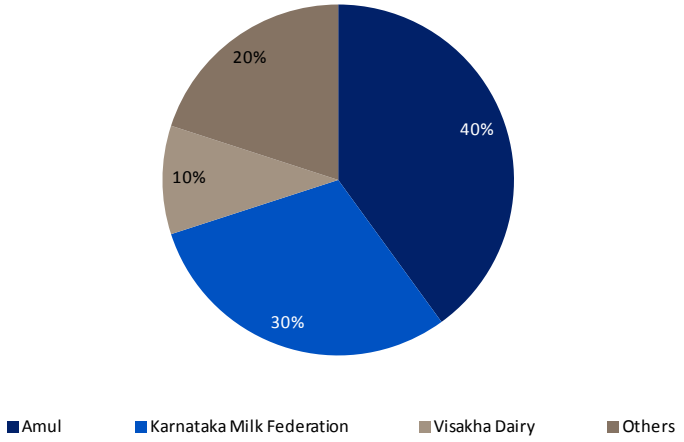


(*Source: IMARC Report)*

The average price for a one litre pack of UHT milk is approximately ₹56 compared to ₹42 for one litre of regular liquid milk in the unorganised segment. The price for UHT milk in the organised segment is expected to rise from ₹56 per litre in 2014, to ₹96 per litre in 2020.

Cooperatives currently represent the key players in the UHT milk market. In 2014, Amul, the Karnataka Milk Federation and Visakha Dairy accounted for 40%, 30% and 10%, respectively, of total UHT milk sold in the organised segment. Major private players within the organised segment of the UHT milk market include our Company, Tirumala, Nestle and Britannia. Our Company is the largest private player in the UHT milk market.

The chart below illustrates market share of key players in the India UHT milk market for 2014:

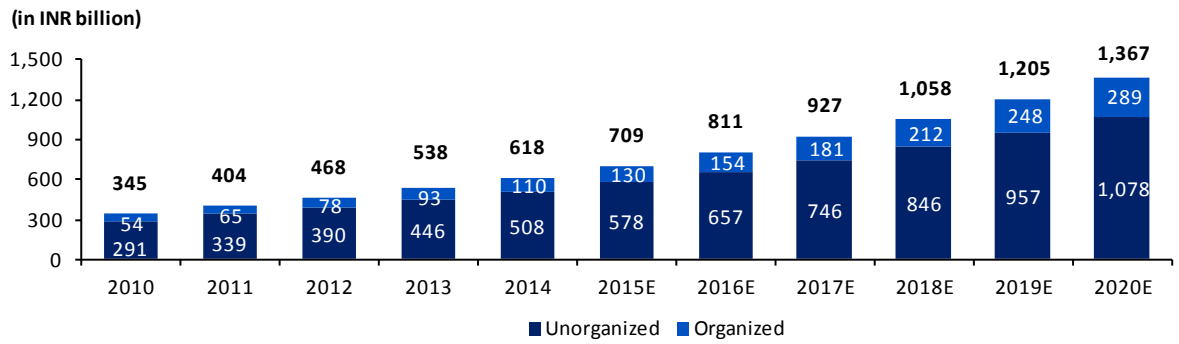


(*Source: IMARC Report)*

Ghee

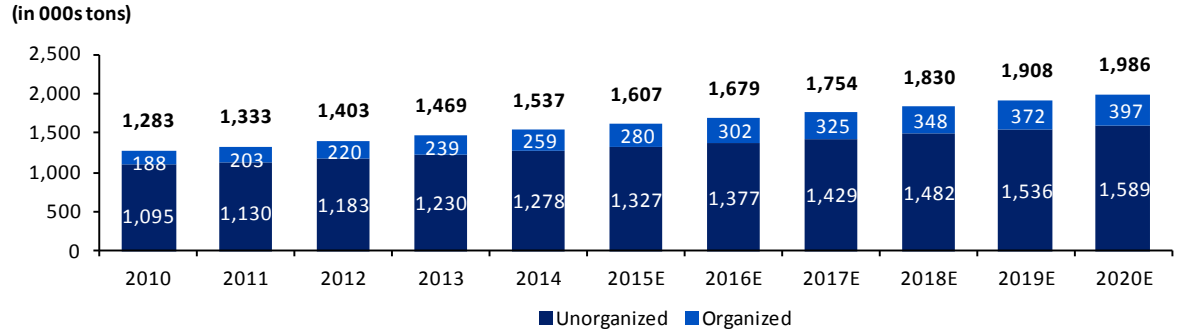
The Indian *ghee* market grew at a CAGR of 17% during 2007 to 2014, reaching a value of ₹618 billion. *Ghee* is the second most consumed product of the Indian dairy industry. The Indian *ghee* market is dominated by the unorganised segment, accounting for 82% of total *ghee* sales in India, while the organised segment accounts for 18% of total *ghee* sales in India. In the organised market, the bulk segment which consists of ghee in 10-15 kg packs currently accounts for around 45% of the total ghee sold in the country. This segment mainly caters to the institutional market. Smaller packs catering to the retail market currently account for around 55% of the total ghee market. Total sales value of *ghee* is expected to grow at a CAGR of 14% from ₹709 billion in 2015 to ₹1,367 billion in 2020. Similarly, total sales volume of *ghee* is expected to increase from 1.607 MMT in 2015 to 1.986 MMT in 2020.

The chart below illustrates the historical and forecasted sales value of *ghee* market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of *ghee* market for the periods indicated:

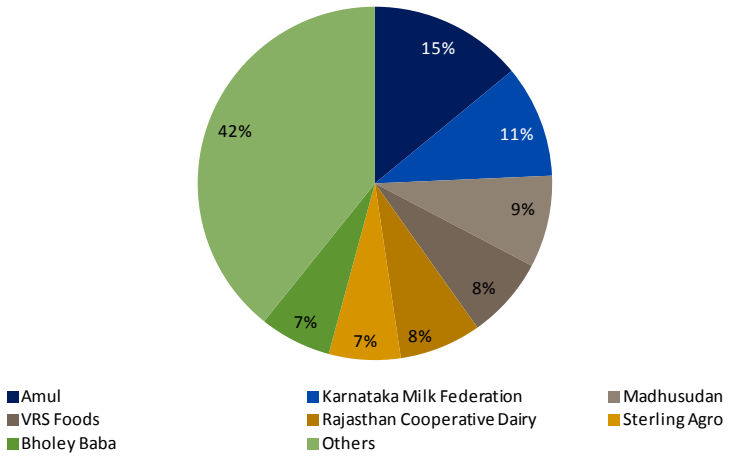


(*Source: IMARC Report)*

The price per kilogram for *ghee* in both the organised and unorganised segments is expected to rise from ₹466 per kilogram and ₹436 per kilogram in 2015, respectively, to ₹726 per kilogram and ₹679 per kilogram in 2020, respectively.

South India represents the largest market for *ghee* in India accounting for 26.6% of the total *ghee* market, followed by north India (26.5%), east India (24.3%) and west India (22.6%). Within the organised segment, Amul, the Karnataka Milk Federation and SMC Foods Limited (Madhusudan *ghee*) accounted for 15%, 11% and 9%, respectively, of total *ghee* sold in the organised segment. Other major players in the organised segment of the *ghee* market include Rajasthan Cooperative Dairy Federation Limited, Sterling Agro Industries Limited ("**Sterling Agro**"), Bholey Baba Dairy and our Company. While companies like Amul and our Company mainly cater to the retail segment, companies like SMC Foods Limited, Bholey Baba Dairy and VRS Foods mainly cater to the bulk segment.

The chart below illustrates market share of key players in the India *ghee* market for 2014:



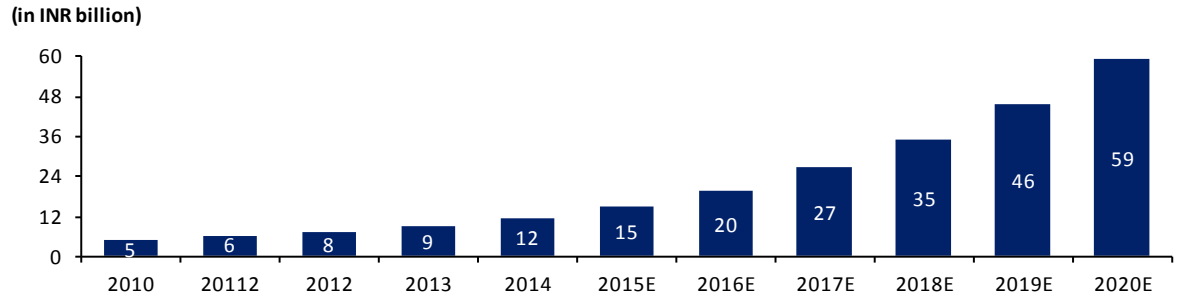
(*Source: IMARC Report)*

Pure cow ghee currently accounts for less than 10% of the total ghee market in the country. The segment is currently growing faster than the overall ghee market and has higher margins. Our Company was the pioneer of this segment and also represents the biggest player. Other major players include Amul, KMF Cooperative and Dynamix Dairies Limited ("**Dynamix**").

Cheese

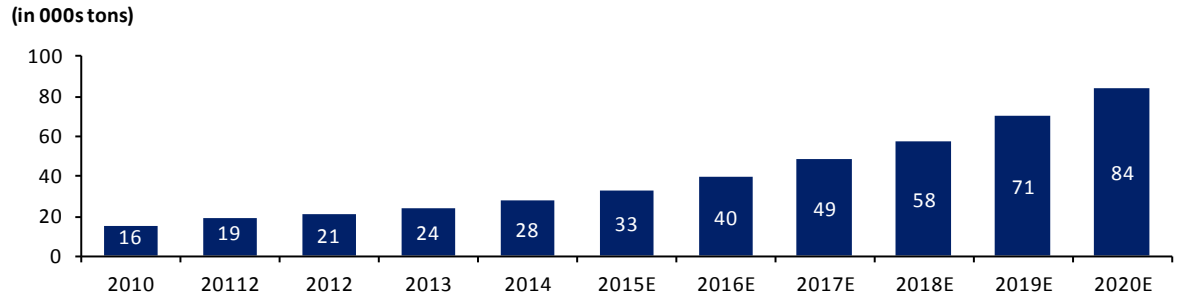
Cheese represents one of the fastest growing markets among dairy products. Traditionally India has been a *paneer* consuming market which is dominated by the unorganised players. The rise in food service outlets (e.g. Pizza Hut, Domino's) across the country and changing food habits has triggered the increase in demand for this product. The Indian cheese market grew at a CAGR of 26.8% during 2007 to 2014, reaching a value of ₹11.7 billion. Total sales value of cheese is expected to grow at a CAGR of 31.3% from ₹15.2 billion in 2015 to ₹59.4 billion in 2020. Similarly, total sales volume of cheese is expected increase from 33,200 MT 2015 to 84,000 MT in 2020.

The chart below illustrates the historical and forecasted sales value of the cheese market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of the cheese market for the periods indicated:



(*Source: IMARC Report)*

Processed cheese accounts for 88.8% of the cheese market, followed by cheese spread and special cheese accounting for 10.9% and 0.3%, respectively, of the cheese market. The cheese market in India can be further broken down into the retail market and the institutional market with both segments commanding 50% market share each.

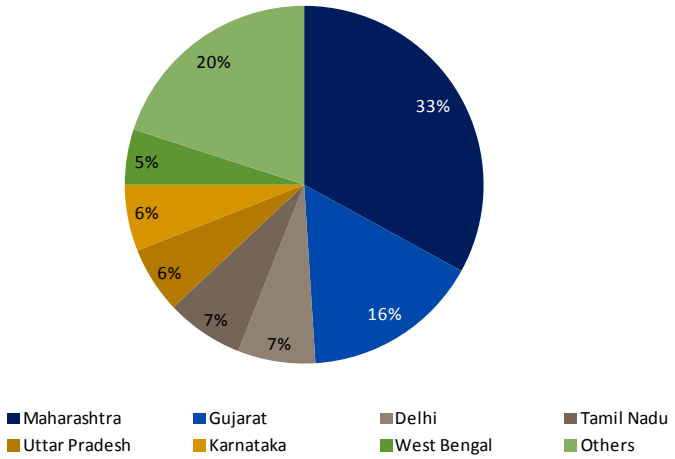
The key drivers of the Indian cheese market include the fast growth expected in the Indian fast food market which uses cheese across a wide number of fast food products such as pizza's, burgers, sandwiches among others. Cheese is now also consumed along-with traditional Indian food products like *paratha*, *idli*, *dosa* and also used as a replacement of butter in many recipes. Further the current demand for cheese, both in the institutional and retail segment, is focused in the metro areas of India. With increasing disposable income and

shift in food consumption trends in Tier 2 and Tier cities, penetration of cheese is expected to increase rapidly going forward. Further, the price per kilogram for cheese in the organised segment is expected to rise from ₹458 per kilogram in 2015 to ₹707 per kilogram in 2020.

(*Source: IMARC Report)*

Maharashtra is the top consuming state of cheese in India, accounting for 33% of cheese consumed, followed by Gujarat, Delhi and Tamil Nadu which account for 16%, 7% and 7%, respectively, of the cheese consumed in India.

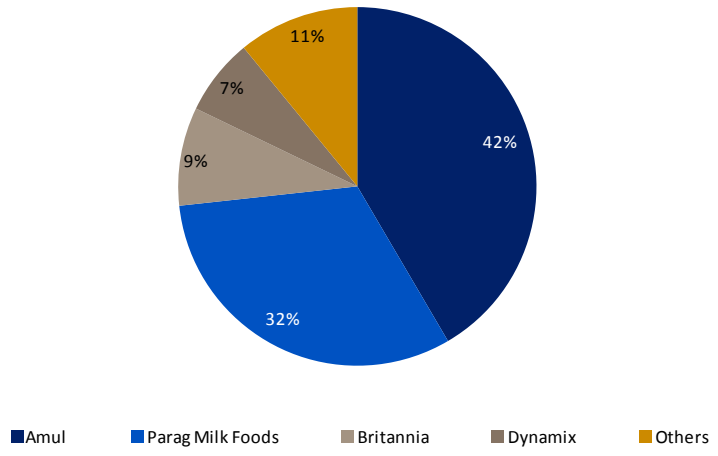
The chart below illustrates the India cheese market break-up by region for 2014:



(*Source: IMARC Report)*

The key players in the organised segment of the cheese market are Amul, our Company and Britannia accounting for 42%, 32% and 9%, respectively, of the cheese market. Amul dominates the retail segment of the market, while our Company is the leader in the institutional segment of the market.

The chart below illustrates market share of key players in the India cheese market for 2014:

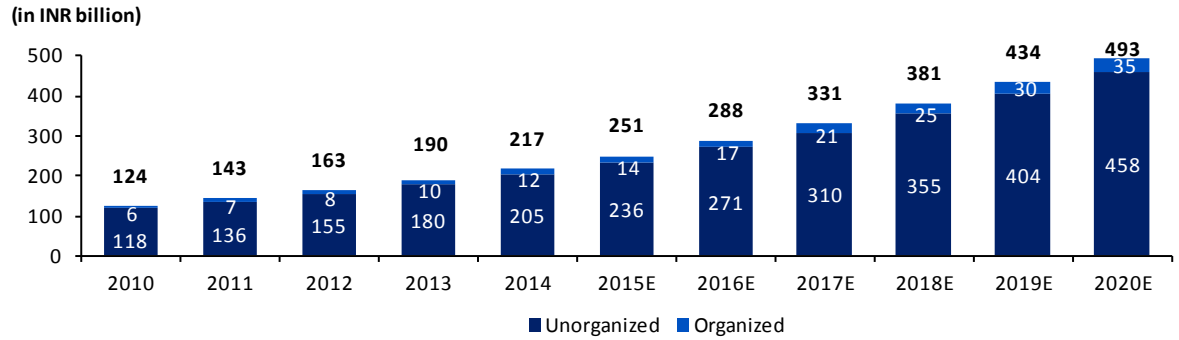


(*Source: IMARC Report)*

Curd

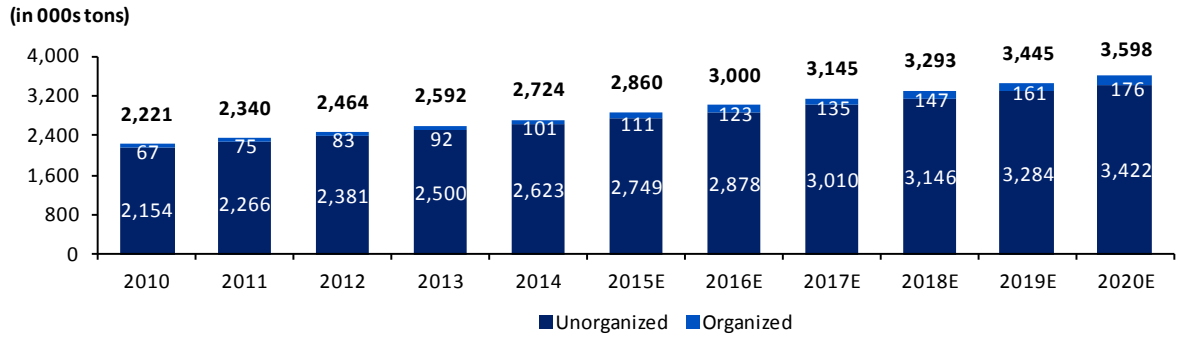
In 2014, the Indian curd market grew at a CAGR of 16% during 2007 to 2014, and was worth ₹217 billion in 2014. Institutional sales currently account for the majority of sales in India. Total sales value of curd is expected to grow at a CAGR of 15% from ₹251 billion in 2015 to ₹493 billion in 2020. Similarly, total sales volume of curd is expected increase from 2.860 MMT in 2015 to 3.598 MMT in 2020.

The chart below illustrates the historical and forecasted sales value of curd market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of Curd market for the periods indicated:

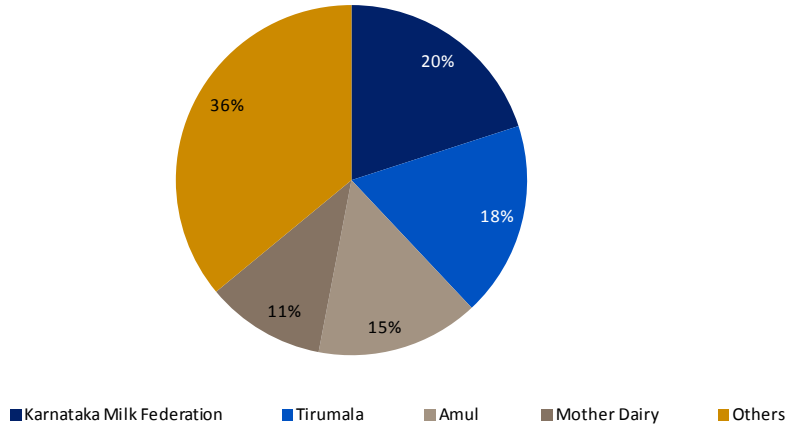


(*Source: IMARC Report)*

The price per kilogram for curd in both the organised and unorganised segments is expected to rise from ₹130 per kilogram and ₹86 per kilogram in 2015, respectively, to ₹201 per kilogram and ₹134 per kilogram in 2020, respectively.

South India currently represents the country's biggest curd market accounting for 35% of the country's total curd consumption followed by north India (33%), west and central India (20%) and east India (12%). The organised segment currently accounts for only 6% of the curd market. Within the organised segment, the key players in 2014 were the Karnataka Milk Federation, Tirumala and Amul accounting for 20%, 18% and 15%, respectively, of the organised curd market. Private players within the organised segment of the curd market include our Company and others. Our Company is an important player in west and south India with a good presence in Mumbai, Pune, Nagpur, Bangalore, Chennai and Hyderabad.

The chart below illustrates market share of key players in the India Curd market for 2014:

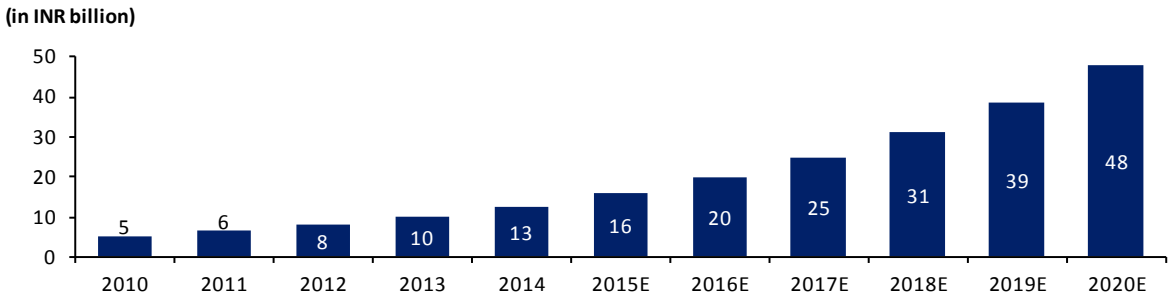


(*Source: IMARC Report)*

Flavoured Milk

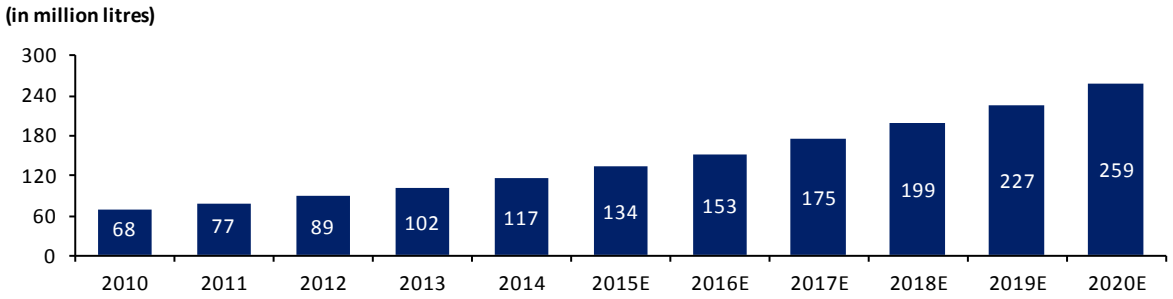
The flavoured milk market is currently one of the fastest growing segments in the Indian dairy industry, growing at a CAGR of approximately 26% during 2007 to 2014, reaching sales revenues of ₹12.6 billion in 2014. The annual consumption of flavoured milk is expected to grow at a CAGR of 14% from 134 million litres in 2015 to 259 million litres in 2020. Total consumption value of flavoured milk is also expected to increase from ₹15.9 billion in 2015 to ₹47.8 billion in 2020.

The chart below illustrates the historical and forecasted sales value of flavoured milk market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of flavoured milk market for the periods indicated:

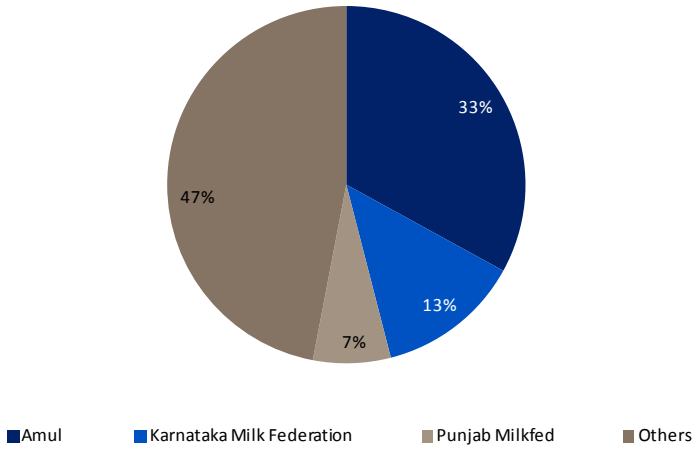


(*Source: IMARC Report)*

Growth in the flavoured milk market is primarily due to the ease of transporting flavoured milks, which are typically sold in resealable plastic bottles or tetra packs, and changing consumer habits from carbonated drinks towards healthier options. The price per litre for flavoured milk in the organised segment is also expected to rise from ₹119 per litre in 2015 to ₹185 per litre in 2020.

North India currently represents the country's biggest flavoured milk market accounting for 35% of the total consumption followed by south India (30%), west and central India (25%) and east India (10%). Within the organised segment, dairy cooperatives are the key market players in the flavoured milk market. Amul is the market leader with 33% share of total flavoured milk sold in the organised segment in 2014.

The chart below illustrates market share of key players in the India flavoured milk market for 2014:

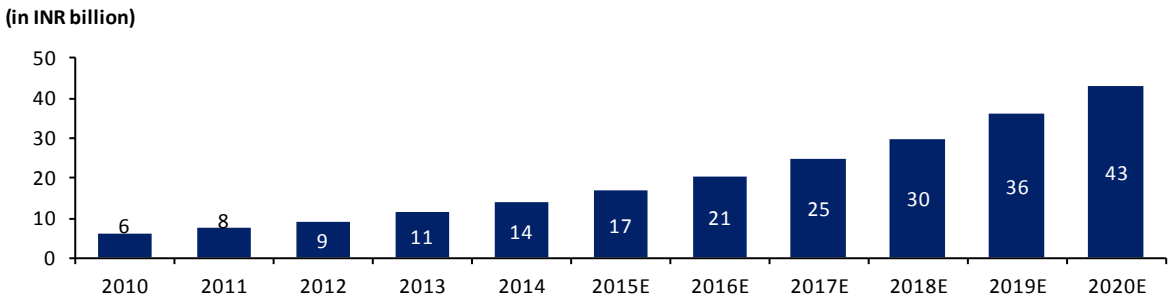


(*Source: IMARC Report)*

Buttermilk

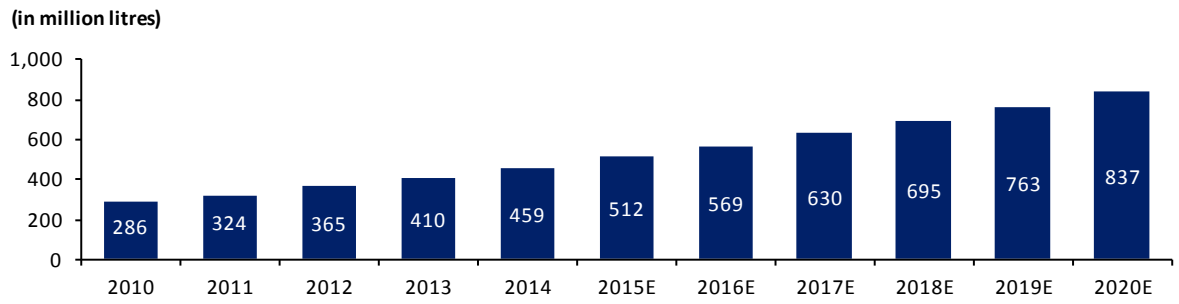
The organised segment of the buttermilk market in India grew at a CAGR of 24% during 2007 to 2014, reaching a value of ₹13.8 billion in 2014. The organised segment of the buttermilk market is expected to grow at a CAGR of 20.6% during 2015 to 2020, reaching a value of ₹43.1 billion in 2020. Similarly, total sales volume of buttermilk is expected to increase from 512.2 million litres in 2015 to 837.1 million litres in 2020.

The chart below illustrates the historical and forecasted sales value of buttermilk market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of buttermilk market for the periods indicated:



(*Source: IMARC Report)*

The price per litre for buttermilk in the organised segment is also expected to rise from ₹33 per litre in 2015 to ₹51 per litre in 2020.

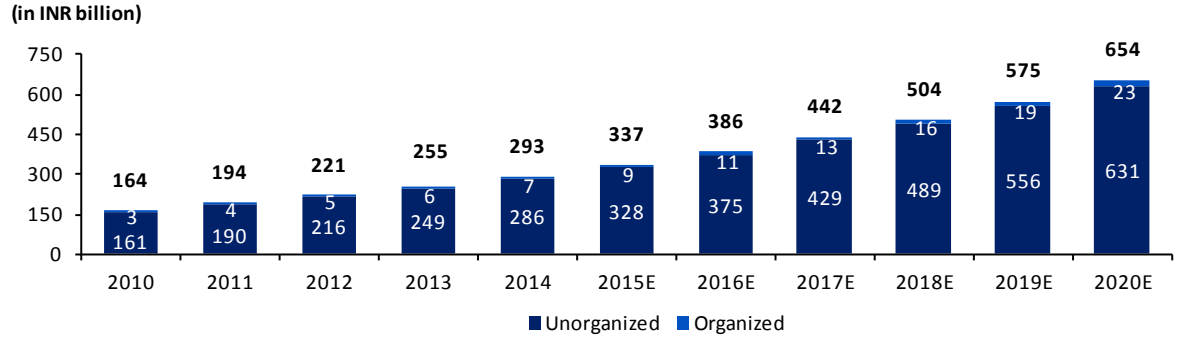
South India currently represents the country's biggest buttermilk market accounting for 35% of the total consumption followed by north India (30%), west and central India (26%) and east India (9%). Within the organised segment, the Gujarat Cooperative Milk Marketing Federation, the Karnataka Milk Federation and the Tamil Nadu Cooperative Milk Producers' Federation are the key players in the buttermilk market.

(*Source: IMARC Report)*

Paneer

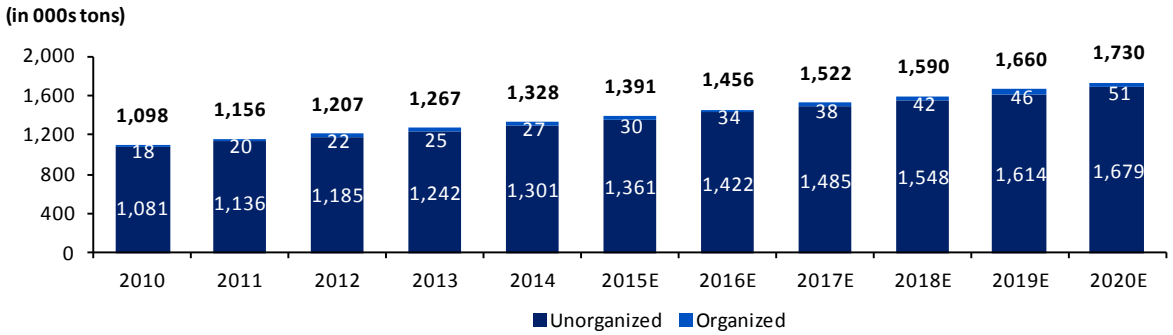
The Indian *paneer* market was valued at ₹293 billion in 2014. The Indian *paneer* market is dominated by the unorganised segment, accounting for 98% of the market, while the organised segment accounts for 2% of the *paneer* market. Total sales value of *paneer* is expected to grow at a CAGR of 14.2% from ₹337 billion in 2015 to ₹654 billion in 2020. Similarly, total sales volume of *paneer* is expected increase from 1.391 MMT in 2015 to 1.730 MMT in 2020.

The chart below illustrates the historical and forecasted sales value of the *paneer* market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of the *paneer* market for the periods indicated:



(*Source: IMARC Report)*

The market for *paneer* is dominated by demand from the institutional players, accounting for 80% of the market. Demand from institutional segment is expected to increase significantly as a result of the growing restaurant and cafeteria business. The price per kilogram for *paneer* in both the organised and unorganised segments is expected to rise from ₹285 per kilogram and ₹241 per kilogram in 2015, respectively, to ₹444 per kilogram and ₹376 per kilogram in 2020, respectively.

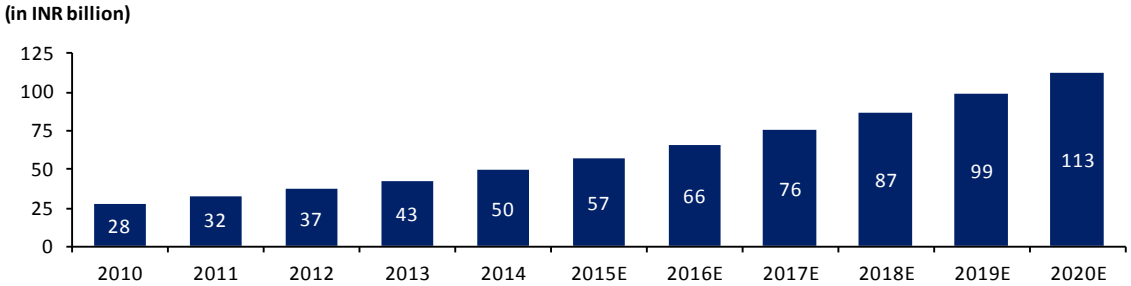
North India currently represents the country's biggest *paneer* market accounting for 50% of the total consumption followed by west and central India (22%), south India (18%) and east India (10%). Within the organised segment, Amul is the market leader, accounting for 28% of the organised *paneer* market. Other major players in the fresh and frozen *paneer* market include G. K. Dairy & Milk Products Private Limited ("**Gopaljee**"), our Company, Mother Dairy and the Punjab State Cooperative Milk Producers' Federation Limited ("**Milkfed Punjab**").

(*Source: IMARC Report)*

Skimmed Milk Powder

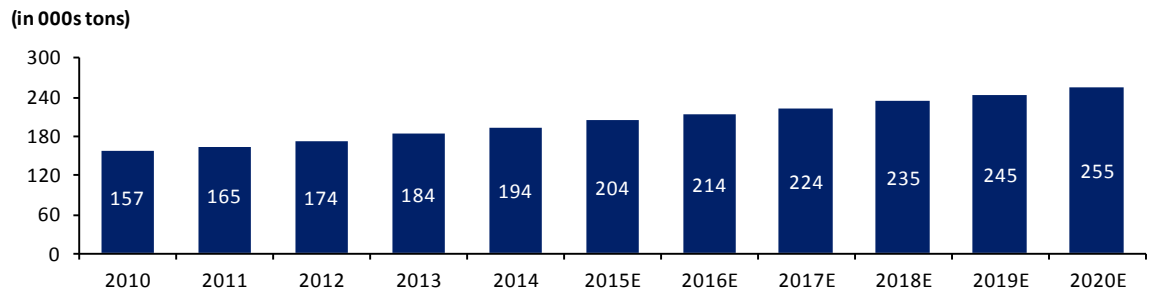
The Indian skimmed milk powder market grew at a CAGR of 14.4%, reaching a value of ₹50 billion in 2014. The total consumption of skimmed milk powder in India was approximately 193,700 MT in 2014 with demand increasing at approximately 5.1% annually. Total consumption value of skimmed milk powder is expected to increase from ₹57 billion in 2015 to ₹113 billion in 2020. Similarly, total consumption volume of skimmed milk powder is expected increase from 204,000 MT 2015 to 255,162 MT in 2020.

The chart below illustrates the historical and forecasted sales value of the skimmed milk powder market for the periods indicated:



(*Source: IMARC Report)*

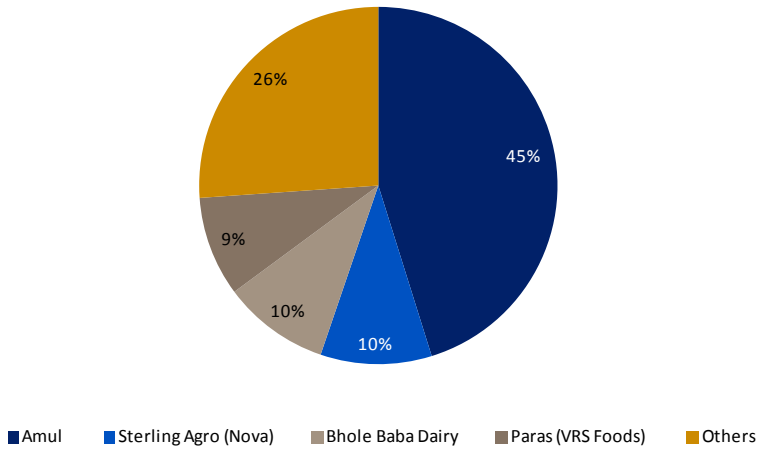
The chart below illustrates the historical and forecasted sales volume of the skimmed milk powder market for the periods indicated:



(*Source: IMARC Report)*
Historical shortfalls or oversupply in the skimmed milk powder market have had a cascading effect on the retail liquid milk market as skimmed milk powder is used as a substitute for liquid milk by various industries. The price per kilogram for skimmed milk powder in the organised segment is expected to rise from ₹281 per kilogram in 2015 to ₹442 per kilogram in 2020.

East India currently represents the country's biggest skimmed milk powder market accounting for 35% of the total consumption followed by north India (28%), south India (23%) and west and central India (14%). Within the organised segment, Amul is the market leader in the skimmed milk powder segment accounting for 45% of the market. Other major players in the skimmed milk powder market include Gopaljee, Sterling Agro, Bhole Baba Dairy Industries Limited ("**Bhole Baba Dairy**") and our Company.

The chart below illustrates market share of key players in the India skimmed milk powder market:

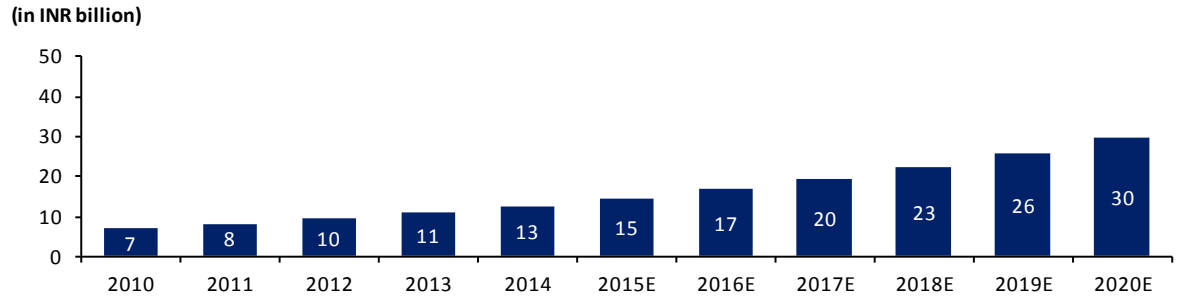


(*Source: IMARC Report)*

Cream

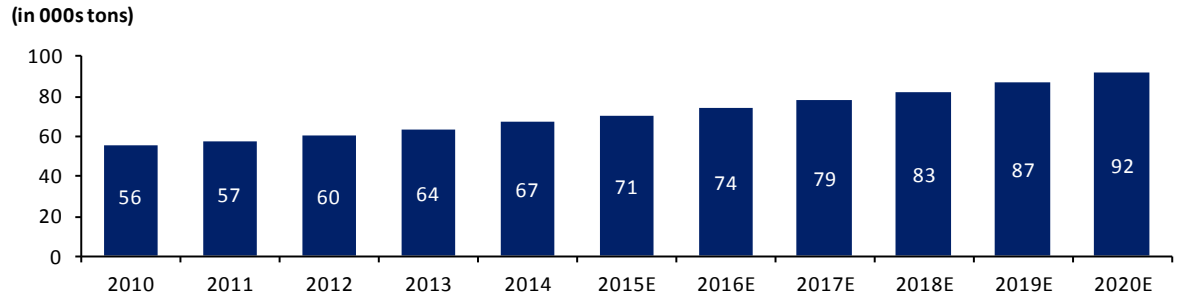
The organised segment of the cream market in India grew at a CAGR of 17% during 2007 to 2014, reaching a value of ₹12.7 billion in 2014. Total consumption value of cream is expected to grow at a CAGR of 15.1% from ₹14.7 billion in 2015 to ₹29.7 billion in 2020. Similarly, total consumption volume of cream is expected increase from 70,600 MT in 2015 to 91,600 MT in 2020.

The chart below illustrates the historical and forecasted sales value of the cream market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of the cream market for the periods indicated:



(*Source: IMARC Report)*

Majority of the cream is consumed by the institutional segment, accounting for 80% of the cream consumed in India, while the remaining is sold to the retail segment. The unorganised segment of the cream market accounts for 85% to 90% of the cream market. The price per kilogram for cream in the organised segment is expected to rise from ₹208 per kilogram in 2015 to ₹324 per kilogram in 2020.

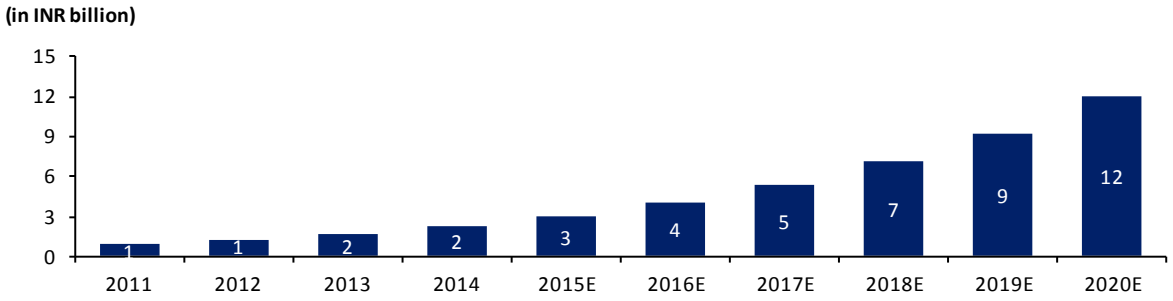
North India currently represents the country's biggest cream market accounting for 37% of the total consumption followed by west and central India (26%), south India (23%) and east India (14%). Amul is the market leader, accounting for 30% to 35% of the organised cream market. Other major players in the organised cream market include Dlecta Foods Private Limited, Vijaya Dairy and our Company.

(Source: IMARC Report)

Flavoured and Frozen Yoghurt

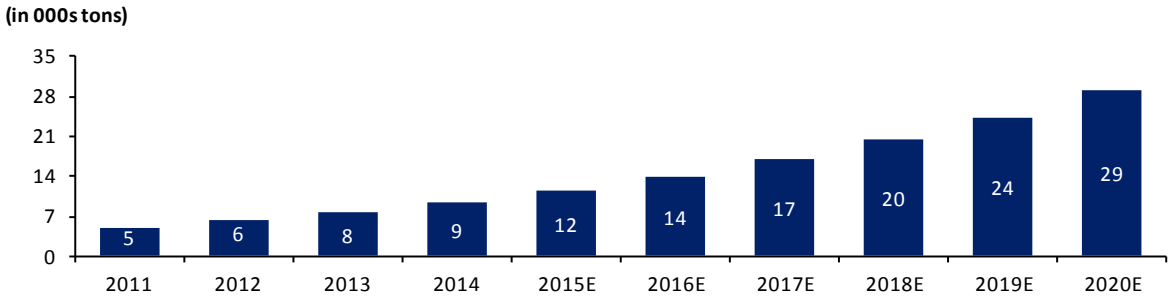
The flavoured and frozen yoghurt market in India grew at a CAGR of 36% during 2011 to 2014, reaching a value of ₹2.3 billion in 2014. Total sales value of flavoured and frozen yoghurt is expected to grow at a CAGR of 32% from ₹3.0 billion in 2015 to ₹12.1 billion in 2020. Similarly, total sales volume of flavoured and frozen yoghurt is expected increase from 11,500 MT in 2015 to 29,100 MT in 2020.

The chart below illustrates the historical and forecasted sales value of flavoured and frozen yoghurt market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of flavoured and frozen yoghurt market for the periods indicated:

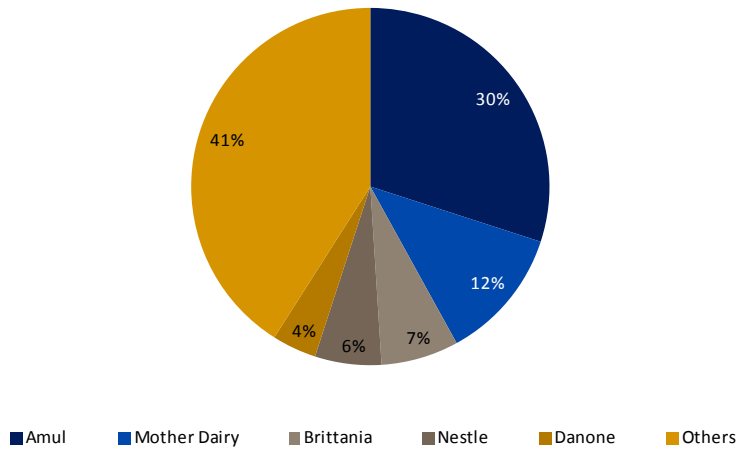


(*Source: IMARC Report)*

Growth in the flavoured and frozen yoghurt market has been primarily driven by the increasing health conscious urban middle class. The price per litre for flavoured and frozen yoghurt in the organised segment is expected to rise from ₹265 per kilogram in 2015 to ₹414 per kilogram in 2020.

North India currently represents the country's biggest flavoured and frozen yoghurt market accounting for 34% of the total consumption followed by west and central India (31%), south India (24%) and east India (11%). This segment was pioneered by our Company in 2010 when we launched Go Fruit and Dahi, a fruit flavoured yoghurt, for the Mumbai, Pune and Bengaluru market. Within the organised segment, cooperatives and private players are key players in the flavoured and frozen yoghurt market with Amul, Mother Dairy and Britannia accounting for 30%, 12% and 7% of the flavoured and frozen yoghurt market, respectively.

The chart below illustrates market share of key players in the India flavoured and frozen yoghurt market:

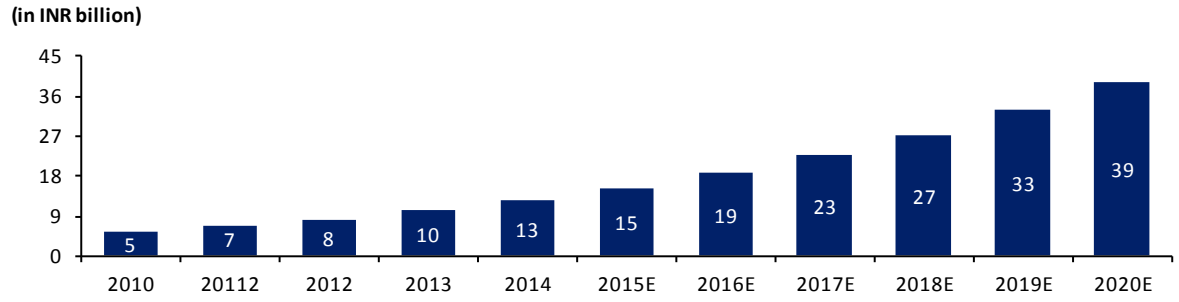


(Source: IMARC Report)

Lassi

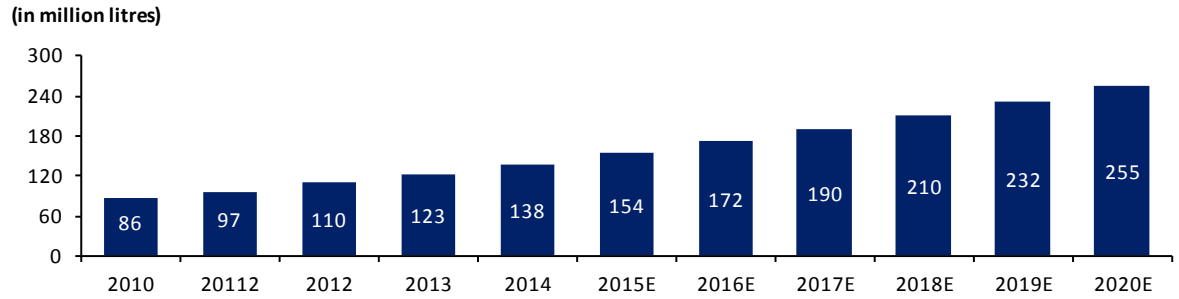
The organised segment of the lassi market grew at a CAGR of 24% during 2007 to 2014, reaching a value of ₹12.5 billion. Total sales value of lassi is expected to grow at a CAGR of 21% from ₹15.3 billion in 2015 to ₹39.3 billion in 2020. Similarly, total sales volume of lassi is expected increase from 154.3 million litres in 2015 to 254.5 million litres in 2020.

The chart below illustrates the historical and forecasted sales value of the lassi market for the periods indicated:



(*Source: IMARC Report)*

The chart below illustrates the historical and forecasted sales volume of the lassi market for the periods indicated:



(*Source: IMARC Report)*

The unorganised segment currently dominates most of the lassi market in India. However penetration of the organised segment into the lassi market is growing as a result of growing demand for packaged lassi from urban consumers. The price per litre for lassi in the organised segment is expected to rise from ₹99 per litre in 2015 to ₹154 per litre in 2020.

North India currently represents the country's biggest lassi market accounting for 57% of the total consumption followed by west and central India (28%), south India (10%) and east India (5%). Within the organised segment, Amul, Milkfed Punjab and Mahanand are currently the key players in the organised segment of the lassi market accounting for 40%, 9% and 8% of total lassi sold in the organised segment, respectively.

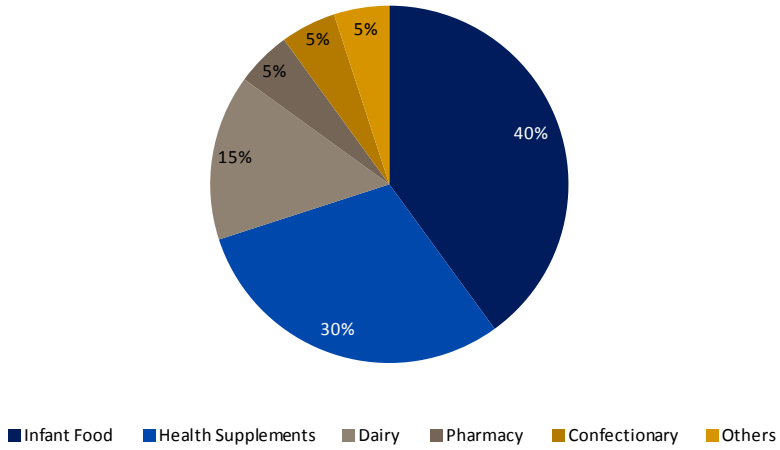
(Source: IMARC Report)

Sweet Whey

Whey is a component of milk protein, it is the liquid which is left after the removal of casein and fat from milk in the manufacturing of coagulated products. It is obtained as a by-product during the manufacturing of cheese, paneer and chhana. The total whey produced in the country can be broadly classified into two categories (i) acid whey which is inedible and accounts for 65% of the total production by volume; and (ii) sweet whey which is edible and accounts for the remaining market 35% of production by volume.

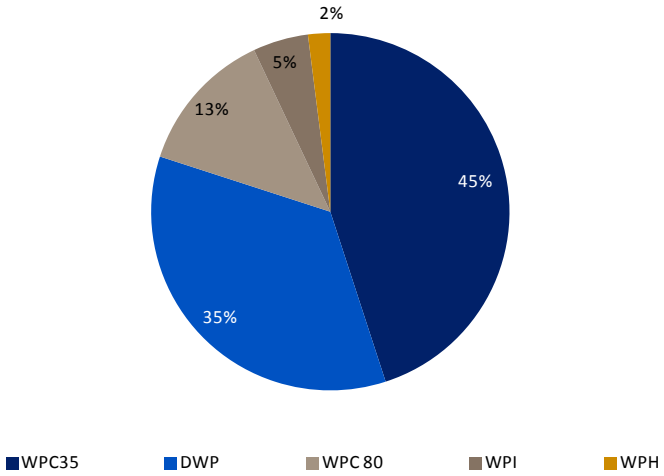
The sweet whey powder market in India grew at a CAGR of approximately 26.0% during 2007 to 2014, reaching a value of ₹3.0 billion and a volume of 29,500 MT in 2014. Key players in the Indian sweet whey market include Amul, our Company and Schreiber Dynamix.

Sweet whey powder has a wide variety of applications on basis of its nutritional and functional properties. It is used as a value added ingredient in many food products and is also receiving a growing interest as a functional ingredient in dietetic and health foods. The end uses of sweet whey in infant food, health supplements, dairy, pharmacy and confectionary industries, account for 40%, 30%, 15%, 5% and 5%, respectively, of total sweet whey powder usage as illustrated in the chart below.



(*Source: IMARC Report)*

The global sweet whey powder market can be further classified based on their protein concentration as illustrated in the chart below:



(Source: IMARC Report)

Although WPC 80, WPI and WPH currently account for only a small portion of the global sweet whey market, the demand for these categories of sweet whey are expected to increase and have significantly higher realisations compared to WPC35 and DWP. In India, there is no domestic manufacturer of WPC 80, WPI and WPH and the entire demand is met by imports with price range as illustrated in the table below:

Product	Price Rage (₹/Kg)
WPC 35	250-300
DWP	100-140
WPC 80	700-800
WPI	1200-1300

(Source: IMARC Report)

Competitive Landscape

The Indian dairy industry is highly fragmented with the organised segment accounting for only 15% to 20% of total milk and dairy product sold in India. Major cooperatives and private players within the organised segment are present only in specific regions and states due to several factors including:

Regionalisation of milk procurement

Milk procurement outside of a market player's core region is difficult due to the time required to build relationships with farmers and milk collection agents and negotiating prices with farmers.

Lack of cold chains and high cost of transportation

Milk and dairy products typically have a short shelf life and the lack of reliable and cost-effective cold chain and transport infrastructure in India makes long distance transport difficult.

Lack of differentiation

The dairy industry is price sensitive and most players have similar product portfolios. Charging premium prices is therefore challenging.

Product customisation

There are large variations with respect to culture, consumer behavior and eating habits across various parts of India, making it difficult for regional players to customise their products specific consumer requirements and habits.

Brand image

Most dairy cooperatives and private players do not have a pan India brand image, as a result significant time and investment is required to create brand awareness outside of a market player's core regions.

Focus on core areas

The dairy industry in India remains highly unpenetrated, particularly in semi-urban and rural areas. Players in the organised segment therefore have large untapped markets in their core regions to focus on.
(Source: IMARC Report)

A market player's ability to compete effectively within the Indian dairy industry is affected by several factors in relation to:

Procurement

The ability to obtain a reliable, stable and satisfactory quality of milk may involve organising and promoting the production of raw milk from farmers, taking measures to distribute quality testing equipment to village cooperatives or providing training and technical support to farmers and auditing of farms.

Processing

Having a diversified product portfolio and processing plant location will reduce dependency on specific products or regions for revenues. The ability to scale production to reduce the cost per unit or obtaining certification for processing plants in order to export to international markets may allow market player's to obtain higher profit margins.

Distribution

A strong distribution network will enable a market player to increase its geographical presence, diversify its markets and maintain its inventory. Establishing a strong distribution network may involve incentivising

retailers and distributors, maintaining stock levels for products that are in demand, opening or franchising retail stores and ensuring a reliable and cost-effective cold chain infrastructure for long distance transport of milk and dairy products.

Marketing

The availability of resources for advertising and promotional purposes is especially important to the success of value added dairy products such as ice cream, cheese and yoghurts in a consumer orientated industry by creating brand awareness, which may lead to increased sales.
(Source: IMARC Report)

Government Schemes

The Government has implemented several schemes relating to the dairy industry, including the following:
National Dairy Plan

The objective of this scheme is increase milk production to approximately 180 MMT annually by 2022. The National Dairy Development Board is responsible for implementing this scheme.

Intensive Dairy Development Scheme

This scheme is targeted towards rural milk producers and grants a 70% loan and 30% basis of funding to plants that have over 20,000 litres of milk processing capacity per day. The implementing agencies for this scheme are state dairy federations and district milk unions.

Assistance to Cooperative Scheme

Grants are provided through the National Diary Development Board to revive sick dairy cooperative unions at the district level and cooperative federations at the state level.

Strengthening Infrastructure and Clean Milk Production Scheme

This scheme is catered towards farmer members of primary dairy cooperative societies. Funding is provided for the purchase and installation of bulk milk coolers at the village level. This scheme is implemented through state governments and by state dairy federations and district milk unions.

Dairy Venture Capital Fund Scheme

This scheme is targeted towards urban and rural investors. Assistance under this scheme is provided in the form of bankable projects with a 50% interest free loan component. This scheme is implemented through the National Bank for Agriculture and Rural Development.

(*Source: IMARC Report)*

OUR BUSINESS

Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.

Overview

We are one of the leading manufacturers and marketers of dairy-based branded foods in India. We commenced our business in 1992 with collection and distribution of milk and have now developed into a dairy-based branded consumer products company with an integrated business model, manufacturing a diverse range of products including cheese, *ghee* (clarified butter), fresh milk, whey proteins, *paneer*, curd, yoghurt, milk powders and dairy based beverages targeting a wide range of consumer groups through several brands. A significant portion of our product range includes long shelf-life food and beverage products that enable us to sell our products to retail and institutional customers across India. We derive all of our products only from cows' milk. Our aggregate milk processing capacity is 2 million litres per day and our cheese plant has the largest production capacity in India, with a raw cheese production capacity of 40 MT per day. *(Source: IMARC Report)*. 'Gowardhan' and 'Go', our flagship brands, are among the leading *ghee*, cheese and other value added product brands in India.

Our brands and products along with their target consumer base are set forth below:

Brands	Products	Brand attributes and target consumers groups
Gowardhan	• Fresh milk in variants such as Vital, Gold, Fresh and T-Star • Curd products such as curd, trim curd and buttermilk • *Ghee* • *Paneer* • Butter • Milk powders such as dairy whitener, milko, skimmed milk powder and whole milk powder • Whey proteins and whey permeate powders • *Gulab jamun* mix • *Shrikhand*	Targeted at house-hold consumption and to be used as cooking ingredients.
Go	• Cheese products including processed cheese blocks, pizza cheese, cheese spreads, cheese wedges, cheese angles, cheese slices, cheezoo tubes, nacho sauce, filler cheese, shredded natural cheese, mozzarella, cheddar, mild cheddar, orange cheddar, gouda, emmental, parmesan, colby and monterey jack cheese, cream cheese, cheese chutney slice • UHT milk: Go Milk, Go Slim Milk and Go Supremo Milk • Fresh milk: Go Kidz • Curd	Targeted at children and the youth generation, primarily for direct consumption.

Brands	Products	Brand attributes and target consumers groups
	• Fruit yoghurts in six flavours • Fresh cream • Beverages such as *lassi*, buttermilk in two flavours, and badam milk	
	• Premium cow milk	Farm-to-home concept of milk, directly delivered from the farm to a consumer's door-step, through a subscription model. Targeted at household consumers seeking premium quality cow's milk.
	• Flavoured milk in six flavours	Targeted at the youth generation and travellers as a source of instant nourishment.

Our total revenues were ₹12,311.88 million, ₹14,405.19 million and ₹10,895.00 million and our profit after tax was ₹319.23 million, ₹259.66 million and ₹159.68 million for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively. Our revenue from the sale of manufactured goods accounted for ₹10,928.95 million, ₹13,289.78 million and ₹9,593.24 million, or 88.8%, 92.3% and 88.1% of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively, and comprised the sale of:

- Gross fresh milk, which accounted for ₹2,503.43 million, ₹2,627.91 million and ₹2,306.92 million, or 20.3%, 18.2% and 21.2%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- *Ghee*,butter and cream, which accounted for ₹3,510.29 million, ₹2,628.98 million and ₹2,067.82 million, or 28.5%, 18.3% and 19.0%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- Cheese/*paneer*, which accounted for ₹2,307.24 million, ₹2,669.81 million and ₹2,015.95 million, or 18.7%, 18.5% and 18.5%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- UHT products, which accounted for ₹589.93 million, ₹467.67 million and ₹250.46 million, or 4.8%, 3.2% and 2.3%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- Whey products, which accounted for ₹361.91 million, ₹225.08 million and ₹222.27 million, or 2.9%, 1.6% and 2.0%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively;
- Skimmed milk powder and dairy whitener, which accounted for ₹1,244.71 million, ₹3,010.03 million and ₹2,030.02 million, or 10.1%, 20.9% and 18.6%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively; and

- Other products, which include curd, fruit yoghurt, *gulab jamun* mix and flavoured milk, accounted for ₹607.87 million, ₹1,660.30 million and ₹699.80 million, or 4.9%, 11.5% and 6.4%, of our total revenues for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively.

Our manufacturing facilities are strategically located at Manchar in the Pune district of Maharashtra and Palamaner in the Chittoor district of Andhra Pradesh, which have a high population of dairy cows, with milk processing capacities of 1.2 million litres per day and 0.8 million litres per day, respectively. We produce cheese and whey products only at our Manchar facility, UHT products only at our Palamaner facility and other products at both facilities. We produce cheese in 75 stock keeping units at our cheese plant. As of February 29, 2016, we employed 1,618 personnel across our operations. We place significant emphasis on quality control and product safety at each step of the manufacturing process, right from the procurement of raw milk until the final product is packaged and ready for distribution. We have obtained several quality control certifications and registrations for our facilities.

Our supply chain network includes procurement from 29 districts across Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu, through over 3,400 village level milk collection centres. We procure milk from milk farmers and through chilling centres and bulk coolers. Our average daily milk procurement for the nine months ended December 31, 2015 and 2014, and the financial years 2015, 2014 and 2013 was approximately 1.00 million litres, 1.00 million litres, 1.05 million litres, 0.77 million litres and 0.85 million litres, respectively. We have an extensive sales and distribution network, which covers 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016, spread across most states and union territories in India. We also have a dedicated sales and marketing team comprising 560 personnel based in our key distribution centres. Some of our leading institutional customers include leading restaurant and cafe chains such as Yum! Restaurants (India) Private Limited (for Pizza Hut, Taco Bell and KFC), Jubilant Foodworks Limited (for Domino's Pizza) and Sankalp Recreation Private Limited (for Sam's Pizza).

In 2005, we set up our Bhagyalaxmi Dairy Farm at Manchar, with an aim to educate farmers about best practices of breeding, feeding, animal management and improving productivity. Our dairy farm is fully automated and houses over 2,000 holstein breed cows with higher yields of superior quality milk. We supply farm-to-home premium fresh milk from our Bhagyalaxmi Dairy Farm, which we market and sell under our 'Pride of Cows' brand in Mumbai and Pune.

Our Company is promoted by Mr. Devendra Shah, Mr. Pritam Shah and Mr. Parag Shah, each of whom has over 20 years of industry experience and have well established relationships with farmers in the vicinity of our facilities, distributors and institutional customers. Motilal Oswal group (the "**MO Group**") and IDFC, through their private equity funds, have made financial investments in our Company over the years. We have been awarded a number of industry awards and recognition and our 'Gowardhan' brand was ranked among the top 25 most trusted brands in the food products category by the Economic Times in 2014. Go Cheezooz, one of our products, was awarded the 'Best Children's Dairy Product' for the product innovation category at the Dairy Innovation Awards 2012 and Go Cheese was awarded 'India's Most Promising Brand 2014-15' in the FMCG Category by World Consulting & Research Corporation in December 2015. We were also recently awarded a state level award for excellence in energy conservation and management by the Maharashtra Energy development Agency on February 18, 2016.

Our Competitive Strengths

We believe that the following are our principal strengths:

Well Established Brands Targeting a Range of Consumer Groups

We believe that a strong and recognisable brand is a key attribute in our industry, which increases customer confidence and influences a purchase decision. We sell our products under our 'Gowardhan', 'Go', 'Pride of Cows' and 'Topp Up' brands, which we believe are well recognised brands and have been developed to cater to various sections of the market for dairy based food and beverage products. Our 'Gowardhan' brand was ranked among the top 25 most trusted brands in the food products category by The Economic Times in 2014 and Go Cheese was awarded 'India's Most Promising Brand 2014-15' in the FMCG Category by World Consulting & Research Corporation in December 2015. We sell fresh milk, *ghee*, butter, cheese, curd, milk powder, *paneer* and *gulab jamun* mix under our 'Gowardhan' brand, which is targeted at consumer consumption at home. We sell UHT milk, fresh cream, cheese, yoghurt and beverages such as buttermilk and *lassi* under our 'Go' brand, which is targeted at children and the youth generation, primarily for direct consumption. Our 'Pride of Cows'

brand offers farm-to-home fresh milk and is targeted at customers seeking premium quality cow milk. We sell our beverages for instant consumption under our 'Topp Up' brand, which is targeted at the youth generation and travellers as a source of instant nourishment. We also believe that the strength of our brands helps us in many aspects of our business, including expanding to new markets, entering into agreements with distributors and retailers and building relationships with our customers, investors and lenders.

Integrated Business Model

We have an integrated business model that encompasses the entire value chain of the dairy based food and beverages business and includes a range of activities including manufacturing and processing to branding and distributing a wide variety of products. We have well established relationships, developed over several years, with farmers in the proximity of our facilities, and our continuous engagement with them enables us to consistently procure raw milk and at competitive prices. We procure milk from milk farmers and through chilling centres and bulk coolers located close to our facilities at Manchar and Palamaner. We believe that we have a strong procurement base with a presence in 29 districts across the states of Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu. Further, the strategic location of our manufacturing facilities enables us to control costs associated with the transportation and handling of raw milk, without wastage or any substantive loss of quality or nutritional value.

We manufacture a wide range of products at our manufacturing facilities at Manchar and Palamaner, which have automated production facilities to ensure operational efficiencies, quality control and lower production losses. Over the years, we have introduced a range of innovative and value added products in the market to cater to the evolving needs of our retail and institutional customers. Branding and marketing strategies are a key component of our business policy and we have a dedicated sales and marketing team comprising 560 personnel based in our key distribution centres. We have also established a pan-India distribution network comprising 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016 to sell our products to our retail and institutional customers. We believe that our integrated business model with a strong procurement base, diversified product portfolio and growing distribution network enable us to cater to diverse customer requirements and compete effectively.

Diversified Product Portfolio and Customer Base

Over the years we have diversified our product portfolio, which consists a range of products including fresh, premium fresh and UHT milk, *ghee*, cheese, milk powders, whey proteins, dairy based beverages, curd, *paneer*, *shrikhand*, fruit yoghurts and fresh cream. We believe that we have pioneered several new products and some manufacturing and development processes in the dairy industry in India. Our cheese plant at Manchar has the largest production capacity for raw cheese in India *(Source: IMARC Report)*, where we currently manufacture 75 stock keeping units of cheese. We have recently introduced dairy based products, which focus on consumer health and nutrition. We classify our product portfolio into fresh milk, skimmed milk powder, *ghee*, cheese/*paneer*, UHT products, whey products and other products, which accounted for 18.2%, 20.9%, 18.3%, 18.5%, 3.2%, 1.6%, and 11.5% of our total revenues for the financial year 2015, respectively. Our diverse product portfolio enables us to effectively cater to evolving consumer trends.

We sell our products to several customer categories such as retail customers, hotels, restaurants, institutional customers and caterers. We are one of the leading suppliers in India of whey protein to consumer product companies such as Nestle India Limited and UTH Beverage Factory Private Limited. We also sell our skimmed milk powder, whey products, cheese and other products to customers such as McCain Foods India Private Limited, MTR Foods Private Limited, Mother Dairy Fruit & Vegetable Private Limited and Jubilant Foodworks Limited, who utilise our products as ingredients in their operations. Thus, we derive our revenues from the sales of a variety of products to a diverse range of customers, which we believe assists us in mitigating the concentration risks associated with operations in a specific product and customer segment.

Growing Pan-India Distribution Network

In order to cater to our retail and institutional customers, we have established a pan-India distribution network which comprised 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016. Our depots are present in 13 states and union territories in India and assist us in supplying our products to a wide network of retail stores. To sell products to our end consumers, we use modern trade channels, which comprise super-markets and hyper-markets and general trade channels that include smaller retail stores. On account of their short shelf life, our fresh milk and fresh milk products are largely sold in the western and southern regions of India, in proximity to our manufacturing facilities at Manchar and Palamaner. We sell farm-to-home

premium fresh milk directly to retail customers in Mumbai and Pune and we sell our beverages to direct consumption outlets such as canteens, railway stations, road-side and highway eateries and educational institutions. We have established a separate route-to-market to focus on the distribution of our low unit price products including *ghee*, flavoured milk, UHT milk, dairy whiteners and *gulab jamun* mix in Tier 3 cities and rural areas in India. We cater to our institutional customers, hotels, restaurants and caterers directly and through distributors appointed by us. Our structured and growing distribution network facilitates the efficient sale of our products in our targeted markets and promotes our brand visibility.

Established Track Record of Growth and Financial Performance

Over the years, we have established a strong track record of growth and financial performance. Our total revenues grew at a CAGR of 21.6% from ₹6,585.03 million for the financial year 2011 to ₹14,405.19 million for the financial year 2015. Our net profit after tax grew from ₹188.97 million for the financial year 2012 to ₹259.66 million for the financial year 2015. The volume of milk procured by us increased at a CAGR of 11.47% from 0.68 million litres per day for the financial year 2011 to 1.05 million litres per day for the financial year 2015. Further, we have invested significant resources over the last few years to install additional plant and machinery and other technological infrastructure at our facilities, including for our UHT, cheese and whey products and we expect to derive benefits from these investments in the near future.

Experienced Senior Management

We have a strong management team with significant industry experience. Our Company is promoted by Mr. Devendra Shah, our Chairman, Mr. Pritam Shah, our Managing Director and Mr. Parag Shah, each of whom has over 20 years of experience in the milk and dairy based food business. Their experience has helped us develop relationships with our vendors including farmers for the procurement of milk, institutional customers and our dealers and distributors. Further, Mr. B. M. Vyas, former managing director of the Gujarat Cooperative Milk Marketing Federation (Amul) has been with our Company since 2010 as an advisor and is a Director on our Board. We believe that the extensive industry experience of our Promoters and Directors has helped us in developing an optimised procurement model and an extensive marketing and sales network. We believe that our management team of qualified and experienced professionals enables us to identify new avenues of growth, and help us to implement our business strategies in an efficient manner and to continue to build on our track record of successful product offerings. For further details, see "Our Management" on page 171.

Our Strategies

The primary elements of our business strategy are as follows:

Grow Our Product Reach

While we currently have a structured pan-India distribution network to cater to our retail and institutional customers, we constantly seek to grow our product reach to under-penetrated geographies. We intend to appoint additional distributors and super stockists to increase the availability of our products in smaller towns in India and introduce new low unit price products in Tier 3 cities and rural areas. As part of our sales strategy, we continue to evaluate potential sales growth drivers for specific products and regularly identify specific states and regions in India to focus our sales efforts and increase our sales volumes. Prior to expanding to new geographies or launching new products, we research and examine the market and demographic characteristic of the region to determine the suitability of our products in that market.

Further, we seek to increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets. We intend to achieve this by appointing new distributors targeted at different consumer groups and increase our sales force. We currently have 15 depots located across the country and we propose to establish six more depots during the financial year 2017, of which two depots would be located in northern India, two in southern India, one in western India and one in eastern India. Increasing the number of our depots will enable retailers to source a greater number and a wider range of our products more efficiently.

Increase Our Milk Procurement

We require raw milk from cows for all our manufacturing operations, which we procure from milk farmers and through chilling centres and bulk coolers, in the vicinity of our manufacturing facilities and the production volumes of our products are dependent upon the amount and quality of raw milk that we are able to procure. We

currently procure milk from 29 districts across the states of Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu. We believe that maintaining good relationships with milk farmers and other milk vendors is essential to increasing our milk procurement. We seek to strengthen our existing relationships with milk farmers and vendors, and cultivate new relationships through various methods including milk quality and quantity based incentives, providing farmers with cattle feed and seeds, assisting with veterinary health-care, vaccinations, artificial insemination and facilitating loans to purchase cattle. Further, we propose to increase our milk procurement by setting up new collection centres for both our manufacturing facilities and access new districts to procure cows' milk. We also propose to purchase new 75 bulk milk coolers and 100 automated milk collection systems and install them at villages in the vicinity of our facilities and establish new village level milk collection centres in under-penetrated areas, thereby further increasing our milk procurement base.

Continue to Focus on Strengthening Our Brands

We believe that our brands are one of our key strengths and that our customers, distributors, stockists and members of the financial community associate our brands with trusted and superior quality products. We undertake extensive consumer and market research to gauge the various aspects of a product and plan our marketing campaigns. On the basis of our product and market based research studies, which we conduct on an ongoing basis, we intend to continue to enhance the brand recall of our products through strategic branding initiatives, including through the use of social media and consumer engagement programs. We use various media channels to promote our brands including placing advertisements and commercials on television, newspapers, hoardings and on digital media. We also extensively promote our brands at stores and super-markets through in-shop activities and engage in consumer activities such as cooking competitions and school contact programs. The aggregate of our advertising and marketing expenses and sales promotion expenses were ₹264.25 million, ₹248.10 million and ₹128.96 million, or 2.1%, 1.7% and 1.2% of our total revenues for the the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively, and we intend to increase this proportion in the future. Our marketing team develops strategies to promote each of our products and we currently propose to focus on promoting our *ghee*, *paneer* and fresh milk under the 'Gowardhan' brand and our UHT milk and cheese products under our 'Go' brand. As of February 29, 2016, our marketing team comprises 560 personnel, or 34.6%, of our total workforce.

Increase Our Value-added Products Portfolio and Focus on Health and Nutrition

We constantly focus on research and development to distinguish ourselves from our competitors to enable us to introduce new products based on consumer preferences and demand. We propose to set up a research and development centre at our Manchar facility to develop new products and processes and a technology centre at our Subsidiary for training and development activities and focus on animal husbandry. We intend to increase the share of our value-added product portfolio by focusing on health and nutrition to cater to evolving consumer trends. We recently launched flavoured milk with higher protein content under our 'Topp Up' brand and buttermilk under our 'Go' brand with a few variants each. We have also introduced milk variants on the basis of specific end-use and introduced our T-Star milk to be used to make tea and coffee and introduced Go Kidz milk with high protein content for growing children. We now intend to increase our dairy based beverages portfolio under our 'Go' brand and introduce milk based high protein drinks.

While our current product portfolio includes plain curd, we propose to introduce a new variant of curd with a higher protein and lower fat content and cream cheese with a lower fat content for health conscious consumers. We also intend to introduce colostrum products, which can be consumed as a daily supplement to improve immunity and general health, introduce several cheese products with low fat, high protein and mineral content and we seek to add value to and convert our milk powder into food supplements and nutritional products for different age groups. Further, we intend to sell premium quality butter and ghee through the farm-to-home concept under our 'Pride of Cows' brand.

Our current range of whey products include whey protein concentrates, whey permeate and demineralised whey powders. We sell whey proteins to our institutional customers including Nestle India Limited and UTH Beverage Factory Private Limited and whey powders to bakeries and confectionaries. As of December 31, 2015, we had incurred ₹318.47 million in setting up our whey products processing infrastructure and are in the process of commissioning additional technological infrastructure to increase the concentration and grading of whey proteins that we manufacture, and sell them directly to retail consumers in the form of branded health supplement foods and beverages. We believe that we can increase our margins by focussing on increasing sales of our value-added products and that such initiatives will assist us in further diversifying our business.

Increase Operational Efficiencies

We intend to continue to increase our operational efficiencies to strengthen our competitive position. We believe that we have adopted best practices in line with international standards across our production facilities, drawing on our management's expertise and experience in facility management. We will continue to leverage our in-house technological and research and development capabilities to effectively manage our operations, maintain strict operational controls and enhance customer service levels. As part of our environmental, health safety and energy management certifications, we have identified major focus areas of reducing energy and water consumption per litre of milk processed, reducing milk and solid wastage and decreasing emission levels. We have invested significant resources and intend to further invest in our in-house technology capabilities to develop customised systems and processes such as express feeder line for electricity at both our facilities, co-generation turbines for captive power generation, usage of zero-discharge effluent treatment facility equipment for minimal water usage and waste management and automation of processes to achieve higher efficiencies. We intend to further improve our operational efficiencies and reduce our operating costs at our production facilities.

Our Business and Operations

Our Product Portfolio

Products	Variants / Flavours	Stock Keeping Units
Fresh milk	Pride of Cows	One litre bottle
	Gowardhan Gold	1 litre, 500 ml, 250 ml, 200 ml poly pouches
	Gowardhan Vital	1 litre, 500 ml poly pouches
	Gowardhan Fresh	1 litre, 500 ml, 250 ml, 200 ml poly pouches
	Gowardhan T-Star	1 litre, 500 ml poly pouches
	Go Kidz	500 ml poly pouches
Fresh products	Go Fruit Dahi in flavours of vanilla, saffron, pink guava, strawberry, pineapple, *lichee*, mix-berry and mango	80 gram cups
	Gowardhan Dahi	80 grams, 200 grams, 400 grams, 1 kilo, 2 kilo cups; 200 grams, 400 grams, 1 kilo poly pouches
	Go Dahi	150 grams, 400 grams cups
	Gowardhan Trim Dahi	200 grams, 400 grams cups
	Gowardhan Fresh Paneer	100 grams, 200 grams, 500 grams blocks
	Gowardhan Frozen Paneer	100 grams, 200 grams, 500 grams blocks; 200 grams, 1 kilo cubes
	Gowardhan Shrikhand in flavours of saffron, mango and *elaichi*	200 grams, 500 grams cups
Cheese	Gowardhan Cheese Blocks	200 grams, 400 grams and 1 kilo
	Go Cheese Blocks	200 grams, 400 grams and 1 kilo
	Go Pizza Cheese Blocks	200 grams, 400 grams and 1 kilo
	Cheez Block	1 kilo
	Go Cheese Angles	200 grams, 800 grams
	Go Cheese Wedges Plain	35 grams, 140 grams tubs
	Go Cheese Wedges Flavoured in flavours of plain, black pepper, chilli and tomato	140 grams tub
	Go Cheese Slices	40 grams, 100 grams, 200 grams, 476 grams, 750 grams
	Go Cheese Chutney Slices	100 grams, 200 grams
	Go Sandwich Slices	900 grams
	Go Cheese Spread Bottle	200 grams bottle
	Go Cheese Spread Plain	200 grams cup
	Go Cheese Spread Four Peppers	200 grams cup
	Go Cheese Spread Garlic	200 grams cup
	Go Cheese Spread Jalapeno	200 grams cup
	Go Cheese Spread Olives and Herbs	200 grams cup

Products	Variants / Flavours	Stock Keeping Units
	Go Cheese Spread Smoked Paprika	200 grams cup
	Go Nacho Cheese Sauce	180 grams bottle, 500 grams bottle
	Go Natural Shredded Cheese-Pizza	150 grams zip-lock pack
	Go Natural Shredded Cheese-Pasta	150 grams zip-lock pack
	Go Natural Shredded Cheese-Mexican	150 grams zip-lock pack
	Go Almette Creamed Cottage Cheese - Plain	150 grams keg
	Go Almette Creamed Cottage Cheese - Herbs	150 grams keg
	Go Cheezoo Plain	100 grams squeezy tube
	Go Cheezoo Chocolate	100 grams squeezy tube
	Go Cheezoo Tomato Salsa	100 grams squeezy tube
	Go Cheese Tins	200 grams, 400 grams
	Go Mozzarella	200 grams, 1 kilo, 2 kilo blocks
	Go Gouda	200 grams, 2 kilos, 20 kilo blocks
	Go Emmental	200 grams, 2 kilos, 20 kilo blocks
	Go Mild Cheddar	200 grams, 2 kilos, 20 kilo blocks
	Go Montery Jack	200 grams, 2 kilos, 20 kilo blocks
	Go Colby	200 grams, 2 kilos, 20 kilo blocks
	Go Orange Cheddar	200 grams, 2 kilos, 20 kilo blocks
	Shredded Mozzarella	2 kilos
	Diced Mozzarella	500 grams, 2 kilos
	Mozzarella-Cheddar Blend Diced	2 kilos
	Cheddar Diced	2 kilos
	Go Pizza Topping Diced	2 kilos
	Go Filler Cheese	500 grams, 1 kilo
	Almette Gourmet Cheese - Fine Herbs	150 grams
	Almette Gourmet Cheese - Original	150 grams
Ghee	Gowardhan Premium Cow Ghee	9 ml, 18 ml, 50 ml, 100 ml, 200 ml, 500 ml, 1 litre, 5 litres in pouches, jars, tins and cartons
Butter	Gowardhan Butter	100 grams, 500 grams, 500 grams IP, 20 kilo
UHT products	Go Milk	200 ml, 1 litre bricks, 200 ml fino pack
	Go Slim Milk	1 litre brick
	Go Supremo Milk	1 litre brick
	Go Spiced Buttermilk	200 ml, 1 litre bricks and 200 ml fino pack
	Go Southern Spiced Buttermilk	200 ml, 1 litre bricks and 200 ml fino pack
	Go Fresh Cream	200 ml, 1 litre bricks
	Go Lassi	200 ml, 1 litre bricks
Milk-based Beverages	Go Badam Milk	180 ml cans
Flavoured milk	Topp-up High Protein Flavoured Milk in the flavours of *elaichi*, mango, butterscotch, pistachio, rose and strawberry	200 ml glass and plastic bottles
Dairy Whiteners	Gowardhan Dairy Whitener	16 grams, 32 grams, 50 grams, 500 grams, 1 kilo, 10 kilos
Gulab jamun mix	Gowardhan Gulab Jamun Mix	50 grams, 200 grams, 1 kilo
Skimmed milk powder	Milko	20 grams, 10 kilos
	Gowardhan Special Skimmed Milk Powder	500 grams, 1 kilo
	Gowardhan Skimmed Milk Powder	25 kilos
Whole Milk Powder	Gowardhan Whole Milk Powder	25 kilos
Whey Proteins	Gowardhan Whey Protein Concentrates in WPC-35, WPC-50 and DWP-28	10 kilos, 15 kilos, 25 kilos
Whey Powders	Gowardhan Whey Powders and Whey Permeate Powder in DM-40, DM-70 and sweet whey powder	25 kilos

Our Production Facilities

Our manufacturing facilities at Manchar and Palamaner have automated production facilities to ensure operational efficiencies and quality control. We produce cheese and whey products only at our Manchar facility, UHT products only at our Palamaner facility and other products at both facilities. Our facility at Manchar has a milk processing capacity of 1.20 million litres per day and a raw cheese production capacity of 40 MT per day. We anticipate that our cheese plant will reach its peak utilisation in the near future and we propose to utilise a portion of the Net Proceeds to expand our existing raw cheese production capacity from 40 MT per day to 60 MT per day. Our facility at Palamaner has a milk processing capacity of 0.80 million litres per day, UHT product manufacturing capacity of 0.17 million litres per day and is capable of producing several UHT treated products in Tetra Pak brick and fino formats. We use a continuous and automated process to manufacture cheese, spray drying process to produce milk powder, filtration process to produce whey powder and thermisation process to manufacture curd.

For the refrigeration of our products, we have installed a vapour absorption machine, screw compressor and reciprocating compressors, all with variable frequency drives. We have also installed homogenisers, separators and pasteurisers for the processing of milk. We have installed equipment such as continuous butter making machines for the manufacture of butter, kettles for manufacturing *ghee*, evaporators and dryers for manufacturing milk powders and whey powders, filtration lines for manufacturing whey proteins and powders, sterilisation equipment for manufacturing beverages such as flavoured milk, UHT processing and filling machines and a fully automated cheese line for manufacturing cheese.

The boilers that we operate at our facilities have variable frequency drives to ensure energy efficiency. Centralised cleaning-in-place units are installed at all units within our production facilities to ensure proper cleaning of equipment. We have also implemented supervisory control and data automation systems (SCADA) at our production facilities to enable real-time monitoring of our operations, system modifications, troubleshooting, increasing equipment life and automatic report generation. That these systems assist us in reducing production times and expenses, while maintaining desired hygiene standards and operational efficiencies.

Production Capacity and Capacity Utilisation

The following table sets forth information, based on the IMARC Report, dated as of July 30, 2015, relating to the production capacities at our facilities, for the products specified:

Product (units)	**Production/Processing Capacity**		
	Manchar	**Palamaner**	**Total**
Milk processing capacity *(litres per day)*	1,200,000	800,000	2,000,000
Milk powders (includes drying capacity for whey powders and dairy whiteners) *(metric tons per day)*...	70	40	110
Liquid milk in pouches *(litres per day)*	200,000	175,000	375,000
Flavoured milk *(packs per day)*.....	30,000	70,000	100,000
UHT Products* *(litres per day)*	-	165,000	165,000
Cheese/*Paneer (metric tons per day)*.....	40	-	40
Ghee (metric tons per day)	40	30	70
Butter *(metric tons per day)*.....	50	25	75
Curd (includes pouch curd, cup curd, fruit yoghurt and *shrikhand*) *(metric tons per day)*.....	20	40	60
Whey Processing *(litres per day)*.....	400,000	-	400,000

* *Includes lassi and buttermilk*

We determine our capacity utilisation on the basis of the actual aggregate production of the relevant product during the relevant period, divided by the average aggregate installed production capacity for such product for such period, as adjusted for scheduled and unscheduled downtime.

Our operations are affected by seasonal factors since dairy cows typically produce more milk in temperate weather, and extreme cold or hot weather could lead to lower than expected production. Our raw milk procurement and production is therefore higher in the second half of the financial year during the winter months with temperate climate in our milk procurement region.

The following table sets forth information relating to our capacity utilisation for the products mentioned for the nine months ended December 31, 2015, and the financial years 2015, 2014 and 2013:

Product	Manchar Facility				Palamaner Facility			
	Nine months ended	Financial Year			Nine months ended	Financial Year		
	December 31, 2015 *(in %)*	2015 *(in %)*	2014 *(in %)*	2013 *(in %)*	December 31, 2015 *(in %)*	2015 *(in %)*	2014 *(in %)*	2013 *(in %)*
Milk processing	74	77	55	61	66	50	39	32
Milk Powders* .	65	79	62	68	86	67	55	19
Liquid milk in pouches.....	62	82	70	54	41	34	50	76
Flavoured Milk	28	29	28	2	16	-	-	-
UHT Products ...	-	-	-	-	33	18	18	9
Cheese/*Paneer* ..	81	67	47	44	-	-	-	-
Ghee	72	39	45	49	13	10	5	8
Butter*	17	17	6	18	81	62	30	13
Curd	43	27	48	55	75	51	63	48

***Includes conversion carried out for third parties.*

Note: The volume of whey products manufactured is dependent on the volume of cheese manufactured as the by-product derived during the cheese manufacturing process is utilised as the raw material to manufacture whey products. As such, we have not provided capacity utilisation figures for whey products.

Our Bhagyalaxmi Dairy Farm

In 2005, we set up our Bhagyalaxmi Dairy Farm at Manchar, Pune, through our Subsidiary, which is a fully automated cow farm housing over 2,000 holstein breed cows with superior quality yields. We established our Subsidiary with an aim to educate farmers about best practices of breeding, feeding, animal management and improving productivity. We have set up a veterinary care center, adopted modern practices of animal husbandry and introduced a total meal ration system to feed animals on the basis of their individual needs. We have installed a fully automated rotary milking parlour to milk cows without human intervention and to ensure that milk is not exposed to any impurities in the environment. We have also adopted advanced technologies to breed cows at our farm. We produce farm-to-home premium fresh milk, which we market and sell under our 'Pride of Cows' brand in Mumbai and Pune. Our 'Pride of Cows' milk is pasteurised, homogenised and thereafter filled in extended shelf life packaging, thereby retaining the freshness and purity of milk. Further, we intend to sell cow manure from our farm, through modern trade channels, which can be used as a fertilizer and for other traditional purposes. From our farm, we sold 4.55 million litres, 4.67 million litres, 6.44 million litres, 6.79 million litres and 6.72 million litres of milk for the nine months ended December 31, 2015 and 2014, and the financial years 2015, 2014 and 2013, respectively. For nine months ended December 31, 2015 and the financial year 2015, the total revenue of our Subsidiary was ₹270.18 million and ₹845.42 million, respectively and the net loss after tax was ₹16.67 million and ₹42.70 million, respectively. As of February 29, 2016, we had approximately 12,000 customers who purchased our farm-to-home premium fresh milk.

Milk Procurement

Over the years, we have diversified our milk procurement sources in order to control our raw milk costs and exercise greater control over the quality of milk sourced. Our supply chain network includes procurement from 29 districts across Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu. We procure 100% cow milk and we work with over 3,400 village level milk collection centres. Our average daily milk procurement for the nine months ended December 31, 2015 and 2014, and the financial years 2015, 2014 and 2013 was approximately 1.00 million litres per day, 1.00 million litres per day, 1.05 million litres per day, 0.77 million litres per day and 0.85 million litres per day, respectively. We also have chilling centres and bulk coolers in close proximity to our processing facilities in Manchar and Palamaner. Each of our facilities develops a pricing policy for the procurement of raw milk, which is dependent on factors such as the market price of raw milk and the fat and solid non-fat content of milk. In connection with the procurement of raw milk and other raw materials from time to time, we provide financial assistance such as advances and guarantees to the vendors of such products. We

believe that our procurement model and long-term relationships with milk farmers and vendors enables us to reduce our raw milk costs and ensures a consistent supply of quality raw milk.

For our Manchar facility, we procure milk from milk farmers and through bulk milk coolers and chilling centres. A small proportion of milk is also sourced from our Bhagyalaxmi Dairy Farm. We currently procure milk from nine districts for our Manchar facility. For the nine months ended December 31, 2015 and 2014, and the financial years 2015, 2014 and 2013, we procured, on an average, approximately 0.77 million litres per day, 0.84 million litres per day, 0.88 million litres per day, 0.62 million litres per day and 0.65 million litres per day of raw milk daily, respectively, for our Manchar facility operations.

For our Palamaner facility, we procure milk from farmers and through third party chilling centres and we procure a majority of our raw milk requirements from chilling centres set-up by us. We currently procure milk from 20 districts in southern India for our Palamaner facility. For the nine months ended December 31, 2015 and 2014, and the financial years 2015, 2014 and 2013, we procured, on an average, approximately 0.23 million litres per day, 0.16 million litres per day, 0.17 million litres per day, 0.15 million litres per day and 0.20 million litres per day of raw milk daily, respectively, for our Palamaner facility operations.

Other Raw Materials

Apart from raw milk, which constituted 69.7%, 84.7% and 81.4% of our cost of material consumed for the nine months ended December 31, 2015 and the financial years 2015 and 2014, respectively, we also require sugar, flavour, spices, cultures, packaging material, stabilisers, preservatives and other additives for our manufacturing operations. Whey is a component of milk protein, which we obtain from the liquid that is left over as a by-product during the process of manufacturing cheese, after the removal of casein and fat from milk. The price and availability of our raw materials depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. We typically do not enter into long term supply arrangements with our suppliers. For the packaging of UHT products, we are dependent upon Tetra Pak India Private Limited.

Power and Water

Our manufacturing operations require a significant amount of power and water and we also require power to refrigerate and store our products at low temperatures. We depend on state electricity supply for our power requirements and we use diesel generators to meet exigencies to ensure that our facilities are operational during power failures. The power supply systems at our facilities are equipped with an express feeder connection to ensure the continuous availability of power. We have also installed a cogeneration turbine at our Manchar facility.

We source our water requirements at Manchar and Palamaner from borewells and water tankers. We have set up water treatment facilities at both our facilities, which are equipped with reverse osmosis, de-mineralisation, aero-polishing and softener units.

Quality Control

We place great emphasis on quality assurance and product safety at each step of the manufacturing process, right from the procurement of raw milk until the final product is packaged and ready for distribution. We have a dedicated quality assurance team comprising 115 personnel, who ensure that people working in all departments from procurement to sales and marketing are trained on important quality control aspects. To ensure compliance with our quality management systems and statutory and regulatory compliance, our quality assurance team is equipped to train our staff on updates in quality, regulatory and statutory standards. We have implemented occupational health and safety standards at our facilities and we regularly train our employees to ensure compliance with these standards.

We procure milk from milk farmers and through bulk milk coolers and chilling centres. At village collection centres and chilling centres, quality checks are conducted and milk is tested for fat and solid non-fat content. Organoleptic tests are also conducted to check for odours, freshness of milk, the general consistency, colour and taste of milk and any water or oil contaminations. We engage third-party logistics providers to bring the raw milk to our facilities, where we conduct extensive laboratory tests. At our facilities, milk is tested for fat and solid non-fat content, protein and mineral content, bacterial organisms, antibiotics, pesticides, toxins and other contaminants.

We have also implemented stringent quality control standards for raw material suppliers and vendors. On-site inspections and routine audits are conducted for our vendors and suppliers to ensure constant supply of quality products. We also conduct sampling tests to ensure that the colour, odour, taste, appearance and nutrients of the raw materials comply with our requirements. Further, we maintain our facilities and machinery and conduct our manufacturing operations in compliance with applicable food safety standards, laws and regulations and our own internal policies. We also inspect product samples at the assembly line and conduct batch-wise quality inspections on our products to ensure compliance with applicable food safety standards and laws. We conduct sample surveys at retail chains where our products are sold to ensure that our products are properly transported and stored.

Our manufacturing facilities and processes have been granted quality certifications including:

- certification from the Food Safety and Standards Authority of India for both our facilities;
- certificate of registration for having a Quality Management System in compliance with ISO 9001:2008 for our Manchar facility;
- certificate of registration for operating a Food Safety Program, incorporating the principles of HACCP for our Manchar facility;
- certificate of registration for operating an Occupational Health and Safety Management System in compliance with the requirements of BS OHSAS 18001:2007 for the manufacture of milk and milk products at both our facilities;
- certificate of registration with the United States Food and Drug Administration for our Manchar facility;
- Export Inspection Agency certificate for both our facilities;
- "Halal" certification for both our facilities; and
- certification from SGS United Kingdom Limited for our Palamaner facility for food safety systems including ISO 22000:2005, ISO/TS 22002-1 and additional FSSC 22000 requirements for processing of milk and manufacturing milk products.

Research and Development

We have a research and development team comprising 8 personnel, based at our Manchar facility to support our product development and process development activities. Our research and development team continuously focuses on introducing new products in the market to cater to evolving consumer trends and preferences. Our research and development abilities are critical in maintaining our competitive position in the industry. We conduct product development work through changes in product composition and usage of different packaging material and process development work aimed at minimising process losses and reducing process cycle time.

As a result of our research and development activities, we were able to launch the following products over the last three years:

Period	Product Launched
January 2013.....	Emmental cheese
April 2013.....	Consumer packs of mozzarella cheese
May 2013.....	Yogurt in three new flavours of saffron, pink guava and vanilla
June 2013.....	Topp-up in four flavours
July 2013	Cheese spread in six flavours
October 2013	Parmesan cheese
October 2013	Cheezlets
October 2013	Vital milk in all markets
February 2014.....	New flavours in Topp-up of pistachio and butterscotch
April 2014.....	Cheese sandwich slices
July 2014	Cheese toppings for pizzas
October 2014	Spiced buttermilk in UHT
November 2014	Fresh cream in UHT
December 2014	Spiced buttermilk in Fino pack

Period	Product Launched
February 2015.....	Whey proteins
March 2015.....	Sachet packs of *ghee*
April 2015.....	Buttermilk in southern spices variant
October 2015	Go Badam Milk
November 2015	Go Almette Creamed Cottage Cheese in two flavours
November 2015	Go Chutney cheese slices

Sales, Marketing and Distribution Network

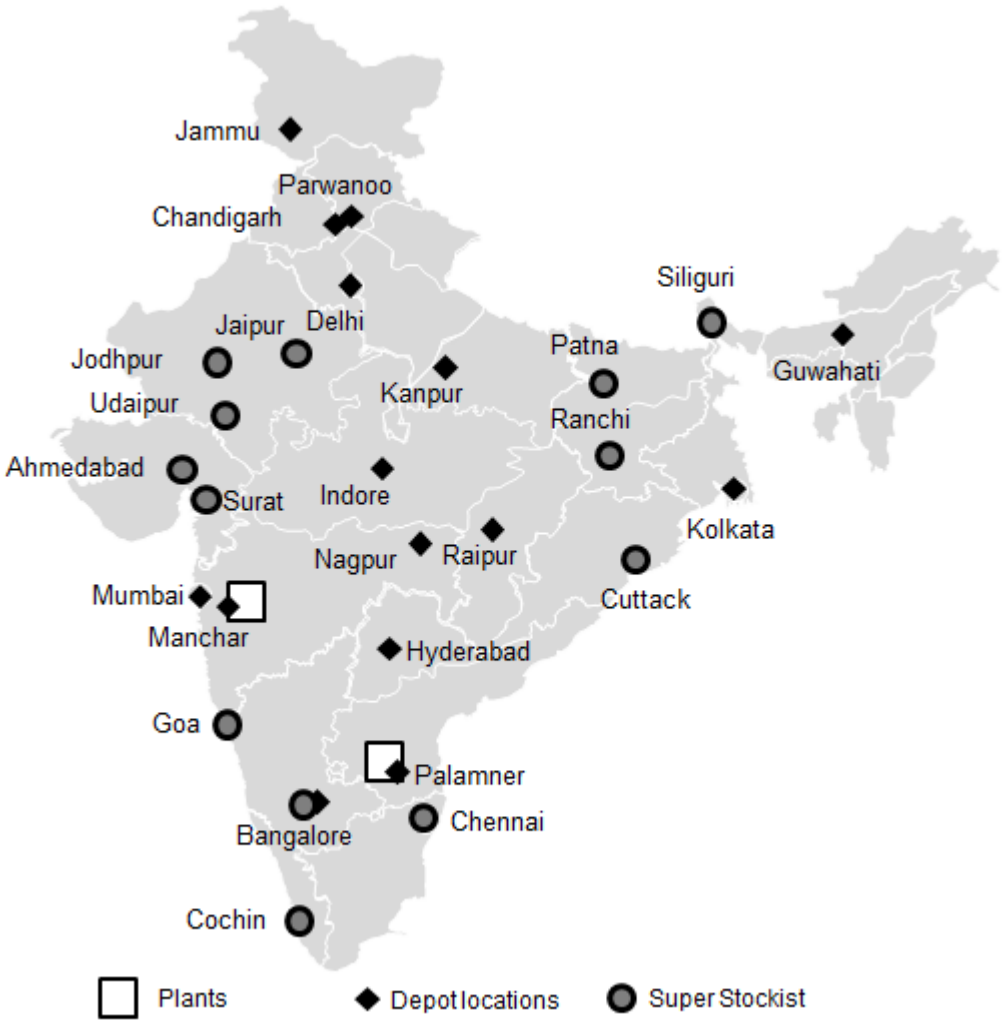
Our principal markets in India include the states of Maharashtra, Gujarat, Tamil Nadu, Karnataka, Assam, West Bengal and Jammu and Kashmir. Our fresh milk and fresh milk products including curd, yoghurt and *paneer* have a shorter shelf life and are primarily sold in the western and southern markets in India in proximity to our processing facilities at Manchar and Palamaner. We sell our products to retail customers through modern trade channels, which include super-markets and hyper-markets and through general trade channels, which include smaller stores. We sell our premium fresh milk directly to our retail customers and we sell our beverages to point of consumption outlets including canteens, railway stations, road side eateries and educational institutions. We primarily sell skimmed milk powder, cheese and whey products to our institutional customers. In 2000, we began exporting our products to South-East Asia, the Middle East and Africa and as of February 29, 2016, we exported our products to 36 countries overseas. Our products that we export primarily include cheese, *ghee*, *paneer* and milk powders.

As of February 29, 2016, our marketing team comprises 560 personnel of our total workforce and is based in our key distribution centres. Our marketing team develops a separate marketing and distribution strategy for each of our products and engages in several marketing and promotional activities to promote our brands and increase our sales volumes. Our marketing initiatives include advertising in the print and electronic media, promoting our brands through social media, hosting exhibitions and outdoor promotional activities directed at retail customers such as cooking competitions where we provide the contestants with our products to be used as ingredients. We also promote our brands at certain stores and super-markets by hiring shelves, conducting sampling activities and engage our distributors, retailers and consumers by providing tours of our facilities under our dairy tourism initiative.

As of February 29, 2016, our distribution network in India consisted 15 depots, 104 super stockists and over 3,000 distributors. The following table sets forth our region wise distribution network:

Region	Depots	Super Stockists	Distributors (greater than)
Mumbai.....	1	2	250
North	5	31	450
East	2	17	300
West	4	28	800
South	3	26	1,200
Total	**15**	**104**	**3,000**

The following map sets out the location of our facilities, depots and super stockists in India:



Human Resources

Our work force is a critical factor in maintaining our competitive position and our human resource policies focus on training and retaining our employees. We offer our employees performance-linked incentives and benefits. We also hire contract labour for both our facilities, from time to time. Our employees at our Manchar facility have formed a registered union. We believe that we have good relations with our employees and union.

As of February 29, 2016, we had 1,618 employees, as set out below:

Department	Number of employees
Production	420
Marketing	560
Maintenance	147
Milk procurement	110
Quality assurance	115
Common utilities	64
Finance	75
Administration	47
Purchase	11
Information Technology	12
Farm staff	29
Logistics	28

Health and Safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, energy, occupational health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. We have implemented an environmental management system in compliance with the requirements of ISO 14001:2004 at both our facilities. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We have implemented work safety measures to ensure a safe working environment at our facilities and to the general public. Such measures include general guidelines for health and safety at our offices and manufacturing facilities, such as accident reporting, wearing safety equipment, maintaining clean and orderly work locations and looking out for and reporting of hazardous situations to supervisors as part of accident prevention. We are in compliance with applicable health and safety laws and regulations.

Information Technology

We have implemented industry and trade specific software to assist us with our operations. Our IT infrastructure enables us to track the procurement of raw milk, quality parameters of milk procured, and payments to milk farmers. We are currently in the process of implementing a comprehensive management information and financial system, SAP-ERP for planning and management of operations at our production facilities, and to assist us with various functions including finance, sales, stores, purchase, inventory and payroll operations.

Insurance

Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other *force majeure* events, acts of terrorism and explosions, including hazards that may cause loss of life, severe damage to and the destruction of property and equipment and environmental damage.

Our principal types of insurance coverage includes motor vehicle insurance, boiler and pressure facility insurance, loss of profit (fire) policy, standard fire and perils insurance, machinery breakdown insurance, directors and officers liability insurance, burglary first loss insurance, money insurance, public liability insurance and product liability insurance. Further, we also hold group personal accident insurance and workmen's compensation insurance which covers employees working for our Company. Our insurance policies may not be sufficient to cover our economic loss. See "Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition" on page 30.

Corporate Social Responsibility

Corporate social responsibility is an integral part of our operations and we are committed to make a difference to society. We have set up a Corporate Social Responsibility committee in compliance with the requirements of the Companies Act and the relevant rules.

As part of our corporate social responsibility initiatives, we provided food and drinking water to the victims of the landslide at Malin Village, Pune in July 2014. We also focus on preventive health care measures and undertake activities to highlight the harmful effects of smoking. Further, we focus on animal welfare and provide food, medicines and fodder for cattle.

Competition

The dairy industry is highly competitive and we compete with regional and local companies as well as large multi-national companies. Our competitors across the various product segments and regions in which we operate include Gujarat Co-operative Milk Marketing Federation Limited (Amul), Britannia Industries Limited, Mother Dairy Fruit & Vegetable Private Limited, Nestle India Limited and Hatsun Agro Products.

Intellectual Property

Our intellectual property is an important asset of our Company. We own a number of trademarks in India relating to our name and several of our products, including 'Gowardhan' and 'Go', and we have filed

applications for registration of certain other trademarks. The registered trademarks are valid for a period of 10 years from the date of application or renewal. We hold registrations of certain copyrights and have filed applications for registration of copyrights and designs. For further details, see "Government and Other Approvals" and "Risk Factors" on pages 343 and 27, respectively.

Our Property

Our Registered Office is situated at Flat No. 1, Plot No. 19, Nav Rajasthan Society, S. B. Road, Shivaji Nagar, Pune 411016 and is owned by Priti Shah and Netra Shah, members of our Promoter Group, and is leased to our Company pursuant to a leave and license agreement dated August 4, 2014. For further details, see "Risk Factors" on page 30. Our corporate office is situated at 20th Floor, Nirmal Building, Nariman Point, Mumbai 400021. We own the lands upon which our manufacturing facilities at Manchar and Palamaner are based.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India or state Governments which are applicable to our Company and our Subsidiary. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Key regulations in relation to the Milk Production Sector in India

*The Food Safety and Standards Act, 2006 (*the *"**FSSA**")*

The FSSA, enacted on August 23, 2006, seeks to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (the "**FSSAI**") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels.

Under section 31 of the FSSA, no person may carry on any food business except under a license granted by the FSSAI. The FSSA sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators. The enforcement of the FSSA is generally facilitated by 'state commissioners of food safety' and other officials at a local level.

Under section 51 of the FSSA, any person who manufactures sub-standard food for human consumption is liable to pay a penalty which may extend up to ₹5.00 lakh, FSSA has defined sub-standard as, an article of food which does not meet the specified standards but not so as to render the article of food unsafe.

The provisions of the FSSA require every distributor to be able to identify any food article by its manufacturer, and every seller by its distributor that should be registered under the FSSA and every entity in the sector is bound to initiate recall procedures if it finds that the food marketed has violated specified standards. Food business operators are required to ensure that persons in his employment do not suffer from infectious or contagious diseases. The FSSA also imposes liabilities upon manufacturers, packers, wholesalers, distributors and sellers requiring them to ensure that *inter alia* unsafe and misbranded products are sold or supplied in the market.

In order to address certain specific aspects of the FSSA, the FSSAI has framed several regulations such as the following:

(a) Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011;
(b) Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
(c) Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011;
(d) Food Safety and Standards (Packaging and Labelling) Regulations, 2011; and
(e) Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011.

The FSSAI has also framed the Food Safety and Standards Rules, 2011 (the "**FSSR**") which have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of 'commissioner of food safety', 'the food safety officer' and 'the food analyst' and procedures of taking extracts, seizure, sampling and analysis.

*Export of Milk Products (Quality Control, Inspection and Monitoring) Rules, 2000 (*the *"**Export of Milk Products Rules**")*

The Export of Milk Products Rules was framed under section 17 of the Export (Quality Control and Inspection) Act, 1963. In terms of rule 3 of the Export of Milk Products Rules, the responsibility to ensure that the milk products intended for export are processed under proper hygienic conditions lies with processors of such milk products. Exporters are required to meet prescribed health requirements under the Export of Milk Products Rules and to ensure that products conform to the specifications prescribed by the Central Government.

*Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 (the "**IMS Act**")*

The IMS Act governs matters pertaining to baby food products including their promotion and marketing. The IMS Act, *inter alia*, provides for, and regulates, production, supply and distribution of infant milk substitutes, feeding bottles and infant foods. It also ensures the proper use of infant foods.

*Export (Quality Control and Inspection) Act, 1963 (the "**EQCI Act**")*

The EQCI Act provides for the development of the export trade of India by ensuring quality control by conducting inspection. Milk and milk products are notified commodities under the EQCI Act and require pre-shipment inspection and certification by Export Inspection Agencies, as identified under the EQCI Act.

The EQCI Act establishes the Export Inspection Council which advises the Central Government on matters regarding measures for enforcement of quality control and inspection in respect of commodities intended to be exported. An authorised officer under the EQCI Act has the power to enter, inspect and search the premises for concealed commodities and books of account providing for penal consequences in the event of any contravention of the provisions therein.

*The Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 (the "**MAPM Act**")*

The MAPM Act was enacted to regulate the marketing of agricultural and certain other produce in market areas and markets established in the state of Maharashtra. The agricultural and other products regulated by the MAPM Act include ghee.

*The Agricultural and Processed Foods Products Export Development Authority Act, 1985 (the "**APEDA Act**")*

The APEDA Act provides for establishment of Agricultural and Processed Food Products Export Development Authority (the "**APEDA**") for the development and promotion of export of certain agriculture and processed food products. Persons exporting scheduled products are required to be registered under the APEDA Act and are required to adhere to specified standards and specifications and to improve their packaging. The APEDA Act provides for imprisonment and monetary penalties for breach of its provisions.

Further, the Agricultural and Processed Food Products Export Development Authority Rules, 1986 have been framed for effective implementation of the APEDA Act and provides for the application, grant and cancellation of registration to be obtained by exporters of agricultural produce.

*Legal Metrology Act, 2009 (the "**Legal Metrology Act**")*

The Legal Metrology Act came into effect on January 14, 2010 and has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

The Legal Metrology Act provides that for prescribed specifications for all weights and measures used by an entity to be based on metric system only. Such weights and measures are required to be verified and re-verified periodically before usage. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration of the instruments used before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Without a license under the Legal metrology Act, weights or measures may not be manufactured, sold or repaired.

*Legal Metrology (Packaged Commodities) Rules, 2011 (the "**Packaged Commodities Rules**")*

The Packaged Commodities Rules was framed under section 52(2) (j) and (q) of the Legal Metrology Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A "pre-packaged commodity" means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity.

The key provisions of the Packaged Commodities Rules are:

- It is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed;

- All pre-packaged commodities must conform to the declarations provided thereon as per the requirement of section 18(1) of the Legal Metrology Act; and

- No pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

*Bureau of Indian Standards Act, 1986 (the "**BIS Act**")*

The BIS Act provides for the establishment of a bureau for the standardisation, marking and quality certification of goods. The BIS Act provides for the functions of the bureau which includes, among others (a) recognise as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the, Bureau of Indian Standards Certification Mark, which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Laws relating to employment

The Factories Act, 1948 (the "**Factories Act**") defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that 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. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine up to ₹100,000 or with both in case of contravention of any provisions of the Factories Act or rules framed there under and in case of a contravention continuing after conviction, with a fine of up to ₹1,000 per day of contravention. In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Child Labour (Prohibition and Regulation) Act, 1986;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act 1946;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Motor Transport Workers Act, 1961;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Trade Union Act, 1926; and
- Workmen's Compensation Act, 1923.

Laws relating to sale of goods

The Sale of Goods Act, 1930 (the "**Sale of Goods Act**") governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied

under a contract for sale of goods.

Intellectual Property Laws

Certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 trademark protection under the Trade Marks Act, 1999, and design protection under the the Designs Act, 2000 are also applicable to us.

The Copyright Act, 1957 (the "**Copyright Act**") governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a *prima facie* evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations

The Trademarks Act, 1999 (the "**Trademarks Act**") provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

Under statute, India provides for the patent protection under the Patents Act, 1970 (the "**Patents Act**"). The Patents Act governs the patent regime in India and recognises process patents as well as product patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application.

The Patents Act also provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

The Designs Act, 2000, (the "**Designs Act**") protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or color, or combination of pattern and color in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

Environmental Laws

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (the "**Environment Act**"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each State. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed.

These authorities also have the power to carry out search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed annually.

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution. The environment impact assessment Notification S.O. 1533, issued on September 14, 2006 (the "**EIA Notification**") under the provisions of the Environment Protection Act, 1986, prescribes that new construction projects require prior environmental clearance from the MoEF.

The environmental clearance must be obtained from the MoEF according to the procedure specified in the EIA Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained. Under the EIA Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion

of public consultation, the applicant is required to make appropriate changes in the draft Environment Impact Assessment Report (the "**EIA Report**") and the 'Environment Management Plan.' The final EIA Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to given its decision within 105 days of the receipt of the final EIA Report.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Parag Milk & Milk Products Private Limited on December 29, 1992 with the registrar of companies at Mumbai with our registered office at Pune as a private limited company under the Companies Act, 1956. The name of our Company was changed to Parag Milk Foods Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on April 11, 2008. Our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 16, 2015 and consequently, the name of our Company was changed to Parag Milk Foods Limited and a fresh certificate of incorporation consequent upon conversion to a public limited company was granted to our Company by the RoC on July 7, 2015. For details of the business of our Company, see "Our Business" on page 141.

As of the date of this Red Herring Prospectus, our Company has 33 Shareholders.

For details of our Company's corporate profile, business, marketing, the description of our activities, services, market segment, the growth of our Company, standing of our Company in relation to prominent competitors with reference to our services, environmental issues, technology, market, capacity built up, major suppliers, major customers and geographical segment, see "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 141 and 302, respectively.

For details of the management of our Company and its managerial competence, see "Our Management" on page 169.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of its incorporation:

Date of change	Details of change in the address of Registered Office	Reasons for change in the address of the Registered Office
November 23, 2001	Change of registered office from F-109, Adinath Society, Pune Satara Road, Pune to A-602, Kumar Puram, Mukund Nagar, Pune 411 037.	For convenience and better administration.
February 6, 2009	Change of registered office from A-602, Kumar Puram, Mukund Nagar, Pune 411 037 to Flat No. 1, Plot No. 19, Nav Rajasthan Co-operative Society, S.B. Road, Shivaji Nagar, Pune 411 016.	For convenience and better administration.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"1. To procure milk from the farmers, retailers and wholesalers or from any other person or persons trading in milk, process the same in own plant distribute the processed milk either directly or through the chain of appointed agents or other whole sale and retail outlets in the state, outside in state and abroad.

To manufacture various milk products like curd, butter, processed butter, cheese, paneer, shreekhand, ice-cream out of the or any other milk by products milk procured and sale/ distribute through the appointed authorised agents or other whole sale and retail outlets in the state, outside the state and abroad."

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company:

Date of Shareholders' Resolution	Particulars
July 18, 1998	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from: ₹25,00,000 divided into 2,50,000 equity

Date of Shareholders' Resolution	Particulars
	shares of face value ₹10 each; to: ₹1,00,00,000 divided into 10,00,000 equity shares of face value ₹10 each.
March 28, 2000	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from: ₹1,00,00,000 divided into 10,00,000 equity shares of face value ₹10 each; to: ₹3,00,00,000 divided into 30,00,000 equity shares of face value ₹10 each.
August 10, 2002	Clause V of the Memorandum of Association was amended to reflect the reclassification and increase in authorised share capital of our Company from: ₹3,00,00,000 divided into 30,00,000 equity shares of face value ₹10 each; to: ₹6,50,00,000 divided into 45,00,000 equity shares of face value ₹10 each; aggregating to: ₹4,50,00,000 and 20,00,000 redeemable preference shares of face value of ₹10 each; aggregating to: ₹2,00,00,000.
May 23, 2008	Clause V of the Memorandum of Association was amended to reflect the reclassification and increase in authorised share capital of our Company from: ₹6,50,00,000 divided into 45,00,000 equity shares of face value ₹10 each; aggregating to: ₹4,50,00,000 and 20,00,000 redeemable preference shares of face value of ₹10 each; aggregating to: ₹2,00,00,000; to: ₹20,00,00,000 divided into 2,00,00,000 equity shares of face value ₹10 each.
April 3, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from: ₹20,00,00,000 divided into 2,00,00,000 equity shares of face value ₹10 each; to: ₹100,00,00,000 divided into 10,00,00,000 equity shares of face value ₹10 each.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
2015	"Go Cheese" was awarded as India's most promising brand in the FMCG category by World Consulting and Research Corporation
2015	Launch of "Go Fresh" cream
2015	Launch of "Go Almette" cream cheese
2015	Launch of the "Parag" logo
2014	Launch of Whey products and expanded cheese product ranges
2013	Launch of "Topp Up" brand
2011	Launch of milk under the "Pride of Cows" brand
2010	Started operations at the Palamaner plant
2005	Launch of Bhagyalaxmi Dairy Farms
1998	The Manchar plant was commissioned for production of ghee and butter under "Gowardhan" brand
1992	Our Company started commercial operations

For details of awards and recognition received by our Company, see "Our Business – Overview" on page 141.

Defaults or rescheduling of borrowings with banks or financial institutions

Our Company has not rescheduled of its borrowings availed from banks or financial institutions. For details of instances of delays in payments and non-compliances of certain covenants by our Company in the past, see "Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations" on page 22 and "Summary Financial Statements" on page 191. Further, there have been no changes in the activities of our Company during the last five years preceding to the date of this Red Herring Prospectus which may have had a material effect on the profits / loss of our Company. None of our Company's loans have been converted into Equity Shares.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiary

As of the date of this Red Herring Prospectus, our Company has one Subsidiary. For details, see "Our Subsidiary" on page 167.

Strikes and lockouts

There have been no strikes or lockouts at any of the units of our Company.

Acquisition of Business

Our Company has not acquired any new business or undertakings after March 31, 2015.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt, see "Capital Structure" and "Financial Indebtedness" on pages 78 and 327, respectively.

Time and cost overruns

In Fiscal 2012, our Company faced a delay in implementation and cost overrun for its whey project. Except the aforementioned, our Company has not faced any time or cost overruns. For details see, "Risk Factors" on page 35.

Injunctions or restraining order against our Company

As of the date of this Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Summary of Key Agreements

Share Purchase and Shareholders' agreement dated September 12, 2012 and Share Subscription Agreement dated September 12, 2012 (the "Shareholders' Agreements") amongst Devendra Shah, Pritam Shah, Parag Shah (collectively, the "Company Promoters"), Prakash Shah, Netra Shah, Priti Shah, Rajani Shah and Iris Business Solutions Private limited (collectively, the "Confirming Parties"), IBEF I, IL&FS Trustee Company Limited, Suneeta Agrawal, Pratik Oswal, Vimla Oswal (collectively, the "Existing Investors"), IDFC PE (the "Investor") and our Company as amended by the Amendment Agreements dated September 17, 2012 and August 17, 2015, respectively, (the "New Investor Agreement", and together with the Shareholders' Agreements, the "Investor Agreements") amongst the Company Promoters, the Confirming Parties, the Existing Investor, the Investor and IDFC S.P.I.C.E. Fund (the "New Investor" and together with the Existing Investors and the Investor, the "PMFL Investors") and the amendment agreement dated September 29, 2015 and March 22, 2016 amongst the Company Promoters, the Confirming Parties and the PMFL Investors.

Our Company, the Company Promoters, the Confirming Parties, the Existing Investors and the Investor have entered into the Shareholders' Agreements pursuant to which the Investor (i) subscribed to CCDs issued by the Company; (ii) purchased CCDs from the Existing Investors; (iii) subscribed to the Equity Shares issued by our Company; and (iv) purchased Equity Shares from the Company Promoters, aggregating to ₹1,550.00 million.

The Company Promoters, the Confirming Parties, the Existing Investor, the Investor and the New Investor have entered into the New Investor Agreement pursuant to which the New Investor subscribed to CCDs aggregating to ₹600.00 million.

The CCDs held by the Existing Investor and the Investor were partially converted into Equity Shares on April 21, 2015 and September 2, 2015, while the remainder of the outstanding CCDs were converted on January 14, 2016.

The Shareholders' Agreement provides for certain special shareholders' rights and obligations includung affirmative voting rights on certain reserved matters, anti-dilution rights, tag along rights and drag along rights, information rights and the right to nominate one Director each to the Board to the Existing Investor and the Investor. The Agreement provides for certain information rights to the New Investor.

Further, the PMFL Investors have entered into an amendment agreement dated September 29, 2015, pursuant to which all rights of the PFML Investors shall automatically terminate upon the listing of the Equity Shares on the Stock Exchanges, pursuant to the Issue.

Share Purchase and Shareholders' Agreement (the "SPA") dated July 31, 2013 amongst Placid Limited ("Placid"), Netra Shah (the "Seller"), Devendra Shah, Pritam Shah, Parag Shah (the "Parties") and our Company.

The parties have entered into the SPA to record the sale of Equity Shares from the Seller to Placid aggregating to 745,000 Equity Shares, constituting 3.23% of the then Equity Share capital of our Company for an aggregate sale consideration of ₹245.20 million. Additionally, the Company Promoters have agreed to place 600,000 Equity Shares (and additional shares upon certain trigger events, if any) in an escrow demat account to secure the performance of certain obligations under the SPA.

The SPA places certain rights, obligations and restrictions with respect to transfers of shares held by the parties such as, (i) Placid may not transfer any Equity Shares to a competitor of our Company, (ii) Placid may transfer the Equity Shares held by it to an affiliate upon the execution of a deed of adherence by such affiliate, (iii) in the event that the Parties are proposing to transfer any Equity Shares held by them, Placid may exercise its tag along right, as per the terms of the SPA, and (iv) the Parties shall have a right to first offer in case Placid seeks to sell certain of the shares. In the event of an initial public offering with an offer for sale component being undertaken by our Company, Placid would receive priority over the Parties in the offer for sale.

Pursuant to the bonus issue undertaken by our Company on May 26, 2015 in the ratio of 2:1, Placid's shareholding increased to 2,235,000 Equity Shares and the number of Equity Shares placed by Company Promoters in the escrow demat account increased to 1,800,000 Equity Shares. In terms of the SPA, Netra Shah has exercised her right and purchased 900,000 Equity Shares from Placid on August 27, 2015. Pursuant to such transfer, Placid's shareholding in our Company has reduced to 1,335,000 Equity Shares.

Further, Placid has released to Devendra Shah, one of our Promoters, 900,000 Equity Shares, representing 50% of the Equity Shares held in the escrow account. The balance 900,000 Equity Shares were released on January 15, 2016.

The SPA may be terminated either by written consent of all parties, upon listing of the Equity Shares and in case Placid ceases to hold any shares in our Company. Additionally, upon occurence of certain events under the SPA, Placid may seek a release of the shares placed in escrow and claim indemnity from the defaulting party in addition to specific performance and any other remedy available under law.

Except as disclosed above, as on the date of this Red Herring Prospectus, our Company is not a party to any material agreements which have not been entered into in the ordinary course of business. Our Company does not have any financial and strategic partners as of the date of this Red Herring Prospectus.

Our relationship with Poojan Foods Private Limited

We procure raw milk and milk products, such as butter, from Poojan Foods, a company in which Sachin Shah, an employee of our Company and a cousin of our Promoters was a director until September 5, 2015 and is a minority shareholder. Poojan Foods was incorporated in April 17, 2008 by our Promoters, Devendra Shah and Pritam Shah. Our Promoters resigned from the board of directors of Poojan Foods on September 3, 2011 and transferred their shareholding on January 18, 2012 to Babaji Pandurang Temgire, is a business associate of the Company, and Sachin Shah by way of a gift. As on the date of this Red Herring Prospectus, Babaji Pandurang Temgire and Sachin Shah hold 9,900 equity shares and 100 equity shares, representing 99.0% and 1.0%, respectively, of the outstanding equity share capital of Poojan Foods.

Poojan Foods procures raw milk from milk farmers and vendors and through chilling centres and bulk coolers. We make advances to Poojan Foods from time to time for purchase of raw milk and other milk products, such as butter. As at December 31, 2015, we had no outstanding advances to Poojan Foods. We do not have any contractual arrangement for the advances that we have provided to these entities. These advances are not secured. Our Company has given a corporate guarantee for an amount of ₹100.00 million for loans availed by Poojan Foods from banks and financial institutions.

Poojan Foods procures raw milk exclusively for our Company, as and when we require, although we do not have any contractual arrangement in this regard. Occasionally, on an opportunistic basis, Poojan Foods has also

procured milk products from our Company. During Fiscal 2015 and for the nine month period ended December 31, 2015, our sale of milk products to Poojan Foods aggregated to ₹153.08 million and ₹28.66 million respectively.

OUR SUBSIDIARY

Unless otherwise specified, all information in this section is as of the date of this Red Herring Prospectus. Our Company has only one Subsidiary, Bhagyalaxmi Dairy Farms Private Limited ("**BDFPL**").

Details of the Subsidiary

Corporate Information

BDFPL was incorporated on December 2, 2003 at Pune under the Companies Act, 1956 as a private limited company. BDFPL is involved in the business of purchasing, selling, importing, exporting, breeding, raising, acquiring, owning, holding, dealing in, using and rearing milch animals and to undertake and carry on the business of dairy farming.

Capital Structure

	No. of equity shares of ₹10 each
Authorised capital	10,000,000
Issued, subscribed and paid-up capital	5,785,454

Shareholding Pattern

The shareholding pattern of BDFPL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹10 each	Percentage of total equity holding (%)
1.	PMFL	5,785,354	100.00
2.	Pritam Shah (as a nominee of PMFL)	100	Negligible
	Total	5,785,454	100.00

Public or rights issues

Our Subsidiary has not made any public or rights issue in the last three years nor has it become a sick company or is under winding up. Further, our Subsidiary is not listed on any stock exchange in India or abroad.

Our Subsidiary has not been refused listing of any of its securities, at any time, by any of the recognised stock exchanges in India or abroad.

There are no accumulated profits or losses of our Subsidiary not accounted for by our Company.

Interest of the Subsidiary in our Company

Our Subsidiary is interested in our Company to the extent of the payments made by our Company for supply of premium milk from the dairy farm of our Subsidiary, the Bhagyalaxmi Dairy Farm. For details of the transactions between our Company and the Subsidiary, see "Related Party Transactions" on page 189.

Our Subsidiary does not hold any Equity Shares in our Company.

Our Subsidiary does not have any other interest in our Company except as disclosed hereinabove and in the section "Our Business" on page 150.

Our Subsidiary did not contribute to more than 5% of revenue/profits, but contributed to more than 5% of total assets of our Company, on a consolidated basis, for Fiscal 2015. The details of our Subsidiary as of March 31, 2015 are given below:

Equity capital (in ₹)	Turnover (in ₹million)	Profit/ (Loss) after tax (in ₹million)	Shareholding of our Company (%)	Listing status
17,854,540	838.53	(42.70)	100.00	Not Listed

Material Transactions:

Other than as disclosed in the section "Related Party Transactions" on page 189, there are no sales or purchase between the Subsidiary and our Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common Pursuits:

Our Subsidiary conducts business similar to those conducted by our Company. Our Company will adopt necessary measures and practices as permitted by law and regulatory guidelines to address any conflict situation as and when they arise.

OUR MANAGEMENT

As per the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. We currently have eight Directors, including two Executive Directors, four Independent Directors, one Non Executive Director and one Additional and Nominee Director.

The following table sets forth details regarding our Board as of the date of filing of this Red Herring Prospectus:

Sr. No.	Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
1.	Devendra Shah **Designation:** Executive Chairman **Address:** Bhagyalakshmi Niwas, Bazarpeth, Manchar, Ambegaon, Pune 410 503 **Occupation:** Business **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 01127319	51	1. Bhagyalaxmi Dairy Farms Private Limited; 2. Sharad Sahakari Bank Limited; and 3. Stavan Exim Private Limited.
2.	Pritam Shah **Designation:** Managing Director **Address:** Bhagyalakshmi Niwas, Bazarpeth, Manchar, Ambegaon, Pune 410 503 **Occupation:** Business **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 01127247	45	1. Bhagyalaxmi Dairy Farms Private Limited; and 2. Stavan Exim Private Limited.
3.	Sunil Goyal **Designation:** Independent Director **Address:** 731/A, 7th Floor, Akshay Girikunj III, Paliram Road, Andheri (West), Mumbai 400 058 **Occupation:** Professional **Nationality:** Indian **Term:** Five years with effect from May 26, 2015 **DIN:** 00503570	48	1. Annapurna Pet Private Limited; 2. Chetan Securities Private Limited; 3. Indigo Paints Private Limited; 4. Jumboking Foods Private Limited; 5. Kisan Mouldings Limited; 6. Kreston SGCO Consulting India Private Limited; 7. Ladderup Corporate Advisory Private Limited; 8. Ladderup Enterprises Private Limited; 9. Ladderup Finance Limited; 10. Ladderup Infra Private Limited; 11. Ladderup Wealth Management Private Limited; and 12. Motilal Oswal Trustee Company Limited.

Sr. No.	Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
4.	Nitin Dhavalikar **Designation:** Independent Director **Address:** Flat No.2, Nimit Hsg Soc, 45/5A Karve Nagar, Pune 411052 **Occupation:** Business **Nationality:** Indian **Term:** Five years with effect from July 28, 2015 **DIN:** 07239870	45	None
5.	B. M. Vyas **Designation:** Non-Executive Director **Address:** A-1, Kaiza Can Complex, Near Chikhodra railway crossing, Anand, Gujarat 388 001 **Occupation:** Business **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 00043804	65	1. Manpasand Beverages Limited; and 2. Rudi Multi Trading Company Limited.
6.	Narendra Ambwani **Designation:** Independent Director **Address:** 1201, Sterling Sea Face, Dr. Annie Besant Road, Worli, Mumbai 400 018 **Occupation:** Business **Nationality:** Indian **Term:** Five years with effect from May 26, 2015 **DIN:** 00236658	67	1. Agro Tech Foods Limited; 2. Godrej Consumer Products Limited; 3. India Games Limited; 4. RPG Life Sciences Limited; 5. The Advertising Standards Council of India; 6. The Indian Society of Advertisers; 7. UTV Software Communications Limited; 8. Zeus Career & Performance Coach Private Limited; 9. Disney Broadcasting (India) Limited; and 10. Genx Entertainment Limited.
7.	Radhika Pereira **Designation:** Independent Director **Address:** 72, Buena Vista, J. Bhosale Marg, Nariman Point, Mumbai 400 021 **Occupation:** Advocate **Nationality:** Indian	45	1. Essel Propack Limited; 2. India SME Asset Reconstruction Company Limited; 3. Jain Irrigation Systems Limited; 4. Sethi Funds Management Private Limited; and 5. Tips Industries Limited.

Sr. No.	Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
	Term: Five years with effect from May 26, 2015 **DIN:** 00016712		
8.	Ramesh Chandak **Designation:** Additional and Nominee Director **Address:** 1202, Shrushti Towers, Old Prabhadevi Road, Prabhadevi, Mumbai 400025 **Occupation:** Professional **Nationality:** Indian **Term:** Upto the ensuing AGM **DIN:** 00026581	69	1. KEC International Limited; 2. Summit Securities Limited; 3. Ushdev International Limited; 4. India Nivesh Fund Managers Private Limited; 5. Global Procurement Consultants Limited; 6. GVR Infra Projects Limited; and 7. Raychem RPG Private Limited.

Relationship between our Directors

Except Devendra Shah and Pritam Shah, who are brothers, none of our Directors are related to each other.

Brief Biographies

Devendra Shah, aged 51 years, is currently the Executive Chairman of our Company. He was appointed on our Board on December 29, 1992. He discontinued his pursuit for graduation in commerce from Pune university. He has an experience of 23 years in the industry in which our Company operates.

Pritam Shah, aged 45 years, is currently the Managing Director of our Company. He was appointed on our Board on December 29, 1992. He holds a bachelor's degree in commerce from Pune University. He has an experience of 23 years in the industry in which our Company operates.

Sunil Goyal, aged 48 years, is currently an Independent Director on our Board. He was appointed on our Board on January 15, 2008. He holds a bachelor's degree in commerce from Seth Motilal College, University of Rajasthan and is also qualified as a chartered accountant.

B.M. Vyas, aged 65 years, is currently a Non-Executive Director on our Board. He was appointed on our Board on July 22, 2010. He holds a bachelor's degree in mechanical engineering from Sardar Patel University. He has an experience of 44 years in the dairy industry and has been associated with GCMMFL (Amul) for the majority of his career. He is currently an independent dairy consultant.

Narendra Ambwani, aged 67 years, is currently an Independent Director on our Board. He was appointed on our Board on May 26, 2015. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Kanpur. He has also served as managing director of Johnson & Johnson's consumer group. He has an experience of 39 years in the consumer product industry.

Nitin Dhavalikar, aged 45 years, is currently an Independent Director on our Board. He was appointed on our Board on July 28, 2015. He holds a bachelor's and a master's degree in commerce from Pune University. He is also a qualified chartered accountant.

Radhika Pereira, aged 45 years, is currently an Independent Director on our Board. She was appointed on our Board on May 26, 2015. She holds a bachelor's degree in law from Harvard University and master's degrees in law from Cambridge University as well as Harvard University.

Ramesh Chandak, aged 69 years, is currently Additional and Nominee Director on our Board. He is the nominee of IDFC PE on our Board and was appointed on our Board on September 9, 2015. He holds a master's degree in commerce from Nagpur University and is also a fellow of the Institute of Chartered Accountants of India since May 12, 1976.

Confirmations

None of our Directors is or was, during the last five years preceding the date of this Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

Except as disclosed below none of our Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

1. **Narendra Ambwani:**

Sr. No.	Particulars	Details
1.	Name of the company	UTV Software Communications Limited ("**UTV Software**")
2.	Name of the stock exchange(s) on which UTV Software was listed	BSE and NSE
3.	Date of delisting on stock exchanges	March 9, 2012
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary
5.	Reasons for delisting	Equity Shares of UTV Software were acquired by Walt Disney Company (Southeast Asia) Private Limited.
6.	Whether UTV Software has been relisted	UTV Software has not been relisted.
7.	Date of relisting, in the event UTV Software is relisting	Not Applicable
8.	Name of the stock exchange on which UTV Software was relisted	Not Applicable
9.	Term of directorship in UTV Software	March 27, 2009 to March 16, 2012 and reappointed as an Independent Director from March 31, 2015

2. **Ramesh Chandak:**

Sr. No.	Particulars	Details
1.	Name of the company	KEC International Limited ("**KEC**")
2.	Name of the stock exchange(s) on which KEC was listed	MCX Stock Exchange Limited*
3.	Date of delisting on stock exchanges	March 20, 2015
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary
5.	Reasons for delisting	Limited trading on MCX Stock Exchange Limited* of KEC shares
6.	Whether KEC has been relisted	KEC has not been relisted
7.	Date of relisting, in the event KEC is relisting	Not Applicable
8.	Name of the stock exchange on which KEC was relisted	Not Applicable
9.	Term of directorship in KEC	December 26, 2005 till present date

** Name changed to Metropolitan Stock Exchange of India Limited.*

Terms of Appointment of the Executive Chairman and Whole-time Director

Devendra Shah was appointed as the Executive Chairman of our Company at the inception of our Company. He was re-appointed as the Executive Chairman pursuant to a Board resolution dated February 27, 2015 and shareholders' resolution passed at an EGM of our Company held on April 3, 2015. He receives remuneration from our Company in accordance with the terms of an agreement dated September 12, 2012 executed between him and our Company, at the time of his re-appointment as the Executive Chairman. During Fiscal 2015, the total amount of compensation paid to him was ₹12.00 million.

The following are the terms of remuneration of Devendra Shah:

Particulars	Remuneration
Basic Salary	₹1 million per month
Commission	Nil
Perquisites	Nil
Others	Reimbursement of expenses relating to but not limited to entertainment, accommodation, food and beverage, travel, accommodation, communication, printing and stationery and correspondence.

Terms of Appointment of the Managing Director

Pritam Shah was appointed as the Managing Director of our Company pursuant to a Board resolution dated February 6, 2009. He was re-appointed as the Managing Director of our Company pursuant to a Board resolution dated February 27, 2015 and shareholders' resolution passed at an EGM of our Company held on April 3, 2015. He receives remuneration from our Company in accordance with the terms of an agreement dated September 12, 2012 executed between him and our Company, at the time of his re-appointment as the Managing Director. During Fiscal 2015, the total amount of compensation paid to him was ₹11.40 million.

The following are the terms of remuneration of Pritam Shah:

Particulars	Remuneration
Basic Salary	₹0.95 million per month
Commission	Nil
Perquisites	Nil
Others	Reimbursement of expenses relating to but not limited to entertainment, accommodation, food and beverage, travel, accommodation, communication, printing and stationery and correspondence.

Payment or benefit to Directors of our Company

1. Remuneration to Executive Directors:

The sitting fees/other remunerations paid to our Executive Directors in Fiscal 2015 are as follows:

Sr. No.	Name of the Director	Other Remuneration (in ₹million)
1.	Devendra Shah	0.39
2.	Pritam Shah	0.45

2. Remuneration to Non-Executive Directors:

No amount or benefit has been paid within the preceding two years or is intended to be paid or given to any of our Company's officers including our Non-Executive Directors and key management personnel.

Except as disclosed in the section entitled "Financial Statements" on page 191, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, is entitled to any benefits upon termination of employment.

Bonus or profit sharing plan of our Directors

Our Company does not have any bonus or profit sharing plan for our Directors.

Arrangement or understanding with major shareholders, customers, suppliers or others

Except for Ramesh Chandak, who has been appointed on our Board as a nominee of IDFC PE pursuant to the shareholders' agreement dated September 12, 2012, there is no arrangement or understanding with the major

shareholders, customers, suppliers of our Company, or any other party, pursuant to which any of the Directors were appointed on the Board.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as on the date of filing this Red Herring Prospectus is set forth below:

Sr. No.	Name of Director	Number of Equity Shares held
1.	Devendra Shah	14,570,832
2.	Pritam Shah	9,159,888

Our Articles of Association do not require our Directors to hold any qualification shares.

Shareholding of Directors in our Subsidiary

The shareholding pattern of our Directors in our Subsidiary as of the date of filing of this Red Herring Prospectus is set forth below:

Name of Subsidiary	Name of Director	Number of equity shares of ₹10 each held
Bhagyalaxmi Dairy Farms Private Limited	Pritam Shah	100 (as a nominee of PMFL)

Shareholding of Directors in associates

Our Company does not have any associate companies.

Appointment of relatives of Directors to any office or place of profit

The details of relatives of our Directors currently holding office or place of profit in our Company are as follows:

Sr. No.	Name of relative	Relation to director	Date of appointment	Office or place of profit held in our Company
1.	Akshali Shah	Daughter of Devendra Shah	September 1, 2013	Vice President – Strategic Sales and Marketing
2.	Sachin Shah	Cousin of Devendra Shah and Pritam Shah	July 1, 2008	Director (non-Board position) – South Operations

Interest of Directors

All Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company, if any.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to them under the Employee Reservation Portion or that may be subscribed, or allotted to them or to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares, if any.

Except as disclosed below, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as directors:

1. Our Company has entered into an agreement dated April 1, 2015 with B.M. Vyas, our Non-Executive Director for retaining his consultancy services on an exclusive basis for a period of five years from April 1,

2015 (the "**Consultancy Agreement**"). In terms of the Consultancy Agreement, B.M. Vyas is required to provide consultancy services in relation to, amongst other things, the identification of new products, quality management and establishment of dealer distribution network, for a period of up to 15 days every month. In consideration of his services, B. M. Vyas is entitled to a monthly remuneration of ₹0.70 million.

2. Our Company had entered into a leave and license agreement dated August 8, 2014 (the "**Leave and License Agreement**") with Nitin Dhavalikar, one of our Independent Directors and Prashant David (collectively, the "**Licensors**") for the use of one of their properties situated in Pune for establishing, operating and running its business, on a leave and license basis for a period of three years with effect from August 1, 2015. In terms of the Leave and License Agreement, our Company was required to pay a license fee of ₹33,000 per month to the Licensors for the first five months, subject to an escalation of 10%, as specified, with a maximum consideration of ₹44,000 per month. The Leave and License Agreement has been terminated with effect from January 1, 2016.

Except Devendra Shah and Pritam Shah, who are also our Promoters, our Directors have no interest in the promotion of our Company.

Further our Directors have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Red Herring Prospectus.

Except as stated in "Related Party Transactions" on page 189, our Directors do not have any other interest in our business.

No loans have been availed by our Directors or the key management personnel from our Company.

Changes in our Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Dhaval Desai	February 19, 2015	Resignati
Parag Shah	February 19, 2015	Resignation
Rakesh Sony	February 27, 2015	Resignation
Vishal Tulsyan	February 27, 2015	Appointment
Radhika Pereira	May 26, 2015	Appointment
Narendra Ambwani	May 26, 2015	Appointment
Vishal Tulsyan	July 28, 2015	Resignation
Nitin Dhavalikar	July 28, 2015	Appointment
Dr. Y.S. Thorat	August 14, 2015	Appointment
Girish Nadkarni	August 14, 2015	Resignation
Dr. Y.S. Thorat	September 8, 2015	Resignation
Ramesh Chandak	September 9, 2015	Appointment

Borrowing Powers of our Board

In accordance with the Articles of Association of our Company, our Board has been empowered to borrow funds in accordance with applicable laws. Our Company has, pursuant to a board meeting dated September 14, 2013 and an Annual General Meeting held on September 30, 2013 resolved that in accordance with the provisions of the Companies Act, our Board is authorised to borrow such sum or sums of money, from any bank(s), financial institution(s) and / or any other institution(s), firm(s), bodies corporate, government(s) and / or any other person(s) in India or abroad, either in rupee currency and / or foreign currency, including but not limited to debentures, bonds and / or any other foreign debt securities etc., in any manner, from time to time, with or without security and upon such terms and conditions as our Board may deem fit and expedient for the purposes of the businesses of our Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves, provided however, that the amounts so borrowed by our Board (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed the sum of ₹4,750.00 million.

Corporate Governance

The Corporate Governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations, including the Companies Act, the SEBI Listing Regulations and the SEBI Regulations, in respect of corporate governance including constitution of our Board and committees thereof as of the date of filing of this Red Herring Prospectus.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

As on the date of this Red Herring Prospectus, our Board has eight Directors, and the Chairman of our Board is Devendra Shah, who is an executive Director. In compliance with the requirements of the SEBI Listing Regulations, our Company has two executive directors and two non-executive directors and four independent directors, on our Board. Further, in accordance with the requirements of the Companies Act and the SEBI Listing Regulations, we have one woman director on our Board.

Committees of our Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

A. Audit Committee

The members of the Audit Committee are:

1. Sunil Goyal, (Independent Director) - *Chairman;*

2. Pritam Shah, (Managing Director);

3. Narendra Ambwani, (Independent Director); and

4. Nitin Dhavalikar, (Independent Director).

Rachana Sanganeria, the Company Secretary and Compliance Officer is the secretary of the Audit Committee.

The Audit Committee was constituted by a meeting of our Board at their meeting held on June 17, 2011 and reconstituted on October 3, 2012, February 27, 2015, May 26, 2015 and July 28, 2015. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI Listing Regulations and its terms of reference include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with SEBI Listing Regulations and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions; and

(g) Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;

8. Approval or any subsequent modifications of transactions of the Company with related parties;

9. Scrutinising of inter-corporate loans and investments;

10. Valuing of undertakings or assets of the Company, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances

13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

14. 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;

15. Discussing with internal auditors on any significant findings and follow up there on;

16. 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;

17. Discussing 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;

18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

19. Reviewing the functioning of the whistle blower mechanism;

20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference;

2. To seek information from any employee;

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

6. Statement of deviations:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and

   (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2a) of the SEBI Listing Regulations.As per Regulation 18(1)(e) of the SEBI Listing Regulations the Company Secretary shall serve as the secretary of the Audit Committee.

B. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Nitin Dhavalikar, (Independent Director) - *Chairman;*

2. Devendra Shah, (Executive Chairman);

3. Radhika Pereira, (Independent Director); and

4. Ramesh Chandak, (Additional and Nominee Director).

The Nomination and Remuneration Committee was constituted as the 'Remuneration Committee' by our Board at their meeting held on October 3, 2012 and was reconstituted on February 27, 2015, May 26, 2015, July 28, 2015, August 27, 2015 and September 9, 2015. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19(4) of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

    (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

12. Performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

C. Stakeholders' Relationship Committee

The members of the Stakeholders Relationship Committee are:

1. Narendra Ambwani, (Independent Director) - *Chairman*;

2. Pritam Shah, (Managing Director);

3. Sunil Goyal, (Independent Director); and

4. B. M. Vyas, (Non-Executive Director).

The Stakeholders Relationship Committee was constituted by our Board at their meeting held on July 28, 2015. This committee is responsible for the redressal of shareholder grievances.

The terms of reference of the Stakeholders Relationship Committee of our Company include the following:

1. Consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

3. Issue of duplicate certificates and new certificates on split/consolidation/renewal; and

4. Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. B. M. Vyas, (Non-Executive Director) - *Chairman;*

2. Devendra Shah, (Executive Chairman) ; and

3. Radhika Pereira, (Independent Director).

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on June 23, 2014 (with effect from April 1, 2014) and was reconstituted on May 26, 2015 and July 28, 2015. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013. The terms and reference of the Corporate Social Responsibility Committee include the following:

1. Formulating and recommending to our Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as per the Companies Act, 2013.

2. Reviewing and recommending the amount of expenditure to be incurred on activities to be undertaken by our Company.

3. Monitoring the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and

4. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of our Board or as may be directed by our Board from time to time.

E. IPO Committee

The members of the IPO Committee are:

1. Devendra Shah (Executive Chairman), *Chairman;*

2. Pritam Shah (Managing Director);

3. Nitin Dhavalikar (Independent Director); and

4. Ramesh Chandak (Additional and Nominee Director)

The IPO Committee was constituted by our Board at their meeting held on August 27, 2015 and reconstituted by our Board at their meeting held on December 23, 2015. The scope and functions of the IPO Committee are as follows:

To decide on the timing, pricing and all the terms and conditions of the Issue, and to accept any amendments, modifications, variations or alterations thereto;

1. To appoint and enter into arrangements with the BRLMs, underwriters, syndicate members, registered brokers, escrow collection banks, registrar, legal advisors and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment, including but not

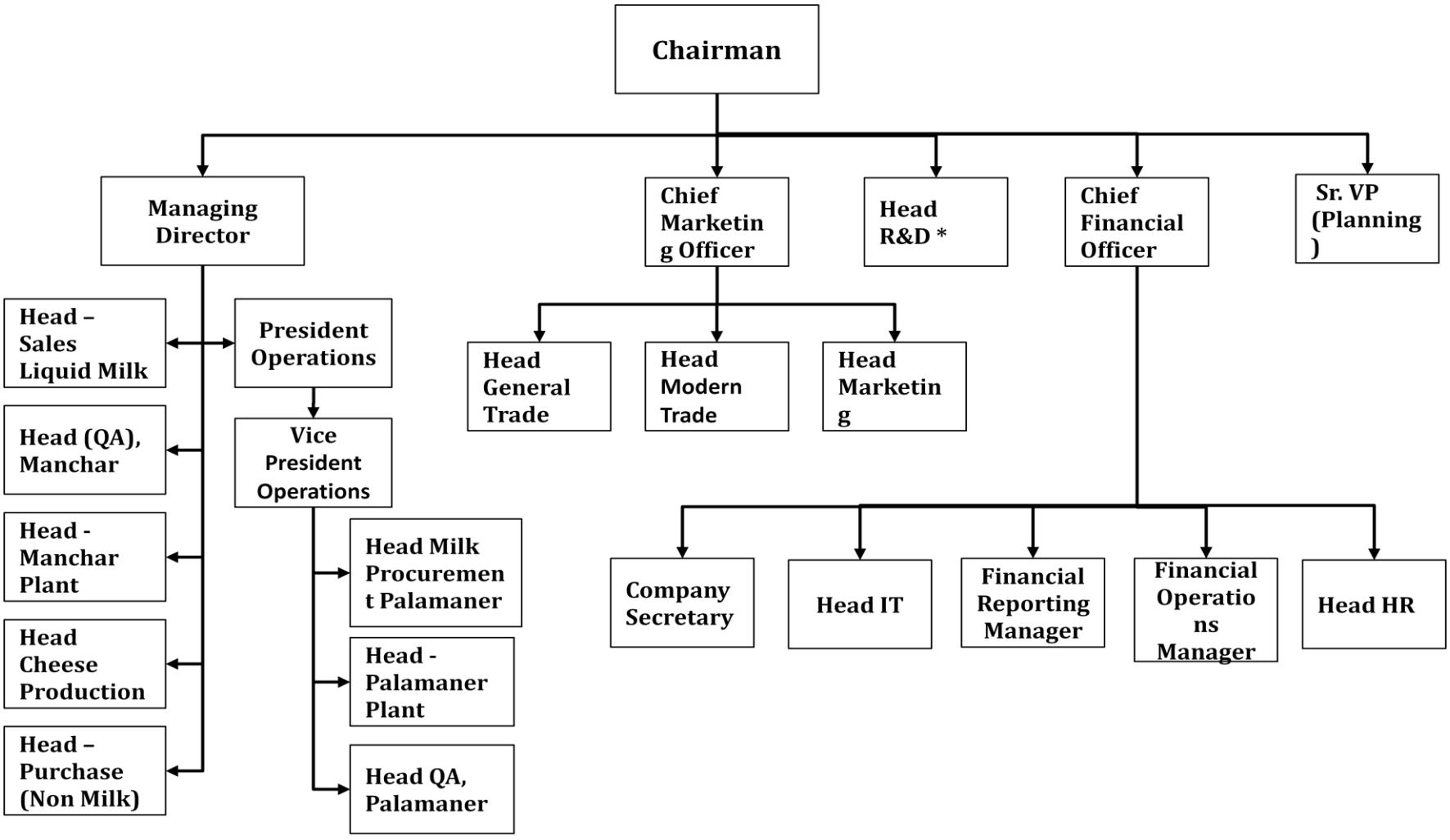
limited to, execution of the BRLMs' mandate letter, negotiation, finalisation and execution of the memorandum of understanding with the BRLMs, etc.;

2. To finalise and settle and to execute and deliver or arrange the delivery of the Draft Red Herring Prospectus, this Red Herring Prospectus, the Prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Issue;

3. To open with the bankers to the Issue such accounts as are required by the regulations issued by SEBI; and

4. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the Equity Shares to the successful allottees as permissible in law and issue of share certificates in accordance with the relevant rules.

Management Organisation Structure



* Currently vacant

Key Management Personnel

The details of our key management personnel, as of the date of this Red Herring Prospectus, are as follows:

Devendra Shah is a Whole-time Director of our Company and Chairman of our Board. For details, see "– Brief Biographies" of Directors on page 171. For details of compensation paid to him during Fiscal 2015, see "- Remuneration to Executive Directors" on page 173.

Pritam Shah is the Managing Director of our Company. For details, see "– Brief Biographies" of our Directors on page 171. For details of compensation paid to him during Fiscal 2015, see "- Remuneration to Executive Directors" on page 173.

Bharat Kedia is currently the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Ranchi University and is also a member of the Institute of Chartered Accountants of India as well as the Institute of Company Secretaries of India. He was appointed as our Company's Chief Financial Officer on January 2, 2015. He holds experience in the finance field. In the past, he has worked with Goodlass Nerolac Paints Private Limited as an assistant manager in their accounts department and with Farvane Overseas Consultants Limited as a finance manager for a period of two years. He has also worked with various companies such as, Coca Cola Hellenic Bottling Company as their chief financial officer for its Russian operations and TLG India Private Limited as its chief executive officer. He was paid a total remuneration of ₹2.24 million in Fiscal 2015.

Mahesh Israni is currently the Chief Marketing Officer (CMO) of our Company. He holds a bachelor's degree in microbiology from Pune University. He joined our Company on October 16, 2012. At our Company, he is responsible for the over all company business strategy, brand and category development and route to market strategy. He started his career with Unilever on September 14, 1987 as a trainee territory sales incharge and has also worked with Pidilite Industries as chief rurban from June 22, 2009 to October 15, 2012. He also has experience in the marketing field. He was paid a total remuneration of ₹7.12 million in Fiscal 2015.

Shirish Upadhyay is currently the Senior Vice President (SVP)-Planning of our Company. He holds a bachelor's degree in science from Sardar Patel University and a master's degree in business administration from Bhavnagar University. He joined our Company on September 9, 2010. At our Company, he is repsonsible for strategic planning of various operations of our Company. He has over 17 years experience in the dairy industry of which, 12 years were with GCMMFL (Amul). He was paid a total remuneration of ₹3.86 million in Fiscal 2015.

Rachana Sanganeria is currently the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce from Mumbai University and a bachelor's degree in law from Mumbai University. She is a member of the Institute of Company Secretaries of India. She was appointed as our company secretary with effect from December 2, 2013. She holds over 11 years of experience as a company secretary and has worked for various companies throughout her career. She has worked as a management trainee with Raymond Limited from April 1993 to April 1995 after which, she has worked with Elixir Netcom Solutions Private Limited from July 1, 1995 to September 30, 1999 as their company secretary. She has also worked with Parle International limited as an assistant company secretary from August 8, 2000 to February 28, 2001. Subsequently, she served as the company secretary of M/s Bailley Beverages Limited. She has worked as a consultant with Mirah Group from March 2004 to July 2008. Further, she has worked as a legal manager and company secretary for Aanya Real Estate Private Limited from August 18, 2008 to March 10, 2010, after which, she worked with Elixir 360 as their company secretary and legal head from June 24, 2010 to October 25, 2013. She was paid a total remuneration of ₹1.04 million in Fiscal 2015.

Relationship between Key Management Personnel

Devendra Shah and Pritam Shah are brothers. Except as stated herein, none of our key management personnel are related to each other.

Except Devendra Shah and Pritam Shah, who are our Directors, all of our key management personnel are permanent employees of our Company.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our key management personnel were selected as members of our senior management.

Shareholding of key management personnel

Except as disclosed in "Shareholding of Directors in our Company" on page 174 above, none of our key management personnel hold any Equity Shares in our Company.

Bonus or profit sharing plan of the key management personnel

Our CFO, CMO, SVP – Planning and Company Secretary are entitled to annual bonus on achievement of his/her targets, provided that they are in employment of our Company on the last day of the Financial Year, i.e., March 31. Our Company does not have any bonus or profit sharing plan for the key management personnel.

Interests of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. The key management personnel may be regarded as interested in the Equity Shares that may be subscribed by or allotted to them under the Employee Reservation Portion or the Equity Share to be transferred to them pursuant to the vesting of options granted to them under ESOS 2015. Further, they would also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them, if any. For details of the options granted to the key management personnel under ESOS 2015, see "Capital Structure – Employee Stock Option Scheme, 2015" on page 92.

Changes in our key management personnel

The following are the details of changes in our KMPs in the last three years:

Sr. No.	Name of KMP	Date of change	Reason for change
1.	Bharat Kedia	January 2, 2015	Appointment
2.	Dharmendra Vyas	December 2, 2013	Resignation
3.	Rachana Sanganeria	December 2, 2013	Appointment

Employee Stock Option Scheme

Our Company has an active employee stock option scheme. For details of the scheme, see "Capital Structure – Employee Stock Option Scheme, 2015" on page 92.

Payment or Benefit to officers of our Company (non-salary related)

Except as disclosed in this section and in the section "Financial Statements" on page 191 no non-salary related amount or benefit has been paid or given in two preceding years, or intended to be paid or given, to any of our Company's officers, including our Directors and key management personnel.

PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The promoters of our Company are Devendra Shah, Pritam Shah and Parag Shah.

1. Devendra Shah

Devendra Shah, aged 51 years, is a Promoter and the Executive Chairman of our Company. For further details, see "Management – Brief Biographies" on page 171.

His driving license number is MH-14/2015/0017875. His voter identification number is MT/0041/0241/303213.

2. Pritam Shah

Pritam Shah, aged 45 years, is a Promoter and the Managing Director of our Company. For further details, see "Management – Brief Biographies" on page 171.

His driving license number is MH-14/S-3-2002/14211. His voter identification number is MT/0041/0241/303582.

3. Parag Shah

Parag Shah, aged 48 years, is a Promoter of our Company. He was a Director on our Board since inception and resigned from the board on Febuary 27, 2015. He discontinued his pursuit in education after completion of standard eight. He has an experience of 23 years in the dairy industry.

His driving license number is MH-14/2009/0058293. His voter identification number is MT/0041/0241/303189.

Our Company confirms that the PAN, bank account numbers and passport numbers of each of our Promoters have been submitted to the Stock Exchanges, at the time of submission of the Draft Red Herring Prospectus to them.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividend payable, if any and other distributions in respect of the shares held by them. For further information on shareholding of our Promoters in our Company, see "Capital Structure" on page 82.

Devendra Shah is the Chairman and Pritam Shah is the Managing Director of our Company and may be deemed to be interested to the extent of remuneration, and reimbursement of expenses payable to them. For further details, see "Our Management" on page 174. In addition, Parag Shah is an employee of our Subsidiary and may be deemed to be interested to the extent of remuneration of ₹200,000 per month, and reimbursement of expenses payable to him. Our Company pays a regular amount to Devendra Shah and Pritam Shah by way of rentals for certain properties that have been leased to our Company. Additionally, our Company has also availed unsecured loans aggregating to ₹166.00 million in Fiscal 2015 and ₹4.60 million during the nine month period ending December 31, 2015 from Devendra Shah and Pritam Shah and they are interested in our Company to the extent of repayment of such loans.

Further, pursuant to the general agreement dated March 5, 2013, our Company has allotted zero coupon non-convertible redeemable debentures of ₹10 each ("**NCDs**") to Devendra Shah and Pritam Shah for an aggregate amount of ₹30.00 million and ₹150.00 million, respectively. The NCDs are redeemable after listing of Equity Shares or a period of 10 years. For details, see "Related Party Transactions" on page 189.

Further, our Promoters are also directors on the boards, or members of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. In addition, our Promoters are members of IRIS Business Solutions Private Limited ("**IRIS**"), which is a Shareholder of our Company. Our Promoters may be deemed to be interested to the extent of such shareholding in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by IRIS. For the payments that are made by our Company to certain Promoter Group entities, see "Related Party Transactions" on page 189.

Other than as disclosed in the section "Related Party Transactions" on page 189, our Company has neither entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus which are not in the ordinary course of business nor proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to the Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with the Promoters including the properties purchased by our Company. For the payments that are made by our Company to certain Promoter Group entities, see "Related Party Transactions" on page 189.

Other than as stated in the section "Related Party Transactions" on page 189, our Promoters do not have any interest in any property acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus, or proposed to be acquired or any interest in any transactions for the acquisition of land, construction of building or supply of machinery.

Except as otherwise disclosed above, our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by such Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters, Devendra Shah and Pritam Shah, are shareholders of Stavan Exim Private Limited, a Promoter Group company, which has been incorporated to carry on the business of manufacturing milk and milk products. Stavan Exim Private Limited currently has no operations. Other than Stavan Exim Private Limited and our Subsidiary, our Promoters do not have any interest in any venture that is or could be involved in any activities similar to those conducted by our Company. For details, see "Our Subsidiary" on page 167. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Our Promoters are not related to any sundry debtors of our Company.

Payment of benefits to our Promoters or Promoter Group

Except as stated in "Related Party Transactions" on page 189, there have been no payment or benefits to our Promoters or Promoter Group during the two years preceding the filing of the Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoter or Promoter Group.

Confirmations

None of the Promoters or their relatives (as defined under the Companies Act, 2013) have been declared wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by any of the Promoters in the past and no proceedings for violation of securities laws are pending against any of them.

None of the Promoters or Promoter Group entities have been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in this Red Herring Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Issue against our Promoters, except as

disclosed under the section "Outstanding Litigation and Material Developments" on page 333.

Companies with which our Promoters have disassociated in the last three years

Except as provided below, our Promoters have not disassociated themselves from any companies during the three years preceding the date of the Draft Red Herring Prospectus.

Sr. No.	Name of the disassociated entity	Reasons and circumstances leading to the disassociation and terms of disassociation	Date of disassociation
1.	Parag Agro Foods Private Limited ("**Parag Agro**")	Our Promoters, Devendra Shah and Pritam Shah transferred their shareholding (except 5,000 shares each still held by them, constituting 0.45% of the paid-up capital of Parag Agro) in Parag Agro in March 2015 to Ashok Agashe. Devendra Shah and Pritam Shah were preoccupied with the management and operation of and wanted to concentrate their time on our Company.	March 18, 2015
2.	Poojan Foods Private Limited	Our Promoters, Devendra Shah and Pritam Shah, have transferred their shareholding in Poojan Foods Private Limited on January 18, 2012 to Babaji Pandurang Temgire and Sachin Shah. Sachin Shah is an employee of our Company and a cousin of our Promoters. Devendra Shah and Pritam Shah have also resigned from the board of directors of Poojan Foods Private Limited. Devendra Shah and Pritam Shah were preoccupied with the management and operation of our Company and wanted to concentrate their time on our Company.	January 18, 2012

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

Guarantees

In addition to guarantees provided by the Promoters as stated in the section "Financial Statements", Pritam Shah and Parag Shah have also provided guarantees in favour of RBL Bank Limited and Axis Bank Limited to enable disbursement of loans to certain milk producers supplying milk to our Company, for maintenance of milch animals and procurement of milk.

Promoter Group:

In addition to the Promoters named above, the following entities constitute the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations:

1. Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Promoters), other than our Promoters, are as follows:

Name of Promoter	Name of the Relative	Relationship with the Promoter
Devendra Shah	Prakash Shah*	Father
	Rajani Shah**	Mother
	Urvashi Shah***	Sister
	Priti Shah	Wife
	Girish Shah	Wife's Brother

Name of Promoter	Name of the Relative	Relationship with the Promoter
	Anjana Shah	Wife's Sister
	Chetna Shah	Wife's Sister
	Nirmala Shah	Wife's Sister
	Jayantilal F. Shah	Wife's Father
	Shabdali Desai	Daughter
	Akshali Shah	Daughter
	Poojan Shah	Son
Pritam Shah	Stavan Shah	Son
	Jinal Shah	Daughter
	Netra Shah	Wife
	Jayantilal G. Shah	Wife's Father
	Jyoti Shah	Wife's Mother
	Naina Shah	Wife's Sister
	Leenata Shah	Wife's Sister
	Lochna Bhandari	Wife's Sister
	Sushant Shah	Wife's Brother
Parag Shah	Archana Shah	Wife
	Dhanpal Shah	Wife's Father
	Vijaya Shah	Wife's Mother
	Anup Shah	Wife's Brother
	Chetan Shah	Wife's Brother

* *Prakash Shah is the father of our Promoters.*
** *Rajani Shah is the mother of our Promoters.*
*** *Urvashi Shah is the sister of our Promoters.*

2. Bodies corporate forming part of the Promoter Group:

The bodies corporate forming part of our Promoter Group are as follows:

1. Active Dairy Milk Foods Private Limited;
2. IRIS Business Solutions Private Limited; and
3. Stavan Exim Private Limited.

3. Partnerships forming part of the Promoter Group:

The partnership firms forming part of our Promoter Group are as follows:

1. B. T. Company;
2. B. T. Sons;
3. Bharat Trading & Co.;
4. Parag Jewellers; and
5. Poojan Builders & Developers.

4. Payment of benefits to Promoter Group

Our Registered Office is owned by Priti Shah and Netra Shah, members of our Promoter Group, and is leased to our Company pursuant to a leave and license agreement dated August 4, 2014, which is valid until July 31, 2017. In terms of the said agreement, our Company is to pay ₹20,000 each to Priti Shah and Netra Shah as license fees.

5. Group Companies

Our Board has confirmed that there are no companies that are covered by Accounting Standard 18 and no other companies that are considered material by our Board for identification as 'Group Companies' in terms of the SEBI Regulations and disclosure in this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five financial years, as per the requirement under Accounting Standard 18 "Related Party Disclosures" issued by ICAI, see "Financial Statements – Related Party disclosures" and "Financial Statements – Related Party disclosures" on pages 233 and 287, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "Financial Indebtedness" on page 327.

Our Company has not declared any dividends in the five Financial Years preceding the date of this Red Herring Prospectus.

Our Company has no formal dividend policy.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Financial Statements	Page No.
Restated Consolidated Financial Statements	192 to 248
Restated Standalone Financial Statements	249 to 301

Report of the Independent Auditor on the
Summary of Restated Consolidated Financial Information

The Board of Directors,
Parag Milk Foods Limited,
Flat No. 1, Plot No. 19, Nav Rajasthan Soceity,
Behind Ratna Memorial Hospital, S B Road,
Shivaji Nagar, Pune
Maharashtra – 411 016,
India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Parag Milk Foods Limited ("the Company") (formerly "Parag Milk Foods Private Limited") and its subsidiary (the Company and its subsidiary together referred to as "the Group") for the purpose of its inclusion in the Red Herring Prospectus ("RHP") prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such financial information comprises of (A) Financial Information as per Summary of Restated Consolidated Financial Statements and (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

   (a) Section 26(1)(b) of the Companies Act, 2013 ("The Act") read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ; and

   (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations").

2. We have examined such financial information with regard to:

   a. the terms of reference agreed with the Company, vide engagement letter dated July 27, 2015 (including addendum thereto), relating to work to be performed on such financial information, proposed to be included in the RHP of the Company in connection with its proposed IPO; and

   b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

3. **Financial Information**

   The financial information referred to above, relating to profits, assets and liabilities and cash flows of the Group is contained in the following annexures to this report (collectively referred to as the "Summary of Restated Consolidated Financial Statements"):

   a) **Annexure I** containing the Restated Consolidated Summary Statement of Assets and Liabilities, as at March 31, 2015, 2014, 2013, 2012, 2011 and as at December 31, 2015.

b) **Annexure II** containing the Restated Consolidated Summary Statement of Profit and Loss, for the years ended March 31, 2015, 2014, 2013, 2012, 2011 and for the nine months period ended December 31, 2015.

c) **Annexure III** containing the Restated Consolidated Summary Statement of Cash Flows, for the years ended March 31, 2015, 2014, 2013, 2012, 2011 and for the nine months period ended December 31, 2015.

d) **Annexure IV** containing the Statement of Significant Accounting Policies.

e) **Annexure V** containing the Restated Consolidated Statement of Notes to Financial Statements.

f) **Annexure VI** – Restated Consolidated Summary Statement on Adjustments to Audited Financial Statements;

The aforesaid Restated Consolidated Financial Information have been extracted by the Management from the audited financial statements of the Group for those years.

The consolidated financial statements of the Group for the nine months period ended December 31, 2015, and for financial years ended March 31, 2015 and 2014 were audited by us and had issued unqualified audit report dated March 21, 2016 for nine months period ended December 31, 2015, unqualified audit report dated May 26, 2015 for financial year ended March 31, 2015 and qualified audit report dated September 25, 2014 for financial year ended March 31, 2014. The consolidated financial statements of the Group for financial years ended March 31, 2013 and 2012 were jointly audited by SPCM & Associates and us and had issued qualified audit report dated September 5, 2013 for financial year ended March 31, 2013 and unqualified audit report dated September 12, 2012 for the financial year ended March 31, 2012. The consolidated financial statements of the Group for the financial year ended March 31, 2011 was audited by SPCM & Associates and they had issued qualified audit report dated September 28, 2011.

4. **Other Financial Information**

Other Financial Information relating to the Group which is based on the Restated Consolidated Financial Information prepared by the management and approved by the Board of Directors is attached as per the following annexures listed hereunder:

a) **Annexure V** – Restated Consolidated Statement of Notes to Financial Information (other financial information in relation to items in the Summary of Restated Consolidated Financial Statements have been included in Annexure V);
b) **Annexure VIIA** – Restated Consolidated Summary Statement of Accounting Ratios, (before considering the impact of changes in capital structure);
c) **Annexure VIIB** – Restated Consolidated Summary Statement of Accounting Ratios, (after considering the impact of changes in capital structure);
d) **Annexure VIII** – Restated Consolidated Summary Statement of Capitalisation;
e) **Annexure IX** – Restated Consolidated Summary Statement of Dividends Paid / Proposed.

5. The Summary of Restated Consolidated Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and/or as referred to in Section 133 of the Companies Act, 2013 applied in the preparation of the audited financial statements of the Group. Reading the Restated Summary of Consolidated Financial Statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

6. **Management Responsibility on the Summary of Restated Consolidated Financial Statements and Other Financial Information**

Management is responsible for the preparation of "Summary of Restated Consolidated Financial Statements" and "Other Financial Information" relating to the Group in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. **Auditors' Responsibility**

Our responsibility is to express an opinion on the "Summary of Restated Consolidated Financial Statements" and "Other Financial Information", based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. **Opinion**

In our opinion, the "Summary of Restated Financial Statements" of the Group as stated in Para 3 above and "Other Financial Information" as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Statement on Adjustments to Audited Consolidated Financial Statements enclosed in **Annexure VI** , have been prepared in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

The Summary of Restated Consolidated Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the Statement on Adjustments to Audited Consolidated Financial Statements in **Annexure VI** to this report. Based on our examination of the same, we confirm that:

a) there are no qualifications in the auditors' reports that require an adjustment in the Summary of Restated Consolidated Financial Statements;
b) adjustments for the material amounts in the respective financial years to which they relate to, have been made in the attached Summary of Restated Consolidated Financial Statements;
c) the impact arising on account of changes in accounting policies, if any, adopted by the Group as at period ended December 31, 2015, is applied with retrospective effect in the Summary of Restated Consolidated Financial Statements;
d) there are no further extraordinary items disclosed in the Summary of Restated Consolidated Financial Statements.

Other remarks/comments in the Auditors' report and annexure to the Auditors' report on the financial statements of the Company for the nine months period ended December 31, 2015, financial years ended March 31, 2015, 2014, 2013, 2012 and 2011 which do not require any

corrective adjustment in the Restated Standalone Financial Information are mentioned in "Non-adjusting items" under Annexure VI.

9. The figures included in the "Summary of Restated Consolidated Financial Statements" and "Other Financial Information" do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.

10. This report should not, in any way, be construed as a reissuance or redating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. This report is issued at the specific request of the Company for your information and inclusion in the RHP to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed IPO of equity shares of the Company. This report may not be useful for any other purpose.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Anup Mundhra
Partner
Membership No.061083

Place: Mumbai
Date: March 21, 2016

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annxure details of restated Consolidated Financials

A	Financial Information	Annexure nos.
1	Restated Consolidated Summary Statement of Assets & Liabilities	Annexure-I
2	Restated Consolidated Summary Statement of Profit & Loss	Annexure-II
3	Restated Consolidated Summary Statement of Cash Flow	Annexure-III
4	Statement of Significant Accoutning Policies	Annexure-IV
5	Restated Consolidated Statements Notes to Financial Information	Annexure-V
B	**Other Financial Information**	
6	Restated Consolidated Summary Statement on adjustments to Audited Financial Statements	Annexure VI
7	Restated Consolidated Summary Statement of Accounting Ratios	Annexure VII & VII B
8	Restated Consolidated Summary Statement of Capitalization	Annexure VIII
9	Restated Consolidated Summary Statement of Dividends Paid / Proposed	Annexure IX

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure I -Restated Consolidated Summary Statement of Assets and Liabilities (₹ in million)

Particulars	Annexure	For the nine months ended December 31,	As at March 31,				
		2015	2015	2014	2013	2012	2011
I. EQUITY AND LIABILITIES							
(1) Shareholders' Funds							
(a) Share capital	V(1)	661.60	159.69	159.69	159.69	158.10	158.10
(b) Reserves and surplus	V(2)	2,113.48	1,072.03	812.43	652.77	421.13	232.16
		2,775.08	**1,231.72**	**972.12**	**812.46**	**579.23**	**390.26**
(2) Minority Interest		-	-	0.07	0.08	0.08	0.08
(3) Non-current liabilities							
(a) Long-term borrowings	V(3)	1,290.77	1,726.17	2,726.22	2,326.73	1,635.65	1,417.03
(b) Deferred tax liabilities (Net)	V(4)	89.44	58.05	38.00	74.60	100.29	89.66
(c) Other long term liabilities	V(5)	169.96	161.47	111.68	4.00	4.00	4.00
(d) Long term provisions	V(6)	5.17	4.55	3.18	1.83	0.12	0.09
		1,555.34	**1,950.24**	**2,879.08**	**2,407.16**	**1,740.06**	**1,510.78**
(4) Current liabilities							
(a) Short-term borrowings	V(7)	2,361.40	2,572.43	2,478.61	2,231.60	2,130.11	1,586.42
(b) Trade payables	V(8)	1,471.00	1,803.19	1,248.92	921.85	849.73	593.88
(c) Other current liabilities	V(9)	1,452.93	1,667.04	649.50	527.02	561.10	444.32
(d) Short-term provisions	V(10)	85.34	5.20	0.54	14.20	189.40	207.40
		5,370.67	**6,047.86**	**4,377.57**	**3,694.67**	**3,730.34**	**2,832.02**
TOTAL		**9,701.09**	**9,229.82**	**8,228.84**	**6,914.37**	**6,049.71**	**4,733.14**
II. ASSETS							
(1) Non-current Assets							
(a) Fixed Assets							
(i) Tangible assets	V(11)	3,130.18	2,907.96	2,413.90	2,431.43	2,459.60	2,048.27
(ii) Intangible assets		1.78	3.11	5.20	2.36	2.14	2.85
(iii) Capital Work In Progress		245.45	213.71	336.25	30.70	42.11	285.31
(iv) Intangible assets under development		44.57	46.68	37.55	32.08	28.30	-
		3,421.98	**3,171.46**	**2,792.90**	**2,496.57**	**2,532.15**	**2,336.43**
(b) Non-current investments	V(12)	3.06	3.06	3.06	3.06	0.06	0.06
(c) Long-term loans and advances	V(13)	468.70	665.47	1,030.13	937.55	570.32	281.44
(d) Other Non-current assets	V(14)	10.52	18.20	16.44	9.78	7.12	16.12
		3,904.26	**3,858.19**	**3,842.53**	**3,446.96**	**3,109.65**	**2,634.05**
(2) Current Assets							
(a) Inventories	V(15)	2,267.63	2,118.86	1,902.72	1,394.62	1,394.05	1,170.47
(b) Trade receivables	V(16)	2,460.63	1,714.98	1,634.73	1,472.87	1,186.55	855.96
(c) Cash and bank balances	V(17)	249.97	55.73	42.08	22.19	18.05	13.37
(d) Short-term loans and advances	V(18)	510.68	975.64	422.47	214.81	86.10	30.88
(e) Other Current assets	V(19)	307.92	506.42	384.31	362.92	255.31	28.41
		5,796.83	**5,371.63**	**4,386.31**	**3,467.41**	**2,940.06**	**2,099.09**
TOTAL		**9,701.09**	**9,229.82**	**8,228.84**	**6,914.37**	**6,049.71**	**4,733.14**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

In terms of our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Anup Mundhra
Partner
Membership No. 061083

Place: Mumbai
Date: March 21, 2016

For and on behalf of the Board of Directors

Devendra Shah
Chairman

Pritam Shah
Managing Director

Bharat Kedia
Chief Financial Officer

Rachana Sanganeria
Company Secretary & Compliance Officer

Place: Mumbai
Date: March 21, 2016

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure II -Restated Consolidated Summary Statement of Profit and Loss (₹ in million)

	Particulars	Annexure	For the nine months ended December 31,	For the year ended March 31,				
			2015	2015	2014	2013	2012	2011
I.	**Income**							
	Revenue from operations	V(20)	12,306.02	14,387.00	10,882.54	9,250.35	8,997.65	6,582.56
	Other income	V(21)	5.86	18.19	12.46	21.14	7.75	2.47
	Total Revenue		**12,311.88**	**14,405.19**	**10,895.00**	**9,271.49**	**9,005.40**	**6,585.03**
II	**Expenses:**							
	Cost of materials consumed	V(22) & V(23)	8,419.11	10,833.45	8,220.46	6,796.01	7,209.23	5,397.97
	Purchase of traded goods	V(24)	933.73	392.36	642.72	80.21	16.72	102.48
	Changes in inventories of finished goods & WIP		(138.52)	(216.96)	(504.52)	30.88	(220.23)	(359.79)
	Employee benefits expense	V(25)	507.75	574.91	478.04	398.04	299.33	191.54
	Other expenses	V(26)	1,509.35	1,739.75	1,222.72	1,111.15	869.95	749.12
	Total Expenses		**11,231.42**	**13,323.51**	**10,059.42**	**8,416.29**	**8,175.00**	**6,081.32**
III	**Restated Earnings before interest, tax, depreciation and amortization (EBIDTA) (I-II)**		**1,080.46**	**1,081.68**	**835.58**	**855.20**	**830.40**	**503.71**
IV	Depreciation and amortization expense	V(11)	236.52	275.32	275.25	261.23	225.36	180.78
V	Finance costs	V(27)	349.25	493.88	437.25	402.69	399.95	225.32
VI	**Restated Profit before tax (III-IV-V)**		**494.69**	**312.48**	**123.08**	**191.28**	**205.09**	**97.61**
VII	**Tax Expenses:**							
	(1) Current Tax		143.45	40.61	1.37	26.38	6.56	26.99
	(2) MAT Credit		0.62	(4.10)	(1.37)	(19.26)	(1.71)	-
	(3) Deferred Tax		31.39	20.05	(36.60)	(25.66)	10.61	38.39
	(4) Tax adjustments		-	(3.74)	-	2.08	0.66	36.37
VII	**Restated Profit after tax and before minority interest (VI-VII)**		**319.23**	**259.66**	**159.68**	**207.74**	**188.97**	**(4.14)**
IX	**Less: Minority Interest**		-	-	(0.00)	(0.00)	(0.00)	0.00
X.	**Restated Profit for the year (VIII-IX)**		**319.23**	**259.66**	**159.68**	**207.74**	**188.97**	**(4.14)**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Anup Mundhra
Partner
Membership No. 061083

Place: Mumbai
Date: March 21, 2016

For and on behalf of the Board of Directors

Devendra Shah
Chairman

Pritam Shah
Managing Director

Bharat Kedia
Chief Financial Officer

Rachana Sanganeria
Company Secretary & Compliance Officer

Place: Mumbai
Date: March 21, 2016

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure III Restated Consolidated Summary Statement of Cash Flows (₹ in million)

Particulars	Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
A. Cash Flow from Operating Activities						
Net Profit before taxation	**494.69**	**312.48**	**123.08**	**191.28**	**205.09**	**97.61**
Add:						
Depreciation/ amortisation	236.52	275.32	275.25	261.23	225.36	180.78
Bad debts	-	0.24	0.32	-	0.03	0.15
Provision for doubtful debts	2.50	25.27	25.63	45.64	16.89	6.37
Provision for doubtful advances	-	0.53	0.48	-	0.04	1.91
Loss on sale of fixed assets	-	0.19	3.95	2.82	3.40	5.30
Loss on impairment of fixed assets	-	-	0.98	1.84	1.73	1.30
Unrealised forex loss	54.84	-	-	-	-	-
Provision for employees benefit	-	7.63	3.51	1.88	2.50	1.31
Interest expense	349.25	469.21	438.82	403.58	399.95	226.41
Less:						
Dividend income	0.00	0.00	0.00	0.00	0.00	0.00
Interest income	2.76	4.66	3.88	2.11	1.14	0.99
Operating Profit before Working Capital changes	**1,135.04**	**1,086.21**	**868.14**	**906.16**	**853.85**	**520.15**
Adjustments for :						
(Increase)/decrease in inventories	(148.77)	(216.14)	(508.10)	(0.57)	(223.58)	(412.51)
(Increase) in trade receivables	(748.42)	(105.76)	(187.75)	(331.96)	(347.51)	(262.07)
(Increase)/decrease in short term loans and advances	464.96	(583.24)	(203.43)	(8.80)	(30.27)	69.77
(Increase)/ decrease in other current assets	198.50	(119.05)	(21.39)	(107.61)	(226.90)	(28.41)
(Increase)/decrease in long term loans and advances	(25.24)	8.94	(17.38)	(12.89)	(5.64)	(16.91)
Increase/(decrease) in other current liabilties	33.41	(12.69)	117.11	(53.34)	111.35	125.42
Increase in other non current liabilties	8.48	49.79	107.68	-	-	-
Increase/(decrease) in trade payables	(332.33)	552.29	327.04	72.12	255.85	204.16
Increase/(decrease) in provisions	(1.98)	6.03	(12.31)	(173.49)	(17.98)	38.78
Cash Generated from operations	**583.65**	**666.38**	**469.61**	**289.62**	**369.17**	**238.38**
Direct taxes paid (net of refunds)	59.91	(5.68)	(4.76)	(129.12)	(30.48)	(129.12)
Net Cash flow used in Operating activities	**523.74**	**660.70**	**464.85**	**160.50**	**338.69**	**109.26**
B. Cash Flow from Investing Activities						
Purchase of fixed assets (including capital advance)	(406.36)	(230.86)	(591.20)	(559.83)	(703.96)	(730.37)
Sale of fixed assets	7.01	4.12	4.00	-	-	-
(Increase)/decrease in other non current assets	7.92	(1.28)	(10.10)	(8.83)	7.83	(11.56)
Investments	(13.16)	-	-	(3.00)	-	-
Interest and dividend received	10.44	4.66	3.88	2.11	1.14	0.99
Net Cash flow used in Investing activities	**(394.16)**	**(223.36)**	**(593.42)**	**(569.55)**	**(694.99)**	**(740.94)**
C. Cash Flow from Financing Activities						
Proceeds from issue of shares	56.76	-	-	25.49	-	-
Proceeds from long term borrowings	585.69	332.34	771.98	1,347.46	560.84	322.66
Repayment of long term borrowings	(11.02)	(305.01)	(372.56)	(654.19)	(342.20)	(222.63)
Proceeds from short term borrowings	-	100.99	372.72	114.72	543.68	700.21
Repayment of short term borrowings	(211.03)	(7.18)	(125.70)	(13.23)	-	-
Interest paid	(360.99)	(544.35)	(501.41)	(413.24)	(402.51)	(224.66)
Net Cash inflow from/ (outflow) from Financing activities	**59.41**	**(423.21)**	**145.03**	**407.01**	**359.81**	**575.58**

Particulars	Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Net increase in cash and cash equivalents	**189.00**	**14.13**	**16.46**	**(2.04)**	**3.51**	**(56.10)**
Opening Cash and Cash Equivalents						
Cash in hand	11.97	16.38	7.75	3.90	8.09	3.84
Bank balances	32.94	14.40	6.57	12.46	4.76	65.11
	44.91	**30.78**	**14.32**	**16.36**	**12.85**	**68.95**
Closing Cash and Cash Equivalents						
Cash in hand	14.04	11.97	16.38	7.75	3.90	8.09
Bank balances	219.87	32.94	14.40	6.57	12.46	4.76
	233.91	**44.91**	**30.78**	**14.32**	**16.36**	**12.85**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Anup Mundhra
Partner
Membership No. 061083

Place: Mumbai
Date: March 21, 2016

For and on behalf of the Board of Directors

Devendra Shah
Chairman

Pritam Shah
Managing Director

Bharat Kedia
Chief Financial Officer

Rachana Sanganeria
Company Secretary & Compliance Officer

Place: Mumbai
Date: March 21, 2016

Annexure IV: Significant Accounting Policies

1. Corporate Information

Parag Milk Foods Limited (formerly Parag Milk Foods Private Limited) ("the Parent Company") was incorporated under the provisions of the Companies Act, 1956. The Parent Company is engaged in the business of procurement of cow milk mainly in western and southern region. The Parent Company undertakes processing of milk and manufacture the various value added products namely cheese, paneer, ghee, fresh cream, flavoured milk, lassi, curd, UHT, whey products, butter milk, gulab jamun mix, dairy whitener etc. which are marketed under its registered brand name "Gowardhan", "Go","Topp up" and "PRIDE OF COWS".

The registered office of the Parent Company is situated in the state of Maharashtra, India. The Company has changed its name to Parag Milk Foods Limited effective from July 07, 2015.

2. Significant Accounting Policies

a) Basis of preparation

The 'Restated Consolidated Summary Statement of the Assets and Liabilities' of the Parent Company and its subsidiaries (as listed in the table below) (together referred to as "the Group") as at 31st December 2015, 31st March 2015, 31 March 2014, 31 March 2013, 31 March 2012, and 31 March 2011 and the 'Restated Consolidated Summary Statement of Profit and Loss' and the 'Restated Consolidated Summary Statement of Cash Flows' for the nine months period ended 31st December 2015, and years ended 31 March 2015 ,31 March 2014, 31 March 2013, 31 March 2012, and 31 March 2011, along with Annexures IV to XXVI (collectively referred to as the "Restated Consolidated Summary Financial Information') have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Parent Company with the Securities and Exchange Board of India (SEBI) in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The Restated Consolidated Summary Financial Information has been prepared by applying necessary adjustments to the consolidated financial statements ('financial statements') of the Group. The financial statements are prepared and presented under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and the requirements of the Companies Act, 1956 (up to 31 March 2014), and notified sections, schedules and rules of the Companies Act, 2013 (with effect from 01 April 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014, to the extent applicable.

These Restated Consolidated Summary Financial Information are prepared using uniform accounting policies for transactions and other events in similar transactions and comply in all material respects with the requirements of Schedule III to the Act/ Revised Schedule VI of the Companies Act, 1956, as applicable, Section 26 of the Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

With effect from 1 April 2014, Schedule III notified under the Act, has become applicable to the Company for the preparation and presentation of its financial statements. Accordingly, previous years' figures have been regrouped/reclassified wherever applicable. Appropriate re-classifications/regrouping have been made in the Restated Consolidated Summary Financial Information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Parent Company and the requirement of SEBI Regulations.

The Restated Consolidated Summary Financial Information are presented in Indian rupees, rounded off to nearest millions with two decimals except percentages, number of shares, earnings per share data and where mentioned otherwise.

b) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

c) Use of estimates

The preparation of restated consolidated financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

d) Inventories

Inventories are valued at lower of cost or net realizable value. Basis of determination of cost remain as follows:

Items	Methodology of Valuation
Raw materials, components, stores and spares, Trading goods, and Packing Materials	Cost is determined on a weighted average method. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Cost is determined on a weighted average method. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
Goods in transit are valued exclusive of custom duty, where applicable.	
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.	

e) Cash flow statement

The cash flow statement is prepared using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Group.
Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

f) Depreciation

Depreciation on fixed assets is provided up to March 31, 2014 as per following:

- Leasehold improvement includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

- Depreciation on other fixed assets is provided on Straight Line Method on a pro rata basis over its economic useful lives, estimated by the management or at the rates prescribed under Schedule XIV of the Companies act 1956, whichever is higher.

- Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro rata basis up to the date on which such assets are sold, discarded or demolished.

- Intangible assets are amortized over their estimated useful life but not exceeding 10 years.

- Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

Depreciation on fixed assets is provided from April 01, 2014 as per following:

- Depreciation on cost of fixed assets is provided on straight line method at estimated useful live, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013, except for certain specific nature of assets, like 'Cow ear tags' which are depreciated over the useful life of 30 years based on management estimate.

- Leasehold premises are recorded at acquisition cost and amortized on straight-line basis based over the lease term.

- Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month proceeding the month of deduction/disposal.

- Leasehold improvements includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- *Sales of goods*
  Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer which is normally on dispatch of goods. Sales are stated net of returns and trade discount. Sales tax and VAT are excluded.
- *Service Income*
  Service income is recognised as per the terms of the contract when the related services are rendered. It is stated net of service tax.
- *Interest income*
  Interest income is recognized on time proportion basis.
- *Other Income*
  Export incentive, income from investment, sales tax refund on account of "Mega Project" and other service income are accounted on accrual basis. Export entitlements and benefits are recognized in the consolidated statement of profit and loss when the right to receive credit in accordance with the terms of the scheme is established in respect of exports made. Dividend income is accounted for when the right to receive income is established.

h) Tangible fixed assets

Fixed Assets are stated on cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use.

Projects under commissioning and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

i) Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. The costs relating to acquisition of trademark are capitalised as 'Intangible Assets' and amortised on a straight line basis over a period of ten years, which is the management's estimate of the useful life of such trademark. Website development and computer software are amortized over a period of 3 years.

j) Foreign Currency Transactions

- *Initial recognition*
  Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- *Conversion*
  Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the consolidated statement of profit and loss. Non-monetary foreign currency items are carried at cost.

- *Exchange Differences*
  Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets, which are included in the cost of fixed assets.

k) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them and (ii) the grant/subsidy will be received.

l) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as 'current investments'. All other investments are classified as 'non-current investments'.

Investments are classified under 'non-current' and 'current' categories.

'Non-current Investments' are carried at acquisition /amortized cost. A provision is made for diminution other than temporary on an individual basis.

'Current Investments' are carried at the lower of cost or fair value on an individual basis.

m) Retirement and Other Employee Benefits

- *Short term employee benefit*
  All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the period in which the employee renders the related service.

- *Post-employment employee benefits*
  Defined Contribution schemes
  Group's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the consolidated statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

  Defined benefit plans
  The Company's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. Group's contribution in the case of gratuity is funded annually with Life Insurance Corporation of India However, the gratuity benefit scheme of the subsidiary company is unfunded..

  The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

  The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

  Actuarial gains and losses are recognized immediately in the consolidated statement of profit and loss.

  Other long term employee benefits
  Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the consolidated statement of profit and loss.

n) Borrowing Cost

Borrowing costs to the extent related/attributable to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the consolidated statement of profit and loss.

o) Segment Reporting

The Group has identified manufacturing and processing of milk & milk products as its sole operating segment and the same has been treated as primary segment. The Group's secondary geographical

segments have been identified based on the location of Customers and are demarcated into Indian and Overseas revenue earnings.

p) Leases

Assets taken under leases, where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken under leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES).PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

r) Taxation

Income-tax expense comprises current tax, deferred tax charge or credit and minimum alternative tax (MAT).

Current tax

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

Minimum alternative tax

Minimum alternative tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

s) Impairment of Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the consolidated statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

t) Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Group.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

u) Employee stock option

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the consolidated statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure V- Statement of Notes to Consolidated Summary Financial Statements as restated

1 - SHARE CAPITAL

a. Details of authorised, issued and subscribed share capital (₹ in million)

Particulars	As at 31 December, 2015		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount
Authorised Capital												
Equity Shares of Rs. 10/- each	1000,00,000	1,000.0	200,00,000	200.00	200,00,000	200.00	200,00,000	200.00	200,00,000	200.00	200,00,000	200.00
Issued, subscribed and fully paid up shares												
Equity Shares of Rs. 10/- each	661,60,060	661.60	159,69,464	159.69	159,69,464	159.69	159,69,464	159.69	158,10,272	158.10	158,10,272	158.10

b. Shareholders holding more than 5 % shares in the company is set out below:

Name of Shareholder	As at 31 December, 2015		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%
Mr. Devendra Prakash Shah	145,70,832	22.02%	48,56,944	30.41%	48,56,944	30.41%	48,56,944	30.41%	48,56,944	30.72%	48,56,944	30.72%
Mr. Pritam Prakash Shah	91,59,888	13.85%	30,53,296	19.12%	30,53,296	19.12%	30,53,296	19.12%	30,53,296	19.31%	30,53,296	19.31%
Mr. Prakash Babulal Shah	100	0.00%	22,39,112	14.02%	22,39,112	14.02%	22,39,112	14.02%	22,39,112	14.16%	22,39,112	14.16%
Mr. Parag Prakash Shah	1,00,000	0.15%	16,31,096	10.21%	16,31,096	10.21%	16,31,096	10.21%	16,31,096	10.32%	16,31,096	10.32%
Mrs. Netra Pritam Shah	106,23,742	16.06%	9,24,802	7.67%	12,24,802	7.67%	11,77,480	7.37%	11,77,480	7.45%	11,77,480	7.45%
Mrs. Priti Devendra Shah	33,22,820	5.02%	-	-	-	-	-	-	-	-	-	-
IDFC Pvt Equity Fund	127,07,581	19.21%	-	-	-	-	-	-	-	-	-	-
India Business Excelence Fund	39,17,238	5.92%	-	-	-	-	-	-	-	-	-	-
IRIS Business Solution Pvt Ltd.	-	-	-	-	-	-	-	-	9,00,000	5.69%	9,00,000	5.69%
Purva construction & Engineering Private Limited		-	-	-	-	-	-	-	10,00,000	6.33%	10,00,000	6.33%

c. Reconciliation of number of shares (₹ in million)

Particluars	As at 31 December, 2015		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount
Shares outstanding at the beginning of the year / period	159,69,464	159.69	159,69,464	159.69	159,69,464	159.69	158,10,272	158.10	158,10,272	158.10	158,10,272	158.10
Shares Issued during the year / period	501,90,596	501.91	-	-	-	-	1,59,192	1.59	-	-	-	-
Shares bought back during the year / period			-	-	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year / period	**661,60,060**	**661.60**	**159,69,464**	**159.69**	**159,69,464**	**159.69**	**159,69,464**	**159.69**	**158,10,272**	**158.10**	**158,10,272**	**158.10**

In the financial year 2012-13, the Parent Company has issued 159,192 equity shares of face value of Rs 10 each fully paid up at a premium of Rs 304.08 per share.

The Shareholders' of Parent Company in its Extra ordinary General meeting dated May 26, 2015 has approved bonus issue in the ratio of 2:1 and consequently 42,135,038 shares have been issued as bonus shares during the nine months period ended December 31, 2015.

The Parent Company has issued 7,828,558 equity shares against conversion of 116,737,181 nos compulsorily convertible debentures, at an aggregate shares premium of Rs 1,089.08 Million and 227,000 equity shares to ESOP Trust at a premium of Rs 240 per share during the nine months period ended December 31, 2015.

d. Information on equity shares alloted without receipt of cash or alloted as bonus shares or shares bought back

Particulars	As at Dec 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Fully paid up pursuant to contract(s) without payment being received in cash	78,28,558	-	-	-	-	-
Fully paid up by way of bonus shares	421,35,038	-	-	-	-	-

e. Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of Rs.10 per share.Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Parent Company,the holders of equity shares will be entitled to receive remaining assets of the Parent Company,after distribution of all preferential amounts.The distribution will be in proportion to the number of equity shares held by the shareholders.

f. Shares reserved for issue under optioins and contract/commitments

The Parent Company has 68,262,819 nos (March 31, 2015: 125,000,000 nos) compulsory convertible debentures (CCD) outstanding as at the reporting date which amount to Rs 682.62 Million (March 31, 2015: 125 Million) , in respect of which the conversion option can be exercised by the holder at anytime within ten years of the date of issue. The conversion price would be determined considering specified IRR based on the CCD agreement.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

2 - RESERVES AND SURPLUS (₹ in million)

Particulars	For the nine months ended December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Securities Premium Account						
Opening Balance	83.27	83.27	83.27	59.37	59.37	59.37
(+) Securities premium credited on share issue	1,143.57	-	-	48.41	-	-
(-) Securities premium debited on Bonus Share issue	80.00	-	-	-	-	-
(-) Security issue expenses	-	-	-	(24.51)	-	-
Closing Balance	**1,146.84**	**83.27**	**83.27**	**83.27**	**59.37**	**59.37**
b. General Reserve						
Opening balance	20.00	20.00	20.00	20.00	20.00	15.86
(+) Transfer from Surplus of Statement of Profit & Loss	-	-	-	-	-	4.14
Closing Balance	**20.00**	**20.00**	**20.00**	**20.00**	**20.00**	**20.00**
c.Debenture Redemption Reserve						
Opening Balance	13.50	9.00	4.50	-	-	-
(+) Transfer from Surplus of Statement of Profit & Loss	3.38	4.50	4.50	4.50	-	-
Closing Balance	**16.88**	**13.50**	**9.00**	**4.50**	**-**	**-**
d. Capital Reserve on Consolidation						
Opening balance	3.02	3.02	3.02	3.02	3.02	3.02
(+) Transfer from Surplus of Statement of Profit & Loss	-	-	-	-	-	-
Closing Balance	**3.02**	**3.02**	**3.02**	**3.02**	**3.02**	**3.02**
e. Surplus of Statement of Profit & Loss						
Opening balance	952.23	697.15	541.98	338.74	149.77	158.05
(+) Net Profit/(loss) for the period/year	319.23	259.66	159.68	207.74	188.97	(4.14)
(-) Minority Interest	-	(0.07)	(0.01)	(0.00)	(0.00)	(0.00)
(-) Bonus share issued	(341.35)					
(-) Transfer to General Reserve	-	-	-	-	-	(4.14)
(-) Transfer to Debenture Redemption Reserve	(3.38)	(4.50)	(4.50)	(4.50)	-	-
Closing Balance	**926.74**	**952.23**	**697.15**	**541.98**	**338.74**	**149.77**
GRAND TOTAL	**2,113.48**	**1,072.03**	**812.43**	**652.77**	**421.13**	**232.16**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

3. Long term Borrowings as restated

(₹ in million)

Particulars	As at December 31,			As at March 31,														
	2015			2015			2014			2013			2012			2011		
	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
1. Secured Long Term Borrowings																		
(A) Term loans																		
a) Indian rupee loan from banks	225.94	157.12	383.06	376.43	107.99	484.42	686.45	351.39	1,037.84	882.36	263.41	1,145.77	588.59	251.33	839.92	615.12	174.51	789.63
b) From financial institutions	30.26	10.20	40.46	31.33	14.41	45.74	6.24	4.40	10.64	10.63	4.39	15.02	15.02	5.35	20.37	20.37	5.71	26.08
c) Foreign currency loan from financial institutions	851.52	110.21	961.73	911.67	-	911.67	599.60	-	599.60	-	81.58	81.58	76.75	102.30	179.05	179.05	66.53	245.58
(B) Hire purchase loans	3.05	2.49	5.54	4.20	2.34	6.54	3.93	1.65	5.58	3.74	1.55	5.29	5.29	2.76	8.05	2.49	2.24	4.73
Total (A+B)	**1,110.77**	**280.02**	**1,390.80**	**1,323.63**	**124.74**	**1,448.37**	**1,296.22**	**357.44**	**1,653.66**	**896.73**	**350.93**	**1,247.66**	**685.65**	**361.74**	**1,047.39**	**817.03**	**248.99**	**1,066.02**
2. Unsecured Long Term Borrowings																		
(A) Compulsory convertible debentures (CCD)	-	682.63	682.63	222.54	1,027.46	1,250.00	1,250.00	-	1,250.00	1,250.00	-	1,250.00	550.00	-	550.00	550.00	-	550.00
(B) 0% Non convertible debentures to Promoters (Refer annexire V-31																		
Devendra Shah	30.00	-	30.00	30.00	-	30.00	30.00	-	30.00	30.00	-	30.00	-	-	-	-	-	-
Pritam Shah	150.00	-	150.00	150.00	-	150.00	150.00	-	150.00	150.00	-	150.00	-	-	-	-	-	-
(C) Other Long Term Borrowings (From Directors)																		
Devendra Shah	-	-	-	-	-	-	-	-	-	-	-	-	50.00	-	50.00	20.00	-	20.00
Pritam Shah	-	-	-	-	-	-	-	-	-	-	-	-	350.00	-	350.00	30.00	-	30.00
Total	**180.00**	**682.63**	**862.63**	**402.54**	**1,027.46**	**1,430.00**	**1,430.00**	**-**	**1,430.00**	**1,430.00**	**-**	**1,430.00**	**950.00**	**-**	**950.00**	**600.00**	**-**	**600.00**
Total (1+2)	**1,290.77**	**962.65**	**2,253.43**	**1,726.17**	**1,152.20**	**2,878.37**	**2,726.22**	**357.44**	**3,083.66**	**2,326.73**	**350.93**	**2,677.66**	**1,635.65**	**361.74**	**1,997.39**	**1,417.03**	**248.99**	**1,666.02**

Note:

" Current Maturities of Long term borrowings" are grouped under "Other current liabilities".

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

3A. Statement of Principal Terms of Long term Borrowings as at December 31, 2015, as restated (₹ in million)

Sr No	Name of the Lender	Nature of Facility	Loan Currency	Amount Sanctioned	Outstanding as at December 31, 2015		Rate of Interest	Repayment Schedule	Securities offered	Prepayment clauses	Penal Interest
					long term borrowings	other current liabilities					
1	Union Bank of India	Term Loan	INR	120.00	23.89	24.00	BR + 3.25%	60 Equal Monthly Installments of Rs 2 million from April 2013	Pari passu first Charge on fixed assets of the Company & second pari passu charge on current assets of the Company	Company has an option to make prepayment subject to 1% prepayment premium on outstanding principal amount.	Additional 2%p.a
2	Union Bank of India	Term Loan	INR	492.70	187.71	98.60	BR + 2.75%	60 Equal Monthly Instalments of Rs 8.21 million from November, 2013	Pari passu first charge on fixed assets of the Company & second pari passu charge on current assets of the Company & personal guarantee of Shri Devendra Shah, Shri Parag Shah, Shri Pritam Shah, Shri Prakash Shah	Company has an option to make prepayment subject to 1% prepayment premium on outstanding principal amount.	Additional 2%p.a
4	J & K Bank	Term Loan	INR	300.00	14.34	34.52	PLR-2.75%	To be repaid in 66 equal monthly installments comprising of 65 installments of Rs.2.87 million-and 66th installment of Rs.2.89 million starting from March 2012	First pari passu on entire fixed assets of the subsidiary company, mortgage of land owned by directors and corporate guarantee given by Parent Company.	NA	2% p.a
5	Electronica Finance Limited	Term Loan	INR	50.00	30.26	10.20	12.98%	FY 2015(Rs.7.04 million) FY 2016(Rs.14.41 million) FY 2017(Rs.14.41 million) FY 2018(Rs.11.76 million) FY 2019(Rs.11.52 million) FY 2020(Rs 8.23 million) FY 2021(Rs 0.91 million)	Hypothecation of Tetra therm Aseptic Flex sterilizer lying at 149/1 Samudrapalli Village, Post - Pengaragunta Palamner Mandal, Chittoor 517408 Andhrapradesh.	Company is eligible to make prepayment subject to following prepayment charges: Upto 12 months-5% on the outstanding principal 13-24 months-4% on the outstanding principal 25 months onwards-3% on the outstanding principal	Revised interest of 24% p.a on the finance amount for the delayed period
6	International Finance Corporation	Term Loan	USD	14.50	851.52	110.21	6 Month Libor + 4.45%	Repayable in 12 Semi annually equal installments Starting from June 16 (TL amount OF USD 9.97 million) & June 17 for (TL amount of USD 4.53 million)	(1) 1st Pari-Passu on the immovable and movable fixed property of the company. (2)2nd pari passu on the entire current assets of the company along with Union Bank of India, Exim Bank & Standard Chartered Bank. (3) Personnel Guarantee of Mr. Prakash Shah,Mr Devendra Shah,Mr Pritam Shah,Mrs Priti Shah,Mrs Netra Shah	(1) If prepayment is made before 15th Sept 2016 then the unwinding cost as determined by IFC shall be final. (2) Allowed only on interest payment date with 2% of the amount prepaid only after 15 th Sept 2016 and on and before 15th Sept 2018. (3) No pre payment premium if prepayment is done on or after 15th Sept 2018.	Additional 2%p.a
7	HDFC- Car Loan	Hire Purchase Loan	INR	4.83	0.12	1.15	10.03%	Repayable in 60 equal installments of Rs 1,02,750/- per month, starting from March 2012	Secured against vehicles	Prepayment premium 3.42% on outstanding principal amount.	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 550

Sr No	Name of the Lender	Nature of Facility	Loan Currency	Amount Sanctioned	Outstanding as at December 31, 2015		Rate of Interest	Repayment Schedule	Securities offered	Prepayment clauses	Penal Interest
					long term borrowings	other current liabilities					
8	ICICI Bank - Car Loan	Hire Purchase Loan	INR	0.68	0.34	0.13	11.24%	Repayable in 60 equal installments of Rs 14,730/- per month, starting from April 2014	Secured against vehicles	5% of amount pre paid & Interest for unexpired portion - lesser of the two	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 400
9	ICICI Bank - Car Loan	Hire Purchase Loan	INR	1.15	-	0.14	9.38%	Repayable in 36 equal installments of Rs 36,777/- per month, starting from April 2014	Secured against vehicles	5% of amount pre paid & Interest for unexpired portion - lesser of the two	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 400
10	Axis Bank-Car Loan	Hire Purchase Loan	INR	0.84	0.40	0.16	10.70%	Repayable in 60 equal installments of Rs 18,138/- per month, starting from February 2015	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500
11	Axis Bank- Car Loan	Hire Purchase Loan	INR	0.58	0.11	0.20	10.75%	Repayable in 36 equal installments of Rs 18,920/- per month, starting from July 2014	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500
12	Axis Bank- Car Loan	Hire Purchase Loan	INR	0.58	0.11	0.20	10.75%	Repayable in 36 equal installments of Rs 18,920/- per month, starting from July 2014	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500
13	Axis Bank -Car Loan	Hire Purchase Loan	INR	2.00	1.29	0.36	10.50%	Repayable in 60 equal installments of Rs 42,998/- per month, starting from December 2014	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500

Sr No	Name of the Lender	Nature of Facility	Loan Currency	Amount Sanctioned	Outstanding as at December 31, 2015		Rate of Interest	Repayment Schedule	Securities offered	Prepayment clauses	Penal Interest
					long term borrowings	other current liabilities					
14	Axis Bank -Car Loan	Hire Purchase Loan	INR	0.86	0.68	0.14	10.00%	Repayable in 60 equal installments of Rs 18,272/- per month, starting from Octomber 2015	Secured against vehicles	5% of part payment amount after 180 days from the date of disbursement. 10% of part payment amount upto 80 days from the date of disbursement.	2% Per Month Instalment amount
15	**Compulsary Convertible Debentures:**										
A	India Business Excellence Fund I	Long term Borrowings	INR		-	24.27	0.00%	Anytime from the date of issue of CCD but not later than at the time of IPO or 10 years from the date of issue of CCDs.	None	None	15% p.a calculated on daily basis and componded quarterly.
B	IL&FS Trust Company Limited	Long term Borrowings	INR		-	13.07					
C	Suneeta Agarwal	Long term Borrowings	INR		-	2.24					
D	Vimla Oswal	Long term Borrowings	INR		-	1.12					
E	Partik Oswal	Long term Borrowings	INR		-	1.12					
F	IDFC Private Equity Fund III	Long term Borrowings	INR		-	640.80					
16	**Non Convertible Debentures:**										
A	Devendra Shah	Long term Borrowings	INR		30.00	-	0.00%	Anytime at the option of investors but not before IPO by the Company or 10 years from the issue of NCDs whichever is earlier.	None	Prepayment not permissiable prior to listing or 10 years from the date of NCD,whichever is earlier.	15% p.a.
B	Pritam Shah	Long term Borrowings	INR		150.00	-					
	Total				**1,290.77**	**962.65**					

4 - DEFERRED TAX LIABILITY (Net)

The major components of deferred tax liability / asset as recongised in the financial statement are as follows:

(₹ in million)

Particulars	As at December 31, 2015	As at March 31,				
	2015	2015	2014	2013	2012	2011
Deferred Tax Liability						
Fixed Assets: Impact of difference between Income tax depreciation and depreciation charged for the financial reporting.	203.24	145.12	124.88	139.21	138.96	103.13
Total Deferred tax liabiltiy	**203.24**	**145.12**	**124.88**	**139.21**	**138.96**	**103.13**
Deferred Tax Asset						
Impact of expenditure charged to the statement of profit and loss in the current period / year but allowed for tax purpose on payment basis.	5.93	2.83	47.61	33.90	0.82	1.66
Unabsorbed loss / depreciation allowance	48.77	59.86	21.21	9.83	21.58	0.81
Provision for doubtful debts / adavnce	59.10	24.38	18.06	20.88	16.27	11.00
Total Deferred tax assets	**113.80**	**87.07**	**86.88**	**64.61**	**38.67**	**13.47**
Net Deferred tax liabiltiy	**89.44**	**58.05**	**38.00**	**74.60**	**100.29**	**89.66**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

5 - OTHER LONG-TERM LIABILITIES

Particulars	As at December 31, 2015	As at March 31,				
	2015	2015	2014	2013	2012	2011
Deposits	169.96	161.47	111.68	4.00	4.00	4.00
	169.96	**161.47**	**111.68**	**4.00**	**4.00**	**4.00**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

6 - LONG TERM PROVISIONS

Particulars	As at December 31, 2015	As at March 31,				
	2015	2015	2014	2013	2012	2011
Gratuity	0.33	0.21	1.44	1.62	-	-
Leave benefits	4.84	4.34	1.74	0.21	0.12	0.09
Total	**5.17**	**4.55**	**3.18**	**1.83**	**0.12**	**0.09**

*for further details refer disclosure annexure V-29

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

7. Short term Borrowings as restated (₹ in million)

Particulars	As at December 31, 2015	As at March 31,				
	2015	2015	2014	2013	2012	2011
1. Secured Short Term Borrowings						
Loans repayable on demand-						
Cash credit from banks	2,341.84	2,469.56	2,357.69	1,486.67	1,381.49	1,377.12
Cash credit (PCFC) from banks	-	-	10.87	509.18	500.00	-
Short term loan from banks	-	-	-	-	127.59	200.00
	2,341.84	**2,469.56**	**2,368.56**	**1,995.85**	**2,009.08**	**1,577.12**
2. Unsecured Short Term Borrowings						
Loans repayable on demand-						
From Banks	-	-	-	-	38.00	-
From Non Banking Financial Institution	-	97.50	107.50	200.00	50.00	-
Loan from related party*						
From Directors						
Devendra Shah	0.51	4.33	1.07	26.47	5.94	5.97
Pritam Shah	0.39	1.04	1.40	0.95	23.82	2.65
Parag Shah	0.01	0.00	0.08	0.08	0.08	0.16
From Shareholders		-	-			
Netra Shah	-	-	-	5.62	2.12	0.15
Prakash Shah	-	-	-	0.03	0.28	0.00
Priti Shah	-	-	-	2.60	0.78	0.36
Rajani Shah	-	-	-	-	0.01	0.01
Loan from others	18.65	-	-	-	-	-
Sub Total	**19.56**	**102.87**	**110.05**	**235.75**	**121.03**	**9.30**
Total (1+2)	**2,361.40**	**2,572.43**	**2,478.61**	**2,231.60**	**2,130.11**	**1,586.42**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

* for further details refer annexure V- 31

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

7A. Statement of Principal Terms of Secured Short term Borrowings as at December 31, 2015, as restated

(₹ in million)

Name of the Lender	Nature of Facility	Loan Currency	Amount Sanctioned	Outstanding as at December 31, 2015	Rate of Interest p.a. (%)	Repayment Schedule	Securities offered	Prepayment clauses	Penal Interest
IDBI Bank	Working Capital Facility-Cash Credit	INR	380.00	376.20	BBR+250 bps	Repayable on demand and interest payable monthly	Secured against 1st pari passu charge on all the current assets of the Company and 2nd pari passu charge on fixed assets of the Company, personal guarantee of Promoter Directors and their relatives.	Nil	2% p.a
State Bank of India		INR	820.00	787.54	BBR+3.25%				
Standard Chartered Bank		INR	100.00	-0.01	BBR + 4.50%				
Union Bank of India		INR	1,200.00	1,178.12	BBR +2.75 %				
Total				**2,341.84**					

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

8 - TRADE PAYABLES

Particulars	As at December 31, 2015	As at March 31,				
	2015	2015	2014	2013	2012	2011
Due to Micro, Small and Medium Enterprises {Refer Note no. 2(38)}	47.47	14.94	6.75	6.38	2.13	-
Other than Micro, Small and Medium Enterprises	1,423.53	1,788.25	1,242.17	915.47	847.60	593.88
	1,471.00	**1,803.19**	**1,248.92**	**921.85**	**849.73**	**593.88**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

9 - OTHER CURRENT LIABILITIES

Particulars	As at December 31, 2015	As at March 31,				
	2015	2015	2014	2013	2012	2011
Current maturities of long term borrowings {Refer annexure V-3}	960.16	1,151.83	367.47	357.77	365.16	249.65
Current maturities of hire purchase loans {Refer annexure V-3}	2.49	2.34	1.65	1.55	2.76	2.24
Creditors for capital expenditure	30.63	74.87	60.41	19.65	56.53	53.98
Interest accrued but not due on borrowings		22.03	15.84	17.22	2.06	2.42
Interest accrued & due on borrowings	10.29	-	-	-	-	-
Employee benefits payable	53.64	42.33	31.17	28.93	20.62	13.59
Deposits from customers		50.09	-	5.89	3.26	3.29
Advance from customers	191.77	150.95	81.71	23.03	25.84	46.17
Statutory dues payable	38.76	43.74	49.37	45.17	53.15	52.87
Provision for expenses	165.19	128.86	41.88	27.81	31.72	20.11
Total	**1,452.93**	**1,667.04**	**649.50**	**527.02**	**561.10**	**444.32**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

10 - SHORT-TERM PROVISIONS

Particulars	As at December 31, 2015	As at March 31,				
	2015	2015	2014	2013	2012	2011
Provision for employee benefits:						
Gratuity	1.57	4.29	0.32	0.53	3.79	2.32
Leave benefits	0.95	0.83	0.09	0.01	0.00	0.00
Others:						
Income tax (net off advance tax)	82.82	-	-	13.58	185.55	205.04
Wealth tax		0.08	0.13	0.08	0.06	0.04
Total	**85.34**	**5.20**	**0.54**	**14.20**	**189.40**	**207.40**

Notes:

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

11 - FIXED ASSETS (₹ in million)

Particulars for nine months ended December 31, 2015	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2015	Additions during the period	Deletions	As at Dec. 31, 2015	As at April 1, 2015	Depreciation charge for the period	Deletions	As at Dec. 31, 2015	As at Dec. 31, 2015
A.Tangible Assets									
Land - Owned	66.39	-		66.39	-		-	-	66.39
Buildings	847.55	11.60		859.15	153.60	23.41	-	177.01	682.14
Leasehold Improvements	14.31	5.49		19.80	10.52	2.33	-	12.85	6.95
Plant & Machinery	3,078.97	426.76	0.09	3,505.64	1,242.11	201.63	-	1,443.74	2,061.90
Furniture & Fixtures	14.23	2.14		16.37	4.16	1.22	0.01	5.37	11.00
Office Equipment	17.60	1.87		19.47	9.69	2.02	-	11.71	7.76
Computers	14.33	1.62		15.95	11.37	1.58	-	12.95	3.00
Vehicles	35.32	3.83		39.15	16.92	2.35	-	19.27	19.88
Cows (livestock)	267.63	44.62	41.09	271.16	-	0.00	-	(0.00)	271.16
Total	**4,356.33**	**497.93**	**41.18**	**4,813.08**	**1,448.37**	**234.54**	**0.01**	**1,682.90**	**3,130.18**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.58	0.06	-	0.64	0.19
Computer software	7.96	0.65		8.61	5.80	1.49	-	7.29	1.32
Website Development	1.49	-	-	1.49	0.79	0.43	-	1.22	0.27
Total	**10.28**	**0.65**	**-**	**10.93**	**7.17**	**1.98**	**-**	**9.15**	**1.78**
Grand Total (A+B)	**4,366.61**	**498.58**	**41.18**	**4,824.01**	**1,455.54**	**236.52**	**0.01**	**1,692.05**	**3,131.96**

a. The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounts) Rules, 2014, the Company has capitalised borrowing costs of Rs. Nil. However, during the nine months period ended December 31, 2015, the Company has reversed amount of Rs 22.21 million from capital work in progress, which was earlier capitalised in excess. Also refer note V(27).

c. In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain of Rs. 54.43 millions arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

Particulars for FY 14-15	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2014	Additions during the Year	Deletions	As at March 31, 2015	As at April 1, 2014	Depreciation charge for the year	Deletions	As at March 31, 2015	As at March 31, 2015
A.Tangible Assets									
Land - Owned	66.39	-	-	66.39	-	-	-	-	66.39
Buildings	823.59	23.96	-	847.55	123.25	30.35	-	153.60	693.95
Leasehold Improvements	14.27	0.04	-	14.31	8.48	2.04	-	10.52	3.79
Plant & Machinery	2,347.14	735.79	3.96	3,078.97	1,016.71	225.66	0.26	1,242.11	1,836.86
Furniture & Fixtures	11.47	2.76	-	14.23	2.79	1.37	-	4.16	10.07
Office Equipment	15.51	2.12	0.03	17.60	4.48	5.21	-	9.69	7.91
Computers	12.99	1.47	0.13	14.33	7.76	3.61	-	11.37	2.96
Vehicles	31.04	4.28	-	35.32	12.93	4.24	0.25	16.92	18.40
Cows (livestock)	267.90	(0.27)	-	267.63	0.00	0.00	-	-	267.63
Total	**3,590.30**	**770.15**	**4.12**	**4,356.33**	**1,176.40**	**272.48**	**0.51**	**1,448.37**	**2,907.96**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.52	0.06	-	0.58	0.25
Computer software	7.21	0.75	-	7.96	3.59	2.21	-	5.80	2.16
Website Development	1.49	-	-	1.49	0.22	0.57	-	0.79	0.70
Total	**9.53**	**0.75**	**-**	**10.28**	**4.33**	**2.84**	**-**	**7.17**	**3.11**
Grand Total (A+B)	**3,599.83**	**770.90**	**4.12**	**4,366.61**	**1,180.73**	**275.32**	**0.51**	**1,455.54**	**2,911.07**

a. The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounts) Rules, 2014, the Company has capitalised borrowing costs of Rs. 64.45 million.

c. In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain of Rs.7.04 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

Particulars for FY 13-14	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2013	Additions during the Year	Deletions	As at March 31, 2014	As at April 1, 2013	Depreciation charge for the year	Deletions	As at March 31, 2014	As at March 31, 2014
A.Tangible Assets									
Land - Owned	66.39	-	-	66.39	-	-	-	-	66.39
Buildings	805.82	17.77	-	823.59	96.05	27.20	-	123.25	700.34
Leasehold Improvements	5.60	8.67	-	14.27	5.59	2.89	-	8.48	5.79
Plant & Machinery	2,198.55	156.00	7.41	2,347.14	786.17	237.15	6.61	1,016.71	1,330.43
Furniture & Fixtures	10.08	1.73	0.34	11.47	1.90	1.05	0.16	2.79	8.68
Office Equipment	13.06	2.45	-	15.51	3.22	1.26	-	4.48	11.03
Computers	10.85	2.14	-	12.99	6.14	1.62	-	7.76	5.23
Vehicles	31.48	3.56	4.00	31.04	12.30	2.59	1.96	12.93	18.11
Cows (livestock)	200.97	66.93	-	267.90	0.00	0.00	-	0.00	267.90
Total	**3,342.80**	**259.25**	**11.75**	**3,590.30**	**911.37**	**273.76**	**8.73**	**1,176.40**	**2,413.90**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.30	0.22	-	0.52	0.31
Computer software	4.37	2.84	-	7.21	2.54	1.05	-	3.59	3.62
Website Development	-	1.49	-	1.49	-	0.22	-	0.22	1.27
Total	**5.20**	**4.33**	**-**	**9.53**	**2.84**	**1.49**	**-**	**4.33**	**5.20**
Grand Total (A+B)	**3,348.00**	**263.58**	**11.75**	**3,599.83**	**914.21**	**275.25**	**8.73**	**1,180.73**	**2,419.10**

a. The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs.72.42 million.

c In accordance with Accounting Standard 11-'Change in Foreign Currency Rates', the Company has adjusted foreign exchange loss of Rs 0.26 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

Particulars for FY 12-13	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2012	Additions during the Year	Deletions	As at March 31, 2013	As at April 1, 2012	Depreciation charge for the year	Deletions	As at March 31, 2013	As at March 31, 2013
A.Tangible Assets									
Land - Owned	66.39	-	-	66.39	-	-	-	-	66.39
Buildings	805.21	0.61	-	805.82	70.81	25.24	-	96.05	709.77
Leasehold Improvements	5.60	-	-	5.60	1.61	3.98	-	5.59	0.01
Plant & Machinery	2,099.68	161.52	62.65	2,198.55	623.89	224.01	61.73	786.17	1,412.38
Furniture & Fixtures	9.64	3.16	2.72	10.08	3.06	0.89	2.05	1.90	8.18
Office Equipment	10.94	2.58	0.46	13.06	2.24	1.21	0.23	3.22	9.84
Computers	9.92	2.16	1.23	10.85	5.42	1.92	1.20	6.14	4.71
Vehicles	31.43	0.05	-	31.48	9.24	3.06	-	12.30	19.18
Cows (livestock)	137.06	63.91	-	200.97	0.00	0.00	-	0.00	200.97
Total	**3,175.87**	**233.99**	**67.06**	**3,342.80**	**716.27**	**260.31**	**65.21**	**911.37**	**2,431.43**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.25	0.05	-	0.30	0.53
Computer software	3.23	1.14	-	4.37	1.67	0.87	-	2.54	1.83
Total	**4.06**	**1.14**	**-**	**5.20**	**1.92**	**0.92**	**-**	**2.84**	**2.36**
Grand Total (A+B)	**3,179.93**	**235.13**	**67.06**	**3,348.00**	**718.19**	**261.23**	**65.21**	**914.21**	**2,433.79**

a. The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs.24.82 million.

c In accordance with Accounting Standard 11-'Change in ForeignCurrency Rates ', the Company has adjusted foreign exchange gain of Rs 0.04 miilion arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

Particulars for FY 11-12	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2011	Additions during the Year	Deletions	As at March 31, 2012	As at April 1, 2011	Depreciation charge for the year	Deletions	As at March 31, 2012	As at March 31, 2012
A.Tangible Assets									
Land - Owned	66.39	-	-	66.39	-	-	-	-	66.39
Buildings	563.06	242.15	-	805.21	44.17	26.64	-	70.81	734.40
Leasehold Improvements	5.60	-	-	5.60	1.26	0.35	-	1.61	3.99
Plant & Machinery	1,814.67	355.61	70.60	2,099.68	503.13	191.30	70.54	623.89	1,475.79
Furniture & Fixtures	11.09	1.08	2.53	9.64	3.14	0.90	0.98	3.06	6.58
Office Equipment	7.62	3.55	0.23	10.94	1.49	0.87	0.12	2.24	8.70
Computers	7.31	2.82	0.21	9.92	3.70	1.91	0.19	5.42	4.50
Vehicles	23.00	8.43	-	31.43	6.85	2.39	-	9.24	22.19
Cows (livestock)	113.27	23.79	-	137.06	0.00	0.00	-	0.00	137.06
Total	**2,612.01**	**637.43**	**73.57**	**3,175.87**	**563.74**	**224.36**	**71.83**	**716.27**	**2,459.60**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.20	0.05	-	0.25	0.58
Computer software	2.94	0.29	-	3.23	0.72	0.95	-	1.67	1.56
Total	**3.77**	**0.29**	**-**	**4.06**	**0.92**	**1.00**	**-**	**1.92**	**2.14**
Grand Total (A+B)	**2,615.78**	**637.72**	**73.57**	**3,179.93**	**564.66**	**225.36**	**71.83**	**718.19**	**2,461.74**

a. The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs. 13.89 million.

c In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain of Rs 28.82 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

Particulars for FY 10-11	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2010	Additions during the Year	Deletions	As at March 31, 2011	As at April 1, 2010	Depreciation charge for the year	Deletions	As at March 31, 2011	As at March 31, 2011
A.Tangible Assets									
Land - Owned	56.94	9.45	-	66.39	-	-	-	-	66.39
Buildings	359.62	203.44	-	563.06	28.20	15.97	-	44.17	518.89
Leasehold Improvements	5.53	0.07	-	5.60	0.91	0.35	-	1.26	4.34
Plant & Machinery	1,488.17	327.18	0.68	1,814.67	344.91	158.90	0.68	503.13	1,311.54
Furniture & Fixtures	11.81	1.65	2.37	11.09	3.68	0.83	1.37	3.14	7.95
Office Equipment	5.98	2.29	0.65	7.62	1.26	0.58	0.35	1.49	6.13
Computers	6.05	1.71	0.45	7.31	2.80	1.35	0.45	3.70	3.61
Vehicles	19.92	3.08	-	23.00	4.65	2.20	-	6.85	16.15
Cows (livestock)	94.91	18.36	-	113.27	-	0.00	-	0.00	113.27
Total	**2,048.93**	**567.23**	**4.15**	**2,612.01**	**386.41**	**180.18**	**2.85**	**563.74**	**2,048.27**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.12	0.08	-	0.20	0.63
Computer software	1.49	1.45	-	2.94	0.20	0.52	-	0.72	2.22
Total	**2.32**	**1.45**	**-**	**3.77**	**0.32**	**0.60**	**-**	**0.92**	**2.85**
Grand Total (A+B)	**2,051.25**	**568.68**	**4.15**	**2,615.78**	**386.73**	**180.78**	**2.85**	**564.66**	**2,051.12**

a. The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs. 29.54 million.

c In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain of Rs 1.7 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

12 - NON-CURRENT INVESTMENTS (₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Other Investments	-	-	-	-	-	-
Investments in mutual funds	3.00	3.00	3.00	3.00	-	-
Other investments	0.06	0.06	0.06	0.06	0.06	0.06
	3.06	**3.06**	**3.06**	**3.06**	**0.06**	**0.06**

Details of Trade & Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/Others as at December 31, 2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount					
					As at December 31,	As at March 31,				
					2015	2015	2014	2013	2012	2011
A	**Other Investments**									
	Investment in Mutual Fund									
a	Union KBC Mutual Fund (Units of Rs 10 each)	Others	Quoted	Fully Paid	3.00 (3,00,000)	3.00 (3,00,000)	3.00 (3,00,000)	3.00 (3,00,000)	-	-
	Other Investments in Equity instruments									
b	Sharad Sahakari Bank Ltd. (Shares of Rs. 50 each)	Others	Unquoted	Fully Paid	0.02 (318)	0.02 (318)	0.02 (318)	0.02 (318)	0.02 (318)	0.02 (318)
c	Rupee Co-operative Bank Ltd. (Shares of Rs. 10 each)	Others	Unquoted	Fully Paid	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)
					3.06	**3.06**	**3.06**	**3.06**	**0.06**	**0.06**

* 100% holding in subsidary from November 05, 2014 and 99.99% holding in subsidiary till November 04, 2014.

figures in brackets represents the number of shares/ units.

Details of quoted and unquoted Investments

Particulars		As at December 31,	As at March 31,				
		2015	2015	2014	2013	2012	2011
A	Aggregate cost of quoted investments	3.00	3.00	3.00	3.00	-	-
B	Aggregate cost of unquoted investments	0.06	0.06	0.06	0.06	0.06	0.06
C	Aggregate market value of quoted investments	3.06	3.06	3.06	3.06	-	-

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

13 - LONG-TERM LOANS AND ADVANCES (₹ in million)

Particulars	As at December 31	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Capital advances						
Considered good (Unsecured)	387.09	607.67	963.39	888.18	533.84	250.60
Considered doubtful	-	1.01	1.01	1.01	-	-
Less: Provision for doubtful deposits	-	(1.01)	(1.01)	(1.01)	-	-
Total	**387.09**	**607.67**	**963.39**	**888.18**	**533.84**	**250.60**
b.Other deposits						
Considered good (Unsecured)	80.11	54.87	55.79	49.37	36.48	30.84
Total	**80.11**	**54.87**	**55.79**	**49.37**	**36.48**	**30.84**
c. Advance tax (net of provisions)						
Advance tax	1.50	2.93	10.95	-	-	-
Total	**1.50**	**2.93**	**10.95**	**-**	**-**	**-**
Grand Total (a + b+c)	**468.70**	**665.47**	**1,030.13**	**937.55**	**570.32**	**281.44**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

14- OTHER NON-CURRENT ASSETS

Particulars	As at December 31	As at March 31,				
	2015	2015	2014	2013	2012	2011
Fixed deposit (original maturity for more than 12 months)	8.65	18.20	16.44	9.78	7.12	16.12
Interest accured on fixed deposits	1.87	-	-	-	-	-
Total	**10.52**	**18.20**	**16.44**	**9.78**	**7.12**	**16.12**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

15 - INVENTORIES

(Valued at cost or net realisable value,whichever is less)

Particulars	As at December 31	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Raw materials #	242.00	231.75	232.57	228.99	154.66	191.53
b. Work-in-progress	715.69	589.70	735.41	431.14	445.54	361.94
c. Finished goods *	1,306.57	1,297.41	934.74	734.49	793.85	617.00
d. Traded goods	3.37	-	-	-	-	-
Total	**2,267.63**	**2,118.86**	**1,902.72**	**1,394.62**	**1,394.05**	**1,170.47**

* includes goods in transit Rs.21.11 million in FY 2012-13 & Rs. 0.45 million in FY 2011-12

includes packing material, stores and consumables.

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

16 - TRADE RECEIVABLES

Particulars	As at December 31	As at March 31,				
	2015	2015	2014	2013	2012	2011
Outstanding for a period exceeding six months from the date they are due for payment						
Considered good (Unsecured)	345.42	581.44	349.70	295.46	160.23	52.68
Considered doubtful	153.81	137.52	106.24	79.72	35.04	18.15
Less: Provision for doubtful debts	(153.81)	(137.52)	(106.24)	(79.72)	(35.04)	(18.15)
Total	**345.42**	**581.44**	**349.70**	**295.46**	**160.23**	**52.68**
Other debts						
Considered good (Unsecured)	2,115.21	1,133.54	1,285.03	1,177.41	1,026.32	803.28
Total	**2,115.21**	**1,133.54**	**1,285.03**	**1,177.41**	**1,026.32**	**803.28**
Grand Total	**2,460.63**	**1,714.98**	**1,634.73**	**1,472.87**	**1,186.55**	**855.96**

There are no amounts due from Promoters /Subsidiary/Director as on December 31, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

17 - CASH AND BANK BALANCES

Particulars	As at December 31	As at March 31,				
	2015	2015	2014	2013	2012	2011
I. Cash and Cash Equivalents						
a) Cash on hand	14.04	11.97	16.38	7.75	3.90	8.09
b) Balances with banks						
-In current accounts	47.97	30.73	14.40	4.58	9.11	4.76
-In deposits with original maturity of less than 3	171.90	2.21	-	1.99	3.35	-
Total	**233.91**	**44.91**	**30.78**	**14.32**	**16.36**	**12.85**
II Other bank balances						
-Fixed deposits with original maturity for more than 3 months but less than 12 months	2.90	10.82	11.30	7.87	1.69	0.52
-Fixed deposits with original maturity for more than 12 months	13.16	-	-	-	-	-
Total	**16.06**	**10.82**	**11.30**	**7.87**	**1.69**	**0.52**
Grand Total (I+II)	**249.97**	**55.73**	**42.08**	**22.19**	**18.05**	**13.37**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

18 - SHORT-TERM LOANS AND ADVANCES

Particulars	As at December 31	As at March 31,				
	2015	2015	2014	2013	2012	2011
a) Advance recoverable in cash or in kind						
Considered good (Unsecured)	13.28	13.70	8.36	12.56	4.44	1.58
Total	**13.28**	**13.70**	**8.36**	**12.56**	**4.44**	**1.58**
b) Loans and Advances						
Advances to vendors						
Considered good (Unsecured)	433.69	894.97	333.74	156.26	72.10	24.62
Considered doubtful	-	0.07	0.07	0.07	1.23	1.23
Less: Provision for doubtful advances	-	(0.07)	(0.07)	(0.07)	(1.23)	(1.23)
Total	**433.69**	**894.97**	**333.74**	**156.26**	**72.10**	**24.62**
c) Other loans and advances *						
Considered good (Unsecured)	63.71	66.97	80.37	45.99	9.56	4.68
Considered doubtful	17.21	17.21	17.21	17.75	17.75	17.71
Less: Provision for doubtful advances	(17.21)	(17.21)	(17.21)	(17.75)	(17.75)	(17.71)
Total	**63.71**	**66.97**	**80.37**	**45.99**	**9.56**	**4.68**
Grand Total	**510.68**	**975.64**	**422.47**	**214.81**	**86.10**	**30.88**

* Includes balance with government authorities i.e export duty receivable ,MAT credit receivable and VAT credit receivable .

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

19 - OTHER CURRENT ASSETS

Particulars	As at December 31	As at March 31,				
	2015	2015	2014	2013	2012	2011
Considered good (Unsecured)						
Electricity duty receivables	16.71	21.59	14.68	30.42	16.25	-
PSI incentive receivable (Sales Tax)	242.82	482.39	369.63	332.50	239.06	28.41
Deposits	2.53	-	-	-	-	-
Interest accrued on fixed deposit	1.14	2.44	-	-	-	-
IPO expenses not written off #	44.72					
Total	**307.92**	**506.42**	**384.31**	**362.92**	**255.31**	**28.41**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

IPO expenses incurred being carried forward to be set off against securities premium post issue of shares in IPO

20 - REVENUE FROM OPERATIONS (₹ in million)

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
A) Gross Sales						
Sale of Products						
-Manufactured Goods	10,928.95	13,289.78	9,593.24	8,863.25	8,739.66	6,419.60
-Traded Goods	853.35	492.25	793.57	85.92	17.83	109.47
B) Other Operating Revenues						
Processing Charges	356.35	351.16	225.03	152.14	23.66	21.03
Export Benefits and Incentives	2.57	8.77	74.42	13.50	0.19	4.06
PSI Incentive (Sales Tax)	158.58	239.31	192.99	127.55	210.64	28.40
Other sales	6.22	5.73	3.29	7.99	5.67	-
Total	**12,306.02**	**14,387.00**	**10,882.54**	**9,250.35**	**8,997.65**	**6,582.56**

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
Sale of Products comprises of :						
Manufactured goods						
Fresh Milk	2,503.43	2,627.91	2,306.92	2,006.49	1,798.10	1,592.27
Milk Products	8,425.52	10,661.87	7,286.32	6,856.76	6,941.56	4,827.33
Total	**10,928.95**	**13,289.78**	**9,593.24**	**8,863.25**	**8,739.66**	**6,419.60**
Traded goods						
Fresh Milk	-	265.82	155.89	13.13	-	-
Milk Products	853.35	226.43	637.68	72.79	17.83	109.47
Total	**853.35**	**492.25**	**793.57**	**85.92**	**17.83**	**109.47**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

21 - OTHER INCOME

Particulars	Nature (Recurring/Non Recurring)	Nine months ended December 31,	Year ended March 31,				
		2015	2015	2014	2013	2012	2011
Interest income on							
-Bank deposits	Recurring	2.74	2.76	3.48	2.11	1.14	0.99
-Others	Recurring	0.01	1.90	0.40	-	-	-
Profit on sale of mutual fund investments(short term)	Non-Recurring	-	-	-	10.29	-	-
Dividend Income (on long term investments)	Recurring	0.00	0.00	0.00	0.00	0.00	0.00
Exchange fluctuation gain (Net)	Recurring		4.74	-	-	-	1.23
Scrap Sales	Non-Recurring	0.54	0.89	0.54	0.44	0.23	-
-Calf Sale	Recurring		0.42	0.59	0.25	0.47	-
-Rebate & Settlement	Recurring		0.50	0.60	1.14	0.24	-
-Milk Can	Recurring	-	-	-	1.08	-	-
Sundry balances written back(Net)	Recurring	-	0.07	3.44	4.52	5.15	0.02
Other non-operating income							
Insurance claim received	Recurring	1.83	0.42	1.17	1.12	0.24	-
Provision for doubtful debts reversed	Non-Recurring	-	6.02	0.05	-	-	-
Miscellaneous income	Recurring		0.47	0.31	0.19	0.28	0.23
Miscellaneous income	Non-Recurring	0.74	-	1.88	-	-	-
Total		**5.86**	**18.19**	**12.46**	**21.14**	**7.75**	**2.47**

1.The classification of other income into recurring and non-recurring is based on the current operations and business activities of the Company, as determined by the Management.

2. All items of Other Income are from business and related activities.

3.The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

22 - COST OF MATERIAL CONSUMED

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
a) Raw Material Consumed						
Inventory at the beginning of the year	31.70	54.31	36.77	26.13	18.56	12.64
Add: Purchases	7,686.21	10,073.20	7,660.79	6,324.86	6,707.25	5,119.86
Less: Inventory at the end of the year	45.40	31.70	54.31	36.77	26.13	18.56
Total	**7,672.51**	**10,095.81**	**7,643.25**	**6,314.22**	**6,699.68**	**5,113.94**
b) Packing Material , Stores and Consumables Consumed						
Inventory at the beginning of the year	178.28	149.24	160.95	128.52	132.72	85.92
Add: Purchases	764.92	766.68	565.50	514.22	505.35	330.83
Less: Inventory at the end of the year	196.60	178.28	149.24	160.95	128.52	132.72
Total	**746.60**	**737.64**	**577.21**	**481.79**	**509.55**	**284.03**
Grand Total	**8,419.11**	**10,833.45**	**8,220.46**	**6,796.01**	**7,209.23**	**5,397.97**

23- DETAILS OF MATERIAL CONSUMED

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
Raw milk	5,869.71	9,175.96	6,689.69	5,680.38	6,638.75	4,818.11
Packing material, stores spares, and consumables	746.58	737.64	577.21	481.79	509.55	284.03
Others*	1,802.81	919.85	953.56	633.84	60.93	295.83
Total	**8,419.10**	**10,833.45**	**8,220.46**	**6,796.01**	**7,209.23**	**5,397.97**

*Others mainly include raw material of milk products.

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

24 - PURCHASE OF TRADED GOODS

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
Fresh milk	-	216.18	147.08	14.61	-	-
Milk products	933.73	176.18	495.64	65.60	16.72	102.48
Total	**933.73**	**392.36**	**642.72**	**80.21**	**16.72**	**102.48**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

25 - EMPLOYEE BENEFIT EXPENSES

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
Salaries,wages and bonus	463.05	514.86	433.09	364.04	271.71	172.88
Contributions to -						
Provident and other funds	11.86	18.86	11.13	8.44	5.60	5.56
Gratuity	2.63	4.29	1.87	1.78	2.48	1.21
Leave benefits	0.61	3.33	1.64	0.09	0.02	0.10
Staff welfare expenses	29.60	33.57	30.31	23.69	19.52	11.79
Total	**507.75**	**574.91**	**478.04**	**398.04**	**299.33**	**191.54**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

26 -OTHER EXPENSES

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
Power and Fuel	319.43	455.65	384.95	377.42	375.37	250.73
Rent,Rates & taxes	50.89	53.38	42.15	23.61	21.78	20.72
Insurance	14.09	19.51	15.38	11.42	6.60	7.70
Repairs and maintaince						
-Plant and machinery	68.78	88.91	54.85	56.27	43.39	26.35
-Building	3.32	5.48	4.44	4.62	1.62	0.37
-Others	13.31	10.13	18.54	19.88	12.03	13.41
Other Factory Expenses	18.36	15.94	10.03	9.38	7.00	9.90
Carriage Outward	525.12	537.31	306.67	228.83	108.67	175.81
Exchange differences(net)	4.42	-	28.94	0.49	1.23	-
Security Charges	11.36	15.59	16.42	14.25	10.74	6.36
Advertisements and Marketing Expenses	122.98	167.94	60.84	104.41	80.46	66.81
Sales Promotion Expenses	141.27	80.16	68.12	68.83	44.52	41.78
Commission on Sales	30.10	44.14	40.55	45.03	44.52	50.66
Agency Charges for Export	3.89	6.99	11.36	3.24	1.13	1.98
Fees And Subscriptions	-	0.09	4.11	2.37	1.65	0.92
Travelling & Conveyance	40.99	37.01	38.04	31.17	26.00	18.26
Communication Costs	7.22	8.28	7.08	6.57	6.86	5.62
Printing And Stationery	3.42	4.97	3.34	3.25	2.69	2.65
Legal & Professional Fees	26.01	30.08	29.34	24.20	26.81	14.15
Director's remmuneration	17.55	23.40	23.40	12.00	12.00	9.60
Auditor's remmuneration	2.06	2.27	1.88	2.15	1.43	1.44
Bad debts	-	0.24	0.32	-	0.03	0.15
Provision for doubtful debts	2.50	31.29	25.63	45.64	16.89	6.37
Provision for doubtful advances	-	0.53	0.48	-	0.04	1.91
Loss on impairment of fixed assets	-	-	0.98	1.84	1.73	1.30
Loss on sale of asets	-	0.19	3.95	2.82	3.40	5.30
Loss on Sale / Dead Cow	34.17	56.85	2.79	2.82	3.40	5.30
Donations	0.12	0.28	2.36	0.20	-	0.15
Corporate Social Responsibility Exp { refer annexure V-37}	0.66	1.06	0.49	-	-	-
Miscellaneous Expenses	47.33	42.08	15.29	8.44	7.96	3.42
Total	**1,509.35**	**1,739.75**	**1,222.72**	**1,111.15**	**869.95**	**749.12**

***Payment to auditor**

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
As auditor:						
Audit fees	1.72	2.01	1.81	1.69	1.30	1.28
Tax Audit	-	-	-	-	0.11	0.06
Other Services	4.96	0.11	0.04	0.39	0.02	-
Reimbursement of expenses	0.02	0.10	0.03	0.07	-	0.10
Total	**6.70**	**2.22**	**1.88**	**2.15**	**1.43**	**1.44**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

27 - FINANCE COST

Particulars	Nine months ended December 31,	Year ended March 31,				
	2015	2015	2014	2013	2012	2011
Interest expenses						
- term loans	82.62	167.29	150.09	93.34	117.34	93.99
- working capital loans	246.40	357.34	341.22	313.84	278.15	151.31
Total Interest expenses(a)	**329.02**	**524.63**	**491.31**	**407.18**	**395.49**	**245.30**
Interest expenses capitalised(b)	0.00	(64.45)	(72.42)	(24.82)	(13.89)	(29.54)
Net Interest expenses (c=a-b)	**329.02**	**460.18**	**418.89**	**382.36**	**381.60**	**215.76**
Other borrowing cost (d)	20.23	33.70	18.36	20.33	18.35	9.56
Total (c+d)	**349.25**	**493.88**	**437.25**	**402.69**	**399.95**	**225.32**

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

28 a) The period / year end foreign currency (FC) exposures that has been hedged by a derivative instrument or otherwise : Nil

b) The period / year end foreign currency (FC) exposures that are un hedged by a derivative instrument or otherwise are as follows: (₹ in million)

Particulars	Currency	For the nine months ended 31 December		As at 31st March									
		2015		2015		2014		2013		2012		2011	
		Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC
Trade paybles	EURO	10.93	0.15	10.81	0.16	6.23	0.08	4.59	0.07	0.55	0.01	2.81	0.04
	GBP	0.01	0.00	-	-	-	-	-	-	-	-	2.85	0.05
	USD	-	-	-	-	-	-	0.60	0.01	-	-	4.47	0.10
Short Term Loan - Cash Credit Account	USD	-	-	-	-	-	-	515.92	9.31	-	-	-	-
Secured Loans													
-Principal amount	USD	961.73	14.5	907.56	14.50	599.20	9.97	81.58	1.50	179.05	3.50	245.58	5.50
-Commitment fees accrued	USD	-	-	4.08	0.07	0.41	0.01	-	-	-	-	-	-
-Interest accrued but not due	USD	2.14	0.03	12.63	0.20	8.46	0.14	-	-	-	-	-	-
Trade Receivables	USD	9.25	0.14	-	-	10.73	0.18	52.11	0.96	4.48	0.09	10.03	0.23
Advance received from customers	USD	34.07	0.51	31.97	0.51	40.67	0.68	0.30	0.01	0.09	4.57	0.87	0.02
	AED	-	-	-	-	-	-	1.26	0.04	-	-	-	-
Advance to Suppliers	AUD	-	-	44.35	0.93	51.39	0.93	70.30	1.26	-	-	-	-
	CHF	-	-										
	USD	-	-										
	EURO	11.26	0.16	-	-	1.46	0.02	0.65	0.01	16.64	0.24	0.56	0.01

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

29 **Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'**

a.General Description

i). Provident Fund / Employee's State Insurance (Defined Contribution)

The Company's provident fund scheme (including pension fund scheme for eligible employees) and employee state insurance scheme are defined contribution plans. The expenses debited to Statement of Profit and Loss in respect of the above schemes is disclosed under the head 'Contribution to provident and other funds' under V(25).

ii). Gratuity (Defined benefit plan)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days basic salary (last drawn salary) for each completed year of service.

b. The following tables set out disclosures prescribed by AS 15 in respect of Company's funded gratuity plan.

i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	For the nine months ended 31 December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Present value of obligation as at the beginning of the year/period	14.56	10.27	7.99	5.74	3.30	2.01
Interest cost	0.85	0.82	0.72	0.47	0.28	0.16
Current service cost	2.50	2.94	2.69	2.41	1.16	1.17
Benefits paid	(0.13)	-	(0.16)	(0.18)	(0.02)	-
Actuarial (gain) / loss on obligation	0.73	0.53	(0.97)	(0.45)	1.02	(0.05)
Closing Present value of obligation	18.51	14.56	10.27	7.99	5.74	3.30

ii) Changes in the Fair Value of Plan Assets

Particulars	For the nine months ended 31 December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Present value of plan assets as at beginning of the year/ period	10.04	8.79	5.84	3.50	0.97	0.90
Expected return on plan assets	0.76	0.86	0.55	0.36	0.17	0.07
Contributions	5.25	1.53	2.24	2.09	2.34	-
Benefits paid	(0.13)	-	(0.16)	(0.18)	(0.02)	-
Actuarial gains / (losses)	0.69	(1.14)	0.03	0.07	0.04	-
Fair value of plan assets as at end of the year /period	16.61	10.04	8.50	5.84	3.50	0.97

* All the funds under the Plan Assets are managed by insurer.

iii) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Particulars	For the nine months ended 31 December		As at 31st March				
	2015	2014	2015	2014	2013	2012	2011
Present value of obligation as at end of the year/perio	18.51	12.83	14.56	10.27	7.99	5.74	3.30
Fair value of plan assets as at end of the year/period	16.61	10.35	10.04	8.50	5.84	3.50	0.97
Liability recognized in the Balance Sheet	1.90	2.48	4.22	0.62	0.52	2.24	3.30
Unfunded Asset recognized in the Balance Sheet	-	-	0.28	1.15	1.63	1.55	-
Shown under - "Provision"	1.90	2.48	4.50	1.77	2.15	3.79	2.32

iv) **The amounts recognized in the Statement of Profit and Loss are as follows:**

Particulars	For the nine months ended 31 December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Current service cost	2.50	2.94	2.69	2.41	1.23	1.17
Past service cost	-	-	-	-	-	-
Interest cost	0.85	0.82	0.72	0.47	0.28	0.16
Expected return on plan assets	(0.76)	(0.86)	(0.55)	(0.36)	(0.17)	(0.07)
Net actuarial (gain) / loss recognized in the period/ year	0.04	1.40	(1.00)	(0.74)	1.14	(0.05)
Expenses recognized in the statement of profit and lo	2.63	4.29	1.86	1.78	2.48	1.21

v) **Actuarial assumption:**

Particulars	For the nine months ended 31 December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Discount Rate	8.10%	7.82%	9.16%	8.05%	8.57%	8.00%
Rate of increase in compensation levels(p.a)*	7.00%	7.00%	6.00%	5.00%	5.00%	5.00%
Rate of return of Plan Assets(for funded scheme) #	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%

#The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

*The estimates of future salary increase considered in actuarial valuation, take account of inflation, performance, promotion and other relevant factors such as supply and demand in the employment market.

vi) **Expected contribution to the gratuity fund in the next one year**

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Expected contribution within one year to the gratuity fund	3.10	4.29	0.32	0.53	3.79	2.32

vii) **Components of Experience Adjustments**

Particulars	For the nine months ended December, 31	As at 31st March				
	2015	2015	2014	2013	2012	2011
Actuarial (Gains) and Losses on obligations	0.73	0.53	0.56	(2.20)	1.18	(0.05)
Actuarial (Gains) and Losses on plan assets	(0.69)	0.86	(0.03)	(0.07)	(0.04)	-
Actuarial (Gains)/Losses recognised for the year/ per	0.04	1.40	0.53	(2.28)	1.14	(0.05)

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

30 Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss

i) **Value of Imports on C.I.F Basis**

Particulars	For the nine months ended December 31	As at 31st March				
	2015	2015	2014	2013	2012	2011
Value of Imports (C.I.F. Value)						
Components and spare parts	170.05	29.41	38.56	26.63	27.75	25.31
Capital goods (including CWIP)	52.02	19.10	7.94	22.53	3.67	34.31

ii) **Expenditure in Foreign Currency**

Particulars	For the nine months ended 31 December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Foreign Travel	1.58	1.37	1.41	0.11	0.92	0.33
Sales Promotion	0.33	0.83	1.64	3.04	1.74	2.27
Commission on Sales	-	-	0.75	0.81	-	-
Interest Expenses	48.63	20.47	0.95	7.14	10.40	14.36
Interest Expenses –Capital work in progress and Fixed assets	0.71	40.02	8.87	-	-	-
Professional Fee-IPO	14.89	-	-	-	-	-
Bank Charges	0.08	4.05	0.12	-	-	-
Bank Charges–Capital work in progress and Fixed assets	-	-	1.34	-	-	-

iii) **Earnings in Foreign Currency:**

Particulars	For the nine months ended 31 December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Export of goods on F.O.B. Basis	201.38	467.38	1,496.87	494.86	498.54	329.64

iv) **Consumption of Raw Materials:**

Particulars	For the nine months ended 31 December		As at 31st March									
	2015		2015		2014		2013		2012		2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Imported	140.82	1.8%	-	-	-	-	-	-	-	-	-	-
Indigenous	7,672.51	98.2%	10,095.81	100.0%	7,643.25	100.0%	6,314.22	100.0%	6,699.68	100.0%	5,113.94	100.0%
Total	**7,813.33**	**100.0%**	**10,095.81**	**100.0%**	**7,643.25**	**100.0%**	**6,314.22**	**100.0%**	**6,699.68**	**100.0%**	**5,113.94**	**100.0%**

v) **Consumption of Packing Materials & Consumables:**

Particulars	For the nine months ended 31 December		As at 31st March									
	2015		2015		2014		2013		2012		2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Imported	24.82	3.32%	26.71	4.0%	38.56	6.7%	26.63	5.5%	12.39	2.4%	25.31	8.9%
Indigenous	721.78	96.68%	710.93	96.4%	538.65	93.3%	455.16	94.5%	497.16	97.6%	258.72	91.1%
Total	**746.60**	**100.0%**	**737.64**	**100.0%**	**577.21**	**100.0%**	**481.79**	**100.0%**	**509.55**	**100.0%**	**284.03**	**100.0%**

31 Related Party disclosures

In accordance with the requirements of Accounting Standard 18, "Related Party Disclosures" notified pursuant to the Companies (Accounting Standards) Rules, 2006", the details of related party transactions are given below:

a) **List of related parties** (as identified and certified by the management)

Nature of relationship	Name of related parties
a.) Key Management Personnel	Mr. Devendra Shah – Chairman Mr. Pritam Shah – Director Mr. Parag Shah – Director (Upto February 19, 2015) Mr. Bharat Kedia – CFO (From January 01, 2015) Mrs.Rachana Sanganeria – CS (From December 02, 2013)
b.) Relatives of Key Management Personnel	Mr. Prakash Shah Mr. Parag Shah (From February 20, 2015) Mrs. Rajani Shah Miss Akshali Shah Mrs. Priti Shah Mrs. Netra Shah Mrs Prity Kedia (From January 01, 2015)
c.) Enterprise over which Key Management Personnel exercise significant influence / control	**Enterprises having transactions during the period:** * Poojan Foods Private Limited (Upto January 18 ,2012) * Bharat Trading Company

b) **Details of Related party transactions during the year:**

The Company has identified the following related party transactions as per Accounting Standard 18, notified pursuant to the Companies (Accounting Standards) Rules, 2006:

(₹ in million)

Nature of Transactions	For the nine months ended 31 December	As at 31st March,				
	2015	2015	2014	2013	2012	2011
(A) Transcations during the year						
Purchase of Goods						
Poojan Foods Private Limited#	-	-	-	-	303.03	305.40
Bharat Trading Company#	10.14	13.43	7.75	27.37	43.01	26.10
Devendra Shah	0.98	2.10	-	-	-	-
Managerial Remuneration @						
Devendra Shah	9.00	12.00	12.00	6.60	6.60	5.40
Pritam Shah	8.55	11.40	11.40	5.40	5.40	4.20
Bharat Kedia	6.95	2.24	-	-	-	-
Rachana Sanganeria	0.98	1.04	1.00	-	-	-
Akshali Shah	0.77	0.99	0.65	-	-	-
Parag Shah	1.80	2.40	-	-	-	-
Rent / Hire charges payment						
Devendra Shah	2.54	0.39	0.39	0.39	0.39	0.39
Pritam Shah	0.34	0.45	0.45	0.45	0.45	0.45
Priti Shah	0.29	0.39	0.39	0.39	0.39	0.39
Netra Shah	0.29	0.39	0.39	0.39	0.39	0.39
Prity Kedia #	-	0.12	-	-	-	-
Borrowing (NCD) from						
Devendra Shah	-	-	-	30.00	-	-
Pritam Shah	-	-	-	150.00	-	-
Borrowing (Loan) from						
Devendra Shah	1.20	22.80	50.14	135.86	100.93	41.90
Pritam Shah	3.40	143.20	227.76	103.27	641.87	52.87
Netra Shah	-	-	12.00	64.80	1.82	1.73
Prakash Shah	-	-	0.20	7.52	0.50	0.42
Priti Shah	-	-	-	4.99	0.30	0.45
Parag Shah	-	-	0.00	0.56	-	0.32
Poojan Foods Private Limited	-	-	-	-	17.30	271.07

Nature of Transactions	For the nine months ended 31 December	As at 31st March,				
	2015	2015	2014	2013	2012	2011
Borrowing (Loan) repaid to						
Devendra Shah	6.03	19.56	75.54	174.15	44.92	14.72
Pritam Shah	4.05	143.56	227.31	480.57	104.13	21.83
Netra Shah	-	-	17.62	61.66	0.19	1.72
Prakash Shah	-	-	0.23	7.77	0.22	0.57
Priti Shah	-	-	2.60	3.52	0.22	0.20
Parag Shah	-	0.08	0.00	0.56	0.07	0.24
Rajani Shah	-	-	-	0.01	-	-
Poojan Foods Private Limited	-	-	-	-	17.30	271.07
Bonus Share issued to						
Devendra Shah	97.14	-	-	-	-	-
Pritam Shah	61.07	-	-	-	-	-
Parag Shah	32.62	-	-	-	-	-
Prakash Shah	47.08	-	-	-	-	-
Rajani Shah	3.80	-	-	-	-	-
Priti Shah	9.94	-	-	-	-	-
Netra Shah	18.50	-	-	-	-	-
(B) Balances outstanding at the end of the						
(i) Payable To						
Poojan Foods Private Limited	-	-	-	-	-	98.70
Bharat Trading Company	3.29	1.74	0.81	0.60	9.54	4.61
Devendra Shah	0.43	-	-	-	-	-
Parag Shah	0.84	-	-	-	-	-
Prity Kedia #	-	0.12	-	-	-	-
(ii) Advances given						
Rachana Sanganeria	-	0.04	-	-	-	-
(iii) Loan payable to		-	-	-	-	-
Devendra Shah	0.51	4.33	1.07	26.47	55.94	25.98
Pritam Shah	0.39	1.04	1.40	0.95	373.82	32.65
Netra Shah	-	-	-	5.62	2.12	0.15
Prakash Shah	-	-	-	0.03	0.28	0.00
Priti Shah	-	-	-	2.60	0.78	0.36
Parag Shah	-	-	0.08	0.08	0.08	0.16
Rajani Shah	-	-	-	-	0.01	0.01
(iv) Non convertible debentures						
Devendra Shah	30.00	30.00	30.00	30.00	-	-
Pritam Shah	150.00	150.00	150.00	150.00	-	-
(v) Corporate guarantee issued*						
Poojan Foods Private Limited #		-	-	-	-	100.00
(vi) Personal guarantee issued						
Devendra Shah, Pritam Shah, Parag Shah & Prakash Shah	4,370.98	3,948.67	4,027.98	3,303.56	2,911.74	2,323.66

* Disclosure of liability for guarantee for secured and unsecured loans obtained has been restricted to the amount of liability outstanding as at the Balance Sheet date.

These figures, which were not disclosed in the audited Finanical Statements, have now been disclosed as part of the Restated Finanical Statements. The auditors have placed reliance on the Managment disclosure in this report.

@ The remuneration to key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on actuarial basis for the Company as a whole.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

32. Segment Reporting Disclosure:

i) Primary (Business) Segment

In accordance with the requirements of the Accounting Standard 17 "Segment Reporting", the Company's business consists of one reportable business segment i.e., "Manufacturing & Processing of Milk & Milk Products", hence no separate disclosures pertaining to attributable Revenue, Profits, Assets, Liability, Capital Employed are given.

ii) Secondary (Geographical) Segment:

Secondary segment reporting is performed on the basis of geographical location of the customers. The operation of the Company comprises of local sales and export sales. The management views the Indian market and export market as distinct geographical segments. The geographical segments considered for disclosure are as follows:

(₹ in million)

Particulars	For the nine months ended 31 December			As at 31st March														
	2015			2015			2014			2013			2012			2011		
	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total
Segment Revenue	12,104.42	201.60	12,306.02	13,940.92	467.38	14,408.30	9,373.50	1,496.87	10,870.37	8,769.14	494.86	9,264.00	8,861.69	498.54	9,360.23	6,264.67	329.64	6,594.31
Additions to Fixed Assets	528.20	-	528.20	770.90	-	770.90	263.58	-	263.58	235.13	-	235.13	637.72	-	637.72	568.68	-	568.68
Carrying value of segment assets	9,645.88	20.51	9,666.39	9,138.64	-	9,138.64	8,069.25	10.73	8,079.98	6,782.63	52.11	6,834.74	6,001.11	4.48	6,005.59	4,713.48	10.03	4,723.51

The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

33. Contingent Liabilities

(₹ in million)

Sr. No	Particulars	For the nine months period ended 31st December	As at 31st March				
		2015	2015	2014	2013	2012	2011
a.	Guarantees given by banks on behalf of the Parent Company	7.88	10.35	23.28	27.97	30.91	8.45
b.	Corporate guarantees given by Parent Company for loans taken by its subsidiary company & suppliers from banks/financial institutions	920.34	703.04	482.70	357.70	357.70	357.70
c.	Sales tax matter under litigation in respect of Parent Company for F.Y. 2006-07 and FY 2009-10 for pending F forms and lower allowance on account of Central Quantum Benefit, against which appeal has been filed.	83.32	83.30	83.30	-	-	-
d.	Claim against the Parent Company not acknowledged as debt #	70.67	70.67	70.67	-	-	-
e.	Income tax matter under litigation for AY 2012-13 mainly with regard to taxability of PSI incentive (including interest of Rs. 7.26 million)	56.20	-	-	-	-	-
f.	Income tax matter under litigation of the subsidiary company for AY 2011-12 ##	21.53	21.53	21.53	21.53	21.53	21.53

Claims against the Parent Company not acknowledged as debt amounting Rs. 70.67 million (including interest of Rs. 20.37 million) being claim made by France International Trade, Rennes, vide Special Civil Suit No. 692/2012 dated March 07, 2012 in the Court of Honourable Civil Judge, Senior Division, Pune for damaged goods supplied by the Parent Company.

During the financial year 2010-11, Income Tax Authorities had conducted a search/survey on the subsidiary company. Consequent to this search/survey, the Income tax authorities have made adjustments of additional income of Rs 46.88 million and tax demand thereon including interest of Rs 21.53 million, of which payment of Rs 1.02 million has been made under protest. The Group has not accepted the additions and demand made by the income tax authorities and has made an appeal to Commissioner (Appeals). Further the proceedings are under process and the consequential effect, if any, of the outcome of these proceedings on the assets, liabilities and profits of the Group and further tax liabilities, if any, is currently not ascertainable.

g. Income tax:

During Financial year 2010-11, Income Tax Authorities had conducted a search/survey on the Parent Company. Consequent to this search/survey, the Income tax authorities have made the following demand: **(₹** in million)

Financial Year	Income offered		Tax and interest provided for				
	Addl. income ordered in FY 12-13	Final addl. income ordered in FY 13-14	Addl. tax in FY 12-13	Addl. interest in FY 12-13	Further tax in FY 13-14	Further interest in FY 13-14	Total demand
2004-05	3.47	2.09	1.27	1.57	0.77	-	3.61
2005-06	49.50	-	16.66	17.46	-	-	34.14
2006-07	30.68	25.50	10.33	9.87	8.58	3.12	31.89
2007-08	91.88	-	31.23	25.91	-	-	57.14
2008-09	16.01	6.00	5.44	3.66	2.04	0.37	11.51
2009-10	67.34	19.96	6.43	3.38	6.17	2.78	18.76
2010-11	17.37	11.25	15.45	4.95	0.46	2.52	23.37
Total	**276.25**	**648.30**	**86.81**	**66.80**	**18.02**	**8.79**	**180.42**

To avoid protracted litigations, the Parent Company had declared in FY 2010-11 Rs. 130.00 million towards purchases of milk and Rs. 22.60 million towards inventory, i.e., aggregate additional income of Rs. 152.60 million. Further, the Parent Company had approached Income tax settlement commission and final order to this effect has been received dated 23rd June 2014 and the respective liabilities as shown above have been provided for in FY 12-13 & FY 13-14 and discharged in FY 12-13 & FY 14-15 respectively. In the financial statements for FY 2014-15, no additional tax or interest has been provided for since the Parent Company has received tax clearance certificate for AY 05-06 to AY 11-12 from Income tax department vide letter dated April 24, 2015. There is no other consequential impact of all such declarations of income and assets in the financial statements for subsequent period as well.

In all the cases mentioned above, outflow is not probable in accordance with Accounting Standard 29 ("AS-29") Provisions, Contingent Liabilities and Contingent Assets hence not provided by the Company.

34. Capital and other commitments

(₹ in million)

Sr. No	Particulars	As at 31st December	As at 31st March				
		2015	2015	2014	2013	2012	2011
a.	Estimated amount of contracts remaining to be executed on capital account (net of advances already made) and not provided for	127.48	8.65	19.15	109.48	33.00	54.42

For commitments relating to lease arrangements, refer note no.35.

35. Operating Lease

The Group has entered into commercial leases for taking office spaces on lease. These leases have an average lease term of three to five years with renewal option and escalation clauses included in the agreements. There are no restrictions placed upon the Group by entering into these leases. The Group has not given any sub lease during the period. Some of the lease arrangements also include a non-cancellable period.

(₹ in million)

	Nine months period ended 31st Dec	**As at 31st March**				
Particulars	**2015**	**2015**	**2014**	**2013**	**2012**	**2011**
Lease rentals charged to Statement of Profit and Loss	56.20	31.06	5.38	7.23	7.05	-
Future minimum lease rental payments for non-cancellable leases						
Not later than one year	2.50	8.39	14.79	6.45	7.23	-
Later than one year and not later than five years	1.75	-	8.39	0.72	7.17	-
Later than five years	-	-	-	-	-	-

36. Information pertaining to share of net assets and share of profit of subsidiary in the consolidated business

(₹ in million)

Name of the Entity	**Net Assets, i.e., total assets minus total liabilities**		**Share in profit or loss after tax**	
	As % of consolidated net assets	**Amount**	**As % of consolidated profit or loss**	**Amount**
Bhagyalaxmi Dairy Farms Pvt. Ltd.	(4.50%)	(123.34)	(5.81%)	(16.79)

37. Disclosure of CSR Expenses:

(₹ in million)

Sr. No	**Particulars**	**Nine months period ended December 30, 2015**	**Year ended March 31, 2015**
a)	Gross amount required to be spent by the Group during the period	3.86	1.91
b)	Amount spent during the period on:	-	-
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	0.66	0.11

38. Amounts due to Micro, Small and Medium Enterprises:

Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Group, which has been relied upon by the auditors: **(₹** in million)

S. No	Particulars	Nine months period ended 31st December	As at 31st March				
		2015	2015	2014	2013	2012	2011
i)	a) The Principal amount remaining unpaid to any supplier at the end of the accounting year included in trade payables.	45.37	13.55	6.70	6.38	2.13	-
	b) The interest due on above	2.10	1.39	0.05	-	-	-
ii)	The amount of interest paid by the buyer in term of Section 16 of the Act	-	-	-	-	-	-
iii)	The amount of the payment made to the supplier beyond the appointed day during the accounting year.	68.41	6.75	-	-	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of financial year.	2.10	1.39	0.05	-	-	-
v)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act	-	-	-	-	-	-
vi)	The amount of further interest remaining due & payable in the succeeding years	2.10	1.39	0.05	-	-	-

39. The Board of Directors constituted the equity settled Employee Stock Option Scheme ("ESOS2015") vide its resolutions dated February 27, 2015 and April 21, 2015 for issue of 696,339 stock options to the key employees of the Parent Company, which has been further approved in the Parent Company's Extra ordinary General meeting dated April 3, 2015 and May 16, 2015.

Pursuant to the above scheme, the Board of Directors vide its circular resolution dated September 3, 2015, approved grant of 227,000 stock options to its employees on September 4, 2015.
According to ESOP2015, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The contractual life (comprising the vesting period and the exercise period) of options granted is 3 years. The other relevant terms of the grant are as below:

Vesting period	1 years
Exercise period	2 years
Expected life	3 years
Exercise price	Rs 250

The details of activity under ESOS2015 are summarized below:

Particulars	Nine months period ended December 31, 2015	
	No. of options	WAEP (Rs)
Outstanding at the beginning of the year	-	-
Granted during the year	227,000	250
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	227,000	250
Exercisable at the end of the year	-	-

Particulars	Nine months period ended December 31, 2015
Dividend yield (%)	-
Expected volatility	41.71%
Risk-free interest rate	7.54%
Weighted average share price (Rs)	250
Exercise price (Rs)	250
Expected life of options granted in years	3

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

No cost has been recognised in respect of ESOS2015 during the period as the exercise price of the options is higher than the fair value of the options as at the grant date. Further, disclosures for the prior periods have not been given as the ESOP's were granted only during the nine months ended Sep 30, 2015.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure VI

Restated Consolidated Summary Statement on adjustments to Audited Financial Statements

A. **Adjustments made to audited statement of profit and loss**

(₹ in million)

Particulars	Nine months ended December 31,	For the years ended March 31,				
	2015	2015	2014	2013	2012	2011
Net profit as per Audited Consolidated Financials Statements	**312.27**	**322.09**	**74.34**	**116.74**	**75.87**	**31.61**
a) Material Restatement Adjustments on account of :						
Bad debts (refer note no 1)	-	-	0.20	0.22	1.78	(0.15)
Electricity duty exemption (refer note no 2)	-	(13.12)	6.58	4.58	1.95	-
Exceptional items (refer note no 3)	-	-	-	-	3.52	6.11
Export subsidy (refer note no 4)	-	(3.18)	3.18	-	-	-
Prior period expense (refer note no 5)	0.61	(0.61)	-	1.16	0.24	0.23
CWIP written off	22.21	(24.67)	1.57	0.89		-
Provision for doubtful advances (Net) (refer note no 6)	-	9.02	7.72	1.01	(0.04)	(0.68)
Provision for doubtful debts (Net) (refer note no 6)	(6.07)	44.25	13.32	(34.07)	(6.86)	1.33
Sales tax benefit (refer note no 4)	(2.90)	(50.01)	25.47	(26.23)	77.16	(23.49)
Sundry creditors written back(Net) (refer note no 8)		(5.21)	3.37	2.48	2.03	(0.17)
Vat disallowed (refer note no 9)	(1.09)	7.98	-	-	-	(4.70)
Interest on VAT (refer note no 9)	(0.24)	3.23	-	-	-	(1.04)
Leave encashment (refer note no 5)	-	1.82	(1.61)	(0.09)	(0.02)	(0.10)
Investment in Mutual Fund (refer note no 10)	-	0.33	(0.28)	(0.04)	-	-
Total Adjusements on Restatements	**12.52**	**(30.17)**	**59.52**	**(50.09)**	**79.76**	**(22.66)**
b) Adjustments on account of Changes in Accounting Estimates:						
Depreciation and Amortisation (refer note no 7)	-	-	0.57	(0.39)	(0.93)	(0.40)
Total	-	-	**0.57**	**(0.39)**	**(0.93)**	**(0.40)**
Total Adjustments on Account of changes in Accounting	**12.52**	**(30.17)**	**60.09**	**(50.48)**	**78.83**	**(23.06)**
c) Restatement of Taxes						
Tax Adjustments (refer note no 12)	(3.74)	(19.91)	31.55	131.56	32.20	(12.49)
Deferred Tax on Restatements @ 30.00% (refer note no 11)	(1.82)	(12.35)	(6.30)	9.92	2.07	(0.20)
Total Adjustments after taxes (a+b+c)	**(5.56)**	**(32.26)**	**25.25**	**141.48**	**34.27**	**(12.69)**
Profit as per Restated Consolidated Summary Financial	**319.23**	**259.66**	**159.68**	**207.74**	**188.97**	**(4.14)**

The above table does not contain impact of regrouping/reclassification done in accordance with the requirement of Schedule III to the Companies Act,2013

Further, the Surplus in the Statement of Profit & Loss as at 1 April 2010 has been adjusted to reflect the impact of the items pertaining to the years prior to 31 March 2010. The adjustments are as below:

Opening Reserves Reconciliation

(₹ in million)

Particulars	Amount
Reserves & Surplus as per Audited Consolidated Financial Statements	**360.74**
Adjustments:	
Bad debts (refer note no 1)	(2.05)
Exceptional items (refer note no 3)	(9.63)
Interest on VAT (refer note no 9)	(1.10)
Prior period Expense (refer note no 5)	(1.64)
Provision for doubtful advances (Net) (refer note no 6)	(17.03)
Provision for doubtful debts (Net) (refer note no 6)	(11.90)
Sundry creditors written back (Net) (refer note no 8)	(2.50)
Vat Disallowed (refer note no 9)	(3.05)
Total Adjusements on Restatements	**(48.90)**
b) Adjustments on account of Changes in Accounting Estimates:	
Depreciation and Amortisation (refer note no 7)	(3.29)
Total	(3.29)
Total Adjustments on Account of changes in Accounting Estimate	**(52.19)**
c) Restatement of Taxes	
Tax Adjustments (refer note no 12)	(159.18)
Deferred Tax on Restatements @ 30.00%	8.68
	(150.50)
Reserves and Surplus as per Restated Consolidated Financial Information	**158.05**

The above table does not contain impact of regrouping/reclassification done in accordance with the requirement of Schedule III to the Companies Act, 2013

Explanatory Notes:

1 In the audited financial statements for the years ended March 31 2014, 2013, 2012 and 2011, certain amounts had been written off as bad debts, which for the purpose of this statement have been appropriately adjusted in the respective year of sale.

2 In the audited financial statements for the years ended March 31 2015, the Company had recognized electricity duty exemption which pertain to the previous years. The Company, on restatement, has recorded the income in the financial statements of the respective years.

3 In the audited financial statements for the years ended March 31 2012 and 2011, the Company had recognized exceptional items (Interest receivable & electricity duty benefit) which pertain to the previous years.The Company, on restatement, has recorded the expenses/income in the financial statements of the respective years.

4 In the audited financial statements for the nine months period ended December 31, 2015 and years ended March 31 2015, 2014, 2013, 2012 and 2011, the Company on restatement had recognized sales tax benefit and export subsidy which pertain to the previous years.The Company has recorded the income in the financial statements of the respective years.

5 In the audited financial statements for the nine months period ended December 31 2015 and years ended March 2015, 2014, 2013, 2012 and 2011, the Company had recognized income/expenses which pertain to the earlier years. On restatement, the company has recorded the income / expenses in the financial statements of the respective years.

6 Receivable/advances, which were considered doubtful and provided for and allowances for doubtful receivables/advances written back in the nine months period ended December 31 2015 and years ended March 31 2015, 2014, 2013, 2012 and 2011 have been appropriately adjusted in the respective years in which the relevant asset was orginally created.

7 In the year 2014-15, the management carried out an independent estimate of the useful life of assets and accordingly the estimated useful life of assets are revised from 1st April 2014. Now the estimated useful life of assets are as per Schedule II to the Companies Act, 2013. Depreciation, as per the transitional provision, has been adjusted to the respective years to effect the difference in the useful life. The impact of depreciation on previous years has been computed and adjusted.

8 In the audited financial statements for years ended March 31 2015, 2014, 2013, 2012, and 2011, certain liabilities created in previous years were written back. For the purpose of this statement, such write backs have been appropriately adjusted in the respective years in which the corresponding liabilities were originally created.

9 In the audited financial statements for the nine months period ended December 31 2015 and year ended March 2015, the Company had recognized VAT disallowance and interest on VAT which pertain to the previous years. The Company, on restatement, has recorded the expenses in the financial statements of the respective years.

10 In the audited financial statements for the years ended March 31 2014 and 2013, the Company had recognized mutual fund investment at market value.The Company, on restatement, has recorded the mutual fund at cost in the financial statements of the respective years.

11 Deferred tax has been computed on the applicable items at uniform tax rate i.e 30% for the nine months ended December 31 2015 and for the year ended March 31 2015, 2014, 2013, 2012 and 2011 for the purpose of restatement.

12 In the audited financial statements for the nine months period ended December 31 2015 and for the years ended March 31 2015,2014,2013,2012 and 2011, the Company had considered the tax impact of income tax assessment/orders of earlier years in the year of receipt of order. On restatement, such amounts have been recorded in the respective years to which the income tax assessment/order relates.

C **Material regrouping:**

Appropriate adjustments have been made in the restated consolidated summary Statements of Assets and Liabilities, Profit and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company nine months ended 31st December 2015, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

D **Non - Adjusting Items to Audited Financial Statements**

For the financial years ended 31 March 2013, 2012 and 2011, financial statements were jointly audited by M/S Haribhakti & Co. and M/S SPCM & Associates.

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003(CARO) issued by the Central Government of India under sub section (4A) of Section 227 of the Act. Certain statements/comments included in audit opinion on the financial statements and CARO, which do not require an adjustment in the restated summary financial information are reproduced below in respect of the financial statements presented:

Parag Milk Foods Limited *(formerly known as Parag Milk Foods*

Financial Year 2010-11

Statutory Auditors (Financial Year 2010-11) have made the following comments in the Auditors' Report - Not requiring adjustment

Qualification: Main Audit Report

(i) We report that the Company has during the year, entered into transactions for purchase and sale of goods amounting to Rs. 1606.04 million and Rs. 7.33 million, respectively, with a private company in which some of the directors are interested. The Company has not obtained prior approval of Central Government in this regard under section 297 of the Act. However, as informed to us, the Company has filed the application for compounding of offences with the Company Law Board, Mumbai.

(ii) Attention is invited to note C 1 (iii) (c) in schedule 16 in respect of additional income of Rs.152.60 million, declared to the Income Tax Authorities. As regards declaration of Rs.130.00 million, in respect of which only provision for taxation of Rs.43.18 million is made in the books of account of the Company, we are unable to comment upon its resulting effect on the relevant assets, income/profit for the year & on the report annexed hereto.

Statutory Auditors (Financial Year 2010-11) have made the following comments in the Auditors' Report - Not requiring adjustment

Companies (Auditor's Report) Order, 2003

i(a) The Company needs to further streamline its fixed assets register to show proper and identifiable records, showing full particulars, including quantitative details and situation of fixed assets.

i(b) As informed to us, the management has prepared the inventory of fixed assets based on the physical verification carried during the year. However in view of the limitation of information in Fixed assets register, the management is unable to provide information about the discrepancies, if any, arising on such reconciliation.

iv The existing internal control system with regard to the purchase of inventory and fixed assets and for the sale of goods and services need to be strengthened to be commensurate with the size of the company and the nature of its business, There is no continuing failure to correct major weaknesses in internal control system.

vii The company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.

ix (a No undisputed statutory dues including provident fund, investor education protection fund, or employees' state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess have remained outstanding for more than six months, so however, there are delays in payment thereof.

xvii According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short term basis for long term investment.

Financial Year 2011-12

Statutory Auditors (Financial Year 2011-12) have made the following comments in the Auditors' Report - Not requiring adjustment

Companies (Auditor's Report) Order, 2003

i(a) The Company needs to further streamline its fixed assets register to show proper and identifiable records, showing full particulars, including quantitative details and situation of fixed assets.

i(b) As informed to us, the management has prepared the inventory of fixed assets based on the physical verification carried during the year. However in view of the limitation of information in fixed assets register, the management is unable to provide information about the discrepancies, if any, arising on such reconciliation.

iv In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the Manchar Plant and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and service. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the plant. In case of Palamner plant, the existing internal control system with regard to the purchase of inventory and fixed assets and for the sale of goods and services need to be strengthened to be commensurate with the size of the plant and the nature of its business. However, there is no continuing failure to correct major weakness in internal control system.

vii In our opinion, the company has an internal audit system which commensurate with the size and nature of its business except at Palamner Plant.

ix(a No undisputed statutory dues including provident fund, investor education provident fund, or employees' state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess have remained outstanding for more than six months, However, there are delays in payment thereof.

xvii According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short term basis for long term investment.

Financial Year 2012-13

Statutory Auditors (Financial Year 2012-13) have made the following comments in the Auditor's Report - Not requiring adjustment.

Qualification: Main Audit Report

We draw attention to note no 27 (C) to the Financial Statements, the company has made following declaration of additional income upon action U/s 132 of the Income Tax Act, 1961.

i) Additional Income to avoid protected litigation Rs. 130.0 million (For FY 2010-11)

ii) Increase in the value of Inventory Rs. 22.60 million (FY 2010-11)

iii) Additional Income of Rs 276.25 million while moving application for settlement (before Settlement Commission U/s 245 c (i) of the Income Tax Act, 1961.

The Company has made only provision for taxation in above respect and no effect is considerd as regard assets and income/profit of the Company. Further, the acceptability of declared additional income is a matter of decision by Settlement Commission and the other Income Tax Authorities and will be known after the proceedings are over.

Financial Year 2013-14

Statutory Auditors (Financial Year 2013-14) have made the following comments in the Auditor's Report - Not requiring adjustment

Qualification: Main Audit Report

1. We draw attention to note no. 28 (II) to the Financial Statements. As explained therein, consequent to action u/s 132 of the Income Tax Act, 1961 the company has made during various financial years declaration of additional income of amounts aggregating Rs. 341.07 million for AY 2005-06 to AY 2011-12.

In its book of account, the Company has made only provision of Rs. 191.65 million being tax and interest thereon for such additional income, as no consequential effect is considered necessary by the management as regard assets and income/profit of the company.

Companies (Auditor's Report) Order, 2003

ix (a Except for slight delays in depositing tax deducted at source and sales tax the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

ix(c According to the information and explanation given to us, there are no dues of income tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except sales tax on account of dispute, as follows:

(₹ in million)

Name of the statute	Nature of dues	Amount (incl. interest)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	VAT & CST	11.40	F.Y. 2006-07	Jt Co. of Sales Tax (App) - 1
Central Sales Tax Act, 1956	VAT & CST	62.92	F.Y. 2009-10	Jt Co. of Sales Tax (App) - 1

* The company has obtained stay order against payment of these dues.

xi In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Bank. The particulars of delay which related to interest/installment during the year ended March 31, 2014 are as follows:

(₹ in million)

Particulars	Amount (including interest)	Period of Delay (days)
EXIM Bank	5.86	61
EXIM Bank	5.74	40
EXIM Bank	5.76	49

Financial Year 2014-15

Statutory Auditors (Financial Year 2014-15) have made the following comments in the Main Report - Not requiring adjustment

Companies (Auditor's Report) Order, 2015

vii According to the information and explanation given to us, there are no dues with respect to income tax, wealth tax, service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute, except sales tax and value added tax which are as under:

(₹ in million)

Name of the statute	Nature of dues	Amount (incl. interest)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956*	VAT & CST	12.30	F.Y. 2006-07	Jt Co. of Sales Tax (App) -
Central Sales Tax Act, 1956*	VAT & CST	62.92	F.Y. 2009-10	Jt Co. of Sales Tax (App) -

*The Company has obtained stay order against payment of these dues.

ix According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks /financial institutions/ debenture holders, except delay in few cases of repayment (including interest), which are as under:

(₹ in million)

Particulars	Amount (including interest)	Period of Delay (days)
Exim Bank	10.28	0 to 30
State Bank of India	29.65	0 to 30
Union Bank of India	113.55	0 to 30

Bhagyalaxmi Diary Farms Private Limited (Subsidiary of Parag Milk Foods Limited)

Financial Year 2013-14

Statutory Auditors (Financial Year 2013-14) have made the following comments in the Auditors' Report - Not requiring adjustment

Companies (Auditor's Report) Order, 2003

ix(c According to the information and explanation given to us, there are no dues of, income tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except income tax on account of dispute, as follows:

(₹ in million)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	20.57	A.Y. 2006-07 to A.Y. 2011-12	Commissioner of Income Tax (Appeals)

x In our opinion, the accumulated losses of the company are not more than fifty percent of its networth. Further, the company has incurred cash losses amounting to Rs 7.07 million during the financial year covered by our audit and amount of Rs 7.27 million in the immediately preceeding financial year.

xi In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of its dues to Banks. The particulars of delay which related to interest/installment during the year ended March 31, 2014 are as follows:

(₹ in million)

Particulars	Amount (including interest)	Period of Delay (days)
Jammu & Kashmir Bank	1.21	253
Jammu & Kashmir Bank	2.78	298
Jammu & Kashmir Bank	1.39	268
Jammu & Kashmir Bank	3.82	100
Jammu & Kashmir Bank	0.83	170
Jammu & Kashmir Bank	0.83	139
Jammu & Kashmir Bank	0.33	111
Jammu & Kashmir Bank	19.39	Not paid till March 31, 2014

Financial Year 2014-15

Statutory Auditors (Financial Year 2014-15) have made the following comments in the Auditors' Report - Not requiring adjustment

Companies (Auditor's Report) Order, 2015

vii(l According to the information and explanation given to us, there are no dues of with respect to sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and other material statutory dues applicable to it, which have not been deposited on account of any dispute except income tax as under:

(₹ in million)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	20.51	A.Y. 2006-07 to A.Y. 2011-12	Commissioner of Income Tax (Appeals)

viii In our opinion, the accumulated losses of the company are not more than fifty percent of its networth. Further, the company has incurred cash losses during the financial year covered by our audit and in the immediately preceeding financial year.

xi In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of its dues to bank, except for delay in few cases of repayment (including interest), the particulars of which are as under:

(₹ in million)

Particulars	Amount (including interest)	Period of Delay (days)
Jammu & Kashmir Bank	16.20	0 to 30
Jammu & Kashmir Bank	21.85	31 to 60
Jammu & Kashmir Bank	10.20	61 to 90

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*
Annexure VII A

A. Restated Consolidated Summary Statement of Accounting Ratios (before considering the impact of changes in capital structure)

(₹ in million)

Particulars	For the nine months ended December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Basic Earnings per Share						
Profit attributable to Equity shareholders, as restated	319.23	259.66	159.68	207.74	188.97	(4.14)
Weighted average number of equity shares (in million)	64.11	58.10	58.10	58.10	57.95	57.95
Basic Earnings Per Share (in Rs.)	**4.98**	**4.47**	**2.75**	**3.58**	**3.25**	**(0.07)**
Face value per Share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
b. Diluted Earnings per Share						
Profit attributable to Equity shareholders, as restated	319.23	259.66	159.68	207.74	188.97	(4.14)
Add: Interest on CCDs	-	-	-	-	-	-
Less: Tax impact on interest on CCDs	-	-	-	-	-	-
Profit after adjusting interest on petential equity shares, as restated (A)	319.23	259.66	159.68	207.74	188.97	(4.14)
Weighted average number of equity share (in million)	64.11	58.10	58.10	58.10	57.95	57.95
Add :Potential convertible debentures (in million)	4.26	10.02	10.02	10.02	4.41	4.41
Total potential number of equity shares (in million)	68.36	68.12	68.12	68.12	62.36	62.36
Diluted Earnings per Share (in Rs.)	**4.67**	**3.81**	**2.34**	**3.05**	**3.03**	**(0.07)**
c. Return on Networth for Equity Shareholders in (%)						
i) Profit available to equity shareholders	319.23	259.66	159.68	207.74	188.97	(4.14)
ii) Networth of equity shareholders	2,775.08	1,231.72	972.12	812.46	579.23	390.26
iii) Return on networth (i/ii)	**11.50%**	**21.08%**	**16.43%**	**25.57%**	**32.62%**	**-1.06%**
d. Net Asset Value per Share						
Total no of shares outstanding (in million)	66.16	15.97	15.97	15.97	15.81	15.81
i) Net Asset Value	**41.94**	**77.13**	**60.87**	**50.88**	**36.64**	**24.68**

Notes:

1 The above ratios have been computed on the basis of the Restated Summary Financial Statements.

2 The Ratio have been computed as below:

Earnings per Share (Rs.) = Restated profit after tax attributable to equity shareholders for the year/period ÷ Weighted average number of equity shares

Diluted Earnings per Share (Rs.) = Restated profit after tax attributable to equity shareholders for the year/period ÷ Weighted average dilutive number of equity shares

Return on Net Worth (%) = Restated profit after tax attributable to equity shareholders for the year/period ÷ Net worth at the end of the year/period

Net Assets Value per Share (Rs.) = Net worth at the end of the year/period ÷ Total number of equity shares outstanding at the end of the year/period

3 Net worth for ratios mentioned represents sum of share capital, reserves and surplus (securities premium, debenture redemption reserve, capital reserve on consolidation , general reserve and surplus in the statement of profit and loss).

4 For computation of diluted earnings per share, effect of dilutive CCDs has been given for all the years presented based on the current estimates of conversion in those respective years

5 The above statement should be read with the notes to Restated Consolidated Summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*
Annexure VII B

B. Restated Consolidated Summary Statement of Accounting Ratios (after considering the impact of changes in capital structure)

(₹ in million)

Particulars	For the nine months ended December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Basic Earnings per Share						
Profit attributable to Equity shareholders, as restated	319.23	259.66	159.68	207.74	188.97	(4.14)
Weighted average number of equity shares (in million)	64.11	58.10	58.10	58.10	57.95	57.95
Basic Earnings Per Share (in Rs.)	**4.98**	**4.47**	**2.75**	**3.58**	**3.26**	**(0.07)**
Face value per Share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
b. Diluted Earnings per Share						
Profit attributable to Equity shareholders, as restated	319.23	259.66	159.68	207.74	188.97	(4.14)
Weighted average number of equity share (Considered for computation of diluted EPS) (in million)	68.36	68.12	68.12	68.12	62.36	62.36
Diluted Earnings per Share (in Rs.)	**4.67**	**3.81**	**2.34**	**3.05**	**3.03**	**(0.07)**
c. Return on Networth for Equity Shareholders in (%)						
i) Profit Available to Equity shareholders	319.23	259.66	159.68	207.74	188.97	(4.14)
ii) Networth of Equity shareholders as restated (B)	2,775.08	1,231.72	972.12	812.46	579.23	390.26
iii) Return on Networth (i/ii)	**11.50%**	**21.08%**	**16.43%**	**25.57%**	**32.62%**	**-1.06%**
d. Net Asset Value per Share						
Total no of Shares outstanding (in million)	66.16	15.97	15.97	15.97	15.81	15.81
i) Net Asset Value (in Rs.)	**41.94**	**77.13**	**60.87**	**50.88**	**36.64**	**24.68**

Notes:

1 The above ratios have been computed on the basis of the Restated Summary Financial Statements.

2 The Ratio have been computed as below:

$$\text{Earnings per Share (Rs.)} = \frac{\text{Restated Profit after tax attributable to equity shareholders for the year/period}}{\text{Weighted Average Number of equity shares}}$$

$$\text{Diluted Earnings per Share (Rs.)} = \frac{\text{Restated Profit after tax attributable to equity shareholders for the year/period}}{\text{Weighted Average dilutive Number of equity shares}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit after tax attributable to equity shareholders for the year/period}}{\text{Net Worth at the end of the year/period}}$$

$$\text{Net Assets Value per Share (Rs.)} = \frac{\text{Net Worth at the end of the year/period}}{\text{Total number of equity shares outstanding at the end of the year/period}}$$

3 Net worth for ratios mentioned represents sum of share capital, reserves and surplus (securities premium, debenture redemption reserve, general reserve and surplus in the statement of profit and loss).

4 The above statement should be read with the notes to restated consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

5 **Proforma accouting ratio disclosure**

Subsequent to 31st December ,2015, the capital structure of the Company has changed due to the following transactions:

682,62,819 Compulsory Convertible Debentures of Rs 682.62 million has been converted into maximum 4,255,827 equity shares.

Computation of post balance sheet adjustments to equity share capital:

Particulars	No of Eq Shares
Number of equity shares outstanding as on 31 December,2015	661,60,060
Add: Dilutive effect of conversion of the balance 8,262,819 zero coupon compulsory convertible debenture	21,94,917
Add: Dilutive effect of conversion of 60,000,000 compulsory convertible debenture with IDFC S.P.I.C.E.	20,60,910
Total number of equity shares outstanding after impacting the above dilutive effect.	**704,15,887**

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure VIII

Restated Consolidated Summary Statement of Capitalization

(₹ in million)

Particulars	Refer Note	Pre Issue as at 31st December 2015	As adjusted for issue
Debt			**Refer Note 2**
Long term debts (including current maturities of long term debt) (A)	2(3)	2,253.42	
Short term debts (B)	2(7)	2,361.40	
Total debt C= (A+B)		**4,614.82**	
Shareholder's funds			
Share capital (D)	2(1)	661.60	
Reserves and surplus (E)	2(2)	2,113.48	
Total shareholders funds F = (D+E)		**2,775.08**	
Long term debt/equity ratio (A/F)		**0.81**	
Debt/ equity ratio (C/F)		**1.66**	

Notes:

1) The above statement should be read with the notes on adjustments for the Restated Consolidated Summary Statement of the Assets and Liabilities, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary of Cash Flows as appearing in Annexure I to III and significant accounting policies and other notes as appearing in -Annexure IV and V

2) The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

3) Short term debts is considered as borrowing due within 12 months from the balance sheet date.

4) Long term debts is considered as borrowing other than short term borrowing, as defined above and excludes the current maturities of finance lease obligation.

5) Long term debt equity ratio = $\frac{\text{Long term borrowing}}{\text{Total shareholder fund}}$

6) Debt equity ratio = $\frac{\text{Total borrowing}}{\text{Total shareholder fund}}$

Annexure IX

Restated Consolidated Summary Statement of Dividends Paid / Proposed

Particulars	For the nine months ended December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Dividend on Equity Shares						
Number of Equity Shares	661,60,060	159,69,464	159,69,464	159,69,464	158,10,272	158,10,272
Face Value per share(Rs.)	10	10	10	10	10	10
Dividend paid on Equity Shares (Rs. In million)	-	-	-	-	-	-

Report of the Independent Auditor on the
Summary of Restated Standalone Financial Information

The Board of Directors,
Parag Milk Foods Limited,
Flat No. 1, Plot No. 19, Nav Rajasthan Soceity,
Behind Ratna Memorial Hospital, S B Road,
Shivaji Nagar, Pune
Maharashtra – 411 016,
India

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of Parag Milk Foods Limited ("the Company") (formerly "Parag Milk Foods Private Limited") for the purpose of its inclusion in the Red Herring Prospectus("RHP") prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such financial information comprises of (A) Financial Information as per Summary of Restated Standalone Financial Statements and (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

   (a) Section 26(1)(b) Of the Companies Act, 2013 ("The Act") read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and

   (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations").

2. We have examined such financial information with regard to:

   a. the terms of reference agreed with the Company vide engagement letter dated July 27, 2015 (including addendum thereto) relating to work to be performed on such financial information, proposed to be included in the RHP of the Company in connection with its proposed IPO; and

   b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

3. **Financial Information**

   The financial information referred to above, relating to profits, assets and liabilities and cash flows of the Company is contained in the following annexures to this report (collectively referred to as the "Summary of Restated Standalone Financial Statements"):

   a) **Annexure I** containing the Restated Standalone Summary Statement of Assets and Liabilities, as at March 31, 2015, 2014, 2013, 2012, 2011 and as at December 31, 2015.

   b) **Annexure II** containing the Restated Standalone Summary Statement of Profit and Loss, for the years ended March 31, 2015, 2014, 2013, 2012,2011 and for the nine months period ended December 31, 2015.

c) **Annexure III** containing the Restated Standalone Summary Statement of Cash Flows, for the years ended March 31, 2015, 2014, 2013, 2012, 2011 and for the nine months period ended December 31, 2015.

d) **Annexure IV** containing the Statement of Significant Accounting Policies.

e) Annexure V containing the Restated Standalone Statement of Notes to Financial Statements.

f) **Annexure VI** – Restated Standalone Summary Statement on Adjustments to Audited Financial Statements.

The aforesaid Summary of Restated Standalone Financial Statements have been extracted by the Management from the audited financial statements of the Company for those periods/ years.

The standalone financial statements of the Company for the nine months period ended December 31, 2015, and for the financial years ended March 31, 2015 and 2014 were audited by us and had issued unqualified audit report dated March 21, 2016 for nine months period ended December 31, 2015, unqualified audit report dated May 26, 2015 for financial year ended March 31, 2015 and qualified audit report dated September 10, 2014 for financial year ended March 31, 2014. The standalone financial statements of the Company for the financial years ended March 31, 2013, 2012 and 2011 were audited jointly by SPCM & Associates and us and had issued unqualified audit report dated September 12, 2012 for financial year ended March 31, 2012 and qualified audit reports dated September 05, 2013 and November 14, 2011 for the financial years ended March 31, 2013 and 2011 respectively.

4. **Other Financial Information**

Other Financial Information relating to the Company which is based on the Summary of Restated Standalone Financial Statements prepared by the management and approved by the Board of Directors is attached as per the following annexures listed hereunder:

a) **Annexure V** – Restated Standalone Statement of Notes to Financial Statements (Other financial information in relation to items in the Summary of Restated Standalone Financial Statements have been included in Annexure V);
b) **Annexure VIIA** – Restated Standalone Summary Statement of Accounting Ratios, (before considering the impact of changes in capital structure);
c) **Annexure VIIB** – Restated Standalone Summary Statement of Accounting Ratios, (after considering the impact of changes in capital structure);
d) **Annexure VIII** – Restated Standalone Summary Statement of Capitalisation;
e) **Annexure IX** – Restated Standalone Summary Statement of Dividends Paid / Proposed;
f) **Annexure X** – Restated Standalone Summary Statement of Tax Shelter.

5. The Summary of Restated Standalone Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and/or as referred to in Section 133 of the Companies Act, 2013 applied in the preparation of the audited financial statements of the Company. Reading the

Summary of Restated Standalone Financial Statements, therefore, is not a substitute for reading the audited financial statements of the Company.

6. **Management Responsibility on the Summary of Restated Standalone Financial Statements and Other Financial Information**

Management is responsible for the preparation of "Summary of Restated Standalone Financial Statements" and "Other Financial Information" relating to the Company in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. **Auditors' Responsibility**

Our responsibility is to express an opinion on the "Summary of Restated Standalone Financial Statements" and "Other Financial Information" based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. **Opinion**

In our opinion, the "Summary of Restated Financial Statements" of the Company as stated in Para 3 above and "Other Financial Information" as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Statement on Adjustments to Audited Financial Statements enclosed in **Annexure VI** , have been prepared in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

The Summary of Restated Standalone Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the Statement on Adjustments to Audited Financial Statements in **Annexure VI** to this report. Based on our examination of the same, we confirm that:

a) there are no qualifications in the auditors' reports that require an adjustment in the Summary of Restated Standalone Financial Statements;
b) adjustments for the material amounts in the respective financial years to which they relate to, have been made in the attached summary of Restated Standalone Financial Statements:
c) the impact arising on account of changes in accounting policies, if any, adopted by the Company as at period ended December 31, 2015 is applied with retrospective effect in the Summary of Restated Standalone Financial Statements;
d) there are no extraordinary items disclosed in the Summary of Restated Standalone Financial Statements.

Other remarks/comments in the Auditors' report and annexure to the Auditors' report on the financial statements of the Company for the nine months period ended December 31, 2015, financial years ended March 31, 2015, 2014, 2013, 2012 and 2011 which do not require any corrective adjustment in the Restated Standalone Financial Information are mentioned in "Non-adjusting items" under Annexure VI.

9. The figures included in the Summary of Restated Standalone Financial Statements and Other Financial Information do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.

10. This report should not in any way be construed as a reissuance or redating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We did not perform audit tests for the purpose of expressing an opinion on individual balances or summaries of selected transactions and accordingly, we express no such opinion thereon.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. This report is issued at the specific request of the Company for your information and inclusion in the RHP to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed IPO of equity shares of the Company. This report may not be useful for any other purpose.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Anup Mundhra
Partner
Membership No. 061083
Place: Mumbai
Date: March 21, 2016

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annxure details of restated Standalone Financials

S.No	Description	Annexure no.
	Financial Information	
1	Restated Standalone Summary Statement of Assets and Liabilities	Annexure-I
2	Restated Standalone Summary Statement of Profit and Loss	Annexure-II
3	Restated Standalone Summary Statement of Cash Flows	Annexure-III
4	Statement of Significant Accoutning Policies	Annexure-IV
5	Restated Standalone Statements Notes to Financial Information	Annexure-V
B	**Other Financial Information**	
6	Restated Standalone Summary Statement on adjustments to Audited Financial Statements	Annexure-VI
7	Restated Standalone Summary Statement of Accounting Ratios	Annexure-VIIA & VIIB
8	Restated Standalone Summary Statement of Capitalization	Annexure-VIII
9	Restated Standalone Summary Statement of Dividend Paid/Proposed	Annexure-IX
10	Restated Standalone Summary Statement of Tax Shelter	Annexure-X

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure I - Restated Standalone Summary Statement of Assets and Liabilities (₹ in million)

Particulars	Annexure	As at December 31,	As at March 31,				
		2015	2015	2014	2013	2012	2011
I. EQUITY AND LIABILITIES							
(1) Shareholders' Fund							
(a) Share capital	V(1)	661.60	159.69	159.69	159.69	158.10	158.10
(b) Reserves and surplus	V(2)	2,235.63	1,178.40	875.10	682.74	436.66	227.21
		2,897.23	**1,338.09**	**1,034.79**	**842.43**	**594.76**	**385.31**
(2) Non-current liabilities							
(a) Long-term borrowings	V(3)	1,276.43	1,686.10	2,653.20	2,237.51	1,505.43	1,244.09
(b) Deferred tax liabilities (Net)	V(4)	117.30	105.53	102.10	107.13	115.31	84.13
(c) Other long term liabilities	V(5)	169.96	161.47	111.68	4.00	4.00	4.00
(d) Long term provisions	V(6)	4.79	4.30	2.07	0.59	0.12	0.09
		1,568.48	**1,957.40**	**2,869.05**	**2,349.23**	**1,624.86**	**1,332.31**
(3) Current liabilities							
(a) Short-term borrowings	V(7)	2,361.39	2,612.43	2,478.61	2,231.60	2,124.81	1,481.46
(b) Trade payables	V(8)	1,426.79	1,753.68	1,167.87	854.51	776.18	555.15
(c) Other current liabilities	V(9)	1,405.94	1,585.44	583.83	462.37	492.33	399.99
(d) Short-term provisions	V(10)	85.26	5.16	0.50	14.07	188.14	207.12
		5,279.38	**5,956.71**	**4,230.81**	**3,562.55**	**3,581.46**	**2,643.72**
TOTAL		**9,745.09**	**9,252.20**	**8,134.65**	**6,754.21**	**5,801.08**	**4,361.34**
II. ASSETS							
(1) Non-current Assets							
(a) Fixed Assets							
(i) Tangible assets	V(11)	2,599.26	2,376.69	1,871.74	1,948.65	2,032.95	1,714.25
(ii) Intangible assets		1.79	2.31	3.29	2.34	2.12	2.83
(iii) Capital Work In Progress		245.60	213.87	330.77	30.27	41.74	285.28
(iv) Intangible assets under development		44.15	46.26	42.62	32.08	28.30	-
		2,890.80	**2,639.13**	**2,248.42**	**2,013.34**	**2,105.11**	**2,002.36**
(b) Non-current investments	V(12)	580.70	180.70	180.70	180.70	177.70	177.70
(c) Long-term loans and advances	V(13)	459.52	656.77	1,018.39	836.49	452.45	157.37
(d) Other Non-current assets	V(14)	10.52	18.20	16.44	9.78	7.12	16.12
		3,941.54	**3,494.80**	**3,463.95**	**3,040.31**	**2,742.38**	**2,353.55**
(2) Current Assets							
(a) Inventories	V(15)	2,254.65	2,097.09	1,870.87	1,355.30	1,351.16	1,130.23
(b) Trade receivables	V(16)	2,429.18	1,692.99	1,621.32	1,467.33	1,175.11	810.59
(c) Cash and bank balances	V(17)	244.84	49.87	38.99	19.02	15.04	10.01
(d) Short-term loans and advances	V(18)	566.96	1,413.47	755.21	509.33	262.08	28.55
(e) Other Current assets	V(19)	307.92	503.98	384.31	362.92	255.31	28.41
		5,803.55	**5,757.40**	**4,670.70**	**3,713.90**	**3,058.70**	**2,007.79**
TOTAL		**9,745.09**	**9,252.20**	**8,134.65**	**6,754.21**	**5,801.08**	**4,361.34**

The above statement should be read with the notes to restated standalone summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement in Annexure IV to Annexure VI.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Anup Mundhra
Partner
Membership No. 061083

Place: Mumbai
Date: March 21, 2016

For and on behalf of the Board of Directors

Devendra Shah
Chairman

Pritam Shah
Managing Director

Bharat Kedia
Chief Financial Officer

Rachana Sanganeria
Company Secretary &
Compliance Officer

Place: Mumbai
Date: March 21, 2016

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure II - Restated Standalone Summary Statement of Profit and Loss **(₹ in million)**

	Particulars	Annexure	For the nine months ended December 31,	For the year ended March 31,				
			2015	2015	2014	2013	2012	2011
I.	**Income**							
	Revenue from operations	V(20)	12,143.96	14,202.03	10,792.21	9,226.48	8,858.03	6,265.04
	Other income	V(21)	4.92	10.06	10.35	18.68	6.58	2.24
	Total Revenue		**12,148.88**	**14,212.09**	**10,802.56**	**9,245.16**	**8,864.61**	**6,267.28**
II.	**Expenses:**							
	Cost of materials consumed	V(22) & V(23)	8,375.45	10,810.76	8,234.04	6,875.84	7,185.37	5,124.78
	Purchase of traded goods	V(24)	933.73	392.36	642.72	80.21	16.72	102.48
	Changes in inventories of finished goods & WIP		(138.52)	(216.96)	(504.52)	30.88	(217.57)	(345.24)
	Employee benefits expense	V(25)	484.21	539.13	432.76	352.20	251.04	180.59
	Other expenses	V(26)	1,437.30	1,614.11	1,157.53	1,050.74	813.80	735.44
	Total Expenses		**11,092.17**	**13,139.40**	**9,962.53**	**8,389.87**	**8,049.36**	**5,798.05**
III.	**Restated earnings before interest, tax, depreciation and amortization (EBIDTA) (I-II)**		**1,056.71**	**1,072.69**	**840.03**	**855.29**	**815.25**	**469.23**
IV.	Depreciation and amortization expense	V(11)	224.10	254.16	248.89	239.26	203.93	172.92
V.	Finance costs	V(27)	342.39	479.02	403.82	392.81	365.19	200.66
VI.	**Restated Profit before tax (III-IV-V)**		**490.22**	**339.51**	**187.32**	**223.22**	**246.13**	**95.65**
VII	**Tax Expenses:**							
	(1) Current Tax		143.45	38.31	1.37	26.38	6.56	25.95
	(2) MAT Credit		-	(4.10)	(1.37)	(19.25)	(1.71)	-
	(3) Deferred Tax		11.76	3.43	(5.04)	(8.17)	31.17	36.36
	(4) Tax adjustments		-	(1.44)	-	2.08	0.66	38.73
VIII	**Restated Profit for the year (VI-VII)**		**335.01**	**303.30**	**192.36**	**222.18**	**209.45**	**(5.39)**

The above statement should be read with the notes to restated standalone summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement in Annexure IV to Annexure VI.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Anup Mundhra
Partner
Membership No. 061083

Place: Mumbai
Date: March 21, 2016

For and on behalf of the Board of Directors

Devendra Shah
Chairman

Pritam Shah
Managing Director

Bharat Kedia
Chief Financial Officer

Rachana Sanganeria
Company Secretary & Compliance Officer

Place: Mumbai
Date: March 21, 2016

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure III Restated Standalone Summary Statement of Cash Flows **(₹ in million)**

Particulars	Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
A. Cash Flow from Operating Activities						
Net profit before taxation	**490.22**	**339.51**	**187.32**	**223.22**	**246.13**	**95.65**
Add:						
Depreciation/ amortisation on fixed assets	224.10	254.16	248.89	239.26	203.93	172.92
Bad debts	-	0.24	0.32	-	0.03	0.15
Provision for doubtful debts	-	25.27	25.57	44.53	15.39	6.37
Provision for doubtful advances	-	-	0.48	-	0.04	1.91
Loss on sale of fixed assets	-	0.19	1.17	-	-	-
Loss on impairment of fixed assets	-	-	0.98	1.84	1.73	1.30
Unrealised forex loss	54.84	-	-	-	-	-
Interest expense	342.39	479.02	403.82	392.81	365.19	200.66
Less:						
Dividend income	0.00	0.00	0.00	0.00	0.00	0.00
Interest income	2.73	4.61	3.83	12.35	1.14	0.96
Operating Profit before Working Capital changes	**1,108.82**	**1,093.78**	**864.72**	**889.31**	**831.30**	**478.00**
Adjustments for :						
(Increase) in inventories	(157.56)	(226.21)	(515.57)	(4.14)	(220.93)	(397.96)
(Increase) in trade receivables	(736.46)	(97.17)	(179.89)	(336.74)	(379.95)	(279.09)
(Increase)/decrease in short term loans and advances	846.52	(685.36)	(241.11)	(127.33)	(208.60)	(46.40)
(Increase)/decrease in other current assets	199.73	(119.67)	(21.39)	(107.61)	(226.90)	(28.41)
(Increase)/decrease in long term loans and advances	(24.88)	6.43	(14.32)	(12.79)	(3.10)	(14.99)
Increase/(decrease) in other current liabilties	69.47	1,005.12	119.56	(47.33)	89.41	17.26
Increase in other long term liabilties	8.48	49.79	107.68	-	-	-
Increase/(decrease) in trade payables	(327.03)	585.81	313.36	78.33	221.03	235.05
Increase/(decrease) in provisions	(2.15)	6.89	(12.08)	(173.60)	(18.97)	39.24
Cash Generated from Operations	**984.94**	**1,619.41**	**420.96**	**158.10**	**83.29**	**2.70**
Direct taxes paid (net of refunds)	(59.15)	(5.68)	(4.76)	(129.12)	(30.48)	(9.58)
Net Cash flow from/ (used in) Operating activities	**925.79**	**1,613.73**	**416.20**	**28.98**	**52.81**	**(6.88)**
B. Cash Flow from Investing Activities						
Purchase of fixed assets (Including capital advance)	(355.65)	(247.03)	(592.11)	(495.77)	(594.90)	(518.82)
Sale of fixed assets	0.09	4.12	4.00	-	-	-
Investment in shares of subsidiary company	(400.00)					
Investments in fixed deposit	(0.08)	(1.22)	(10.06)	(8.29)	7.62	(10.90)
Investments in mutual fund	-	-	-	(3.00)	-	(0.00)
Interest and dividend received	1.59	4.61	3.83	12.35	1.14	0.96
Net Cash flow from/ (used in) investing activities	**(754.05)**	**(239.52)**	**(594.34)**	**(494.71)**	**(586.14)**	**(528.76)**
C. Cash Flow from Financing Activities						
Proceeds from issue of shares	56.76	-	-	25.49	-	-
Proceeds from long term borrowings	602.68	332.34	729.04	1,433.50	560.84	142.73
Repayment of long term borrowings	(36.27)	(1,299.46)	(313.35)	(701.42)	(299.46)	(209.71)
Proceeds from short term borrowings	-	101.00	372.71	114.72	643.35	749.34
Repayment of short term borrowings	(251.04)	32.82	(125.70)	(7.93)	-	-
Interest paid	(354.13)	(529.50)	(467.99)	(400.27)	(367.75)	(202.90)
Net Cash flow from/ (used in) Financing activities	**18.00**	**(1,362.80)**	**194.71**	**464.09**	**536.98**	**479.46**
Net increase/(decrease) in cash and cash equivalents	**189.74**	**11.41**	**16.57**	**(1.64)**	**3.65**	**(56.18)**
Opening Cash and Cash Equivalents						
Cash in hand	7.61	14.75	5.98	1.89	6.46	1.91
Bank balances	32.08	13.53	5.73	11.46	3.24	63.97
	39.69	**28.28**	**11.71**	**13.35**	**9.70**	**65.88**
Closing Cash and Cash Equivalents						
Cash in hand	10.89	7.61	14.75	5.98	1.89	6.46
Bank balances	218.54	32.08	13.53	5.73	11.46	3.24
	229.43	**39.69**	**28.28**	**11.71**	**13.35**	**9.70**

-The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W

Anup Mundhra
Partner
Membership No. 061083

Place: Mumbai
Date: March 21, 2016

For and on behalf of the Board of Directors

Devendra Shah
Chairman

Pritam Shah
Managing Director

Bharat Kedia
Chief Financial Officer

Rachana Sanganeria
Company Secretary &
Compliance Officer

Place: Mumbai
Date: March 21, 2016

Annexure IV: Statement of Significant Accounting Policies

1. Corporate Information

Parag Milk Foods Limited (*formerly Parag Milk Foods Private Limited*)("the Company") was incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of procurement of cow milk mainly in western and southern region. The Company undertakes processing of milk and manufacture the various value added products namely cheese, butter, ghee, fresh cream, milk powder, flavoured milk, lassi, curd etc. which are marketed under its registered brand name "Gowardhan", "Go" and "Topp up".
The registered office of the Company is situated in the state of Maharashtra, India. The Company has changed its name to Parag Milk Foods Limited effective from July 07, 2015.

2. Significant Accounting Policies

I. Basis of preparation

The 'Restated Standalone Summary Statement of the Assets and Liabilities' of the Company as at nine months period ended 31st December 2015 and years ended 31st March 2015, 31 March 2014, 31 March 2013, 31 March 2012, and 31 March 2011 and the 'Restated Standalone Summary Statement of Profit and Loss' and the 'Restated Standalone Summary Statement of Cash Flows' for the nine months period ended 31st December 2015 and years ended 31 March 2015 ,31 March 2014, 31 March 2013, 31 March 2012, and 31 March 2011, along with Annexures IV to X (collectively referred to as the "Restated Standalone Summary Financial Information') have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (SEBI) in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The Restated Summary Financial Information has been prepared by applying necessary adjustments to the financial statements ('financial statements') of the Company. The financial statements are prepared and presented under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and the requirements of the Companies Act, 1956 (up to 31 March 2014), and notified sections, schedules and rules of the Companies Act, 2013 (with effect from 01 April 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014, to the extent applicable.

These Restated Standalone Summary Financial Information have been prepared to comply in all material respects with the requirements of Schedule III of Companies Act, 2013, and the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

With effect from 1 April 2014, Schedule III notified under the Act, has become applicable to the Company for the preparation and presentation of its financial statements. Accordingly, previous years' figures have been regrouped/reclassified wherever applicable. Appropriate re-classifications/regrouping have been made in the Restated Standalone Summary Financial Information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations.

The Restated Summary Financial Information are presented in Indian rupees, rounded off to nearest millions with two decimals except percentages, earnings per share data and where mentioned otherwise.

a) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Restated Standalone Summary Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

b) Use of estimates

The preparation of restated financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Inventories

Inventories are valued at lower of cost or net realizable value. Basis of determination of cost remain as follows:

Items	Methodology of Valuation
Raw materials, components, stores and spares, Trading goods, and Packing Materials	Cost is determined on a weighted average method. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Cost is determined on a weighted average method. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
Goods in Transit are valued exclusive of custom duty, where applicable	
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.	

d) Cash flow statement

The cash flow statement is prepared using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

e) Depreciation

Depreciation on fixed assets is provided up to March 31, 2014 as per following:

- Leasehold improvement includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

- Depreciation on other fixed assets is provided on Straight Line Method on a pro rata basis over its economic useful lives, estimated by the management or at the rates prescribed under Schedule XIV of the Companies act 1956, whichever is higher.

- Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro rata basis up to the date on which such assets are sold, discarded or demolished.

- Intangible assets are amortized over their estimated useful life but not exceeding 10 years.

- Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

Depreciation on fixed assets is provided from April 01, 2014 as per following:

- Depreciation on cost of fixed assets is provided on straight line method at estimated useful live, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

- Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month proceeding the month of deduction/disposal

- Leasehold improvements includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold Improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- *Sales of goods*
  Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer which is normally on dispatch of goods. Sales are stated net of returns and trade discount. Sales tax and VAT are excluded.

- *Service Income*
  Service income is recognised as per the terms of the contract when the related services are rendered. It is stated net of service tax.

- *Interest income*
  Interest income is recognized on time proportion basis.

- *Other Income*
  Export incentive, income from investment, sales tax refund on account of "Mega Project" and other service income are accounted on accrual basis. Export entitlements and benefits are recognized in the Statement of Profit and Loss when the right to receive credit in accordance with the terms of the scheme is established in respect of exports made. Dividend income is accounted for when the right to receive income is established.

g) Tangible fixed assets

Fixed Assets are stated on cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use.

Projects under commissioning and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost, if applicable.

h) Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. The costs relating to acquisition of trademark are capitalised as 'Intangible Assets' and amortised on a straight line basis over a period of ten years, which is the management's estimate of the useful life of such trademark.

i) Foreign Currency Transactions

- *Initial recognition*

  Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- *Conversion*

  Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

- *Exchange Differences*

  Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets, which are included in the cost of fixed assets.

j) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

k) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as 'current investments'. All other investments are classified as 'non-current investments'.

Investments are classified under 'non-current' and 'current' categories.

'Non-current Investments' are carried at acquisition /amortized cost. A provision is made for diminution other than temporary on an individual basis.

'Current Investments' are carried at the lower of cost or fair value on an individual basis.

l) Retirement and Other Employee Benefits

- *Short term employee benefit*

  All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the period in which the employee renders the related service.

- *Post-employment employee benefits*

  Defined Contribution schemes
  Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

  Defined benefits plans

  The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. Company's contribution in the case of gratuity is funded annually with Life Insurance Corporation of India.

  The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

  The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

  Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

  Other long term employee benefits

  Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

m) Borrowing Cost

Borrowing costs to the extent related/attributable to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss.

n) Segment Reporting

The Company has identified manufacturing and processing of milk & milk products as its sole operating segment and the same has been treated as primary segment. The Company secondary geographical segments have been identified based on the location of Customers and are demarcated into Indian and Overseas revenue earnings.

o) Leases

Assets taken under leases, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken under leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES).PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

q) Taxation

Income-tax expense comprises current tax, deferred tax charge or credit and minimum alternative tax (MAT).

Current tax

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

Minimum alternative tax

Minimum alternative tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

r) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

s) Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

t) Employee stock option

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure V: Notes to the Restated Standalone Financial Information

1 - SHARE CAPITAL

a. Details of authorised, issued and subscribed share capital

(₹ in million)

Particulars	As at December 31, 2015		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No of Eq shares	Amount	No of Eq shares	Amount	No of Eq shares	Amount	No of Eq shares	Amount	No of Eq shares	Amount	No of Eq shares	Amount
Authorised Capital												
Equity Shares of Rs. 10/- each	1000,00,000	**1,000.00**	200,00,000	**200.00**	200,00,000	**200.00**	200,00,000	**200.00**	200,00,000	**200.00**	200,00,000	**200.00**
Issued, subscribed and fully paid up Capital												
Equity Shares of Rs. 10/- each	661,60,060	661.60	159,69,464	159.69	159,69,464	159.69	159,69,464	159.69	158,10,272	158.10	158,10,272	158.10

b. Shareholders holding more than 5 % shares in the company is set out below:

Name of Shareholder	As at December 31, 2015		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	No of Equity shares	%	No of Equity shares	%	No of Equity shares	%	No of Equity shares	%	No of Equity shares	%	No of Equity shares	%
Mr. Devendra Prakash Shah	145,70,832	22.02%	48,56,944	30.41%	48,56,944	30.41%	48,56,944	30.41%	48,56,944	30.72%	48,56,944	30.72%
Mr. Pritam Prakash Shah	91,59,888	13.85%	30,53,296	19.12%	30,53,296	19.12%	30,53,296	19.12%	30,53,296	19.31%	30,53,296	19.31%
Mr. Prakash Babulal Shah	100	0.00%	22,39,112	14.02%	22,39,112	14.02%	22,39,112	14.02%	22,39,112	14.16%	22,39,112	14.16%
Mr. Parag Prakash Shah	1,00,000	0.15%	16,31,096	10.21%	16,31,096	10.21%	16,31,096	10.21%	16,31,096	10.32%	16,31,096	10.32%
Mrs. Netra Pritam Shah	106,23,742	16.06%	9,24,802	5.79%	12,24,802	7.67%	11,77,480	7.37%	11,77,480	7.45%	11,77,480	7.45%
Mrs. Priti Devendra Shah	33,22,820	5.02%	-	-	-	-	-	-	-	-	-	-
IDFC Pvt Equity Fund	127,07,581	19.21%	-	-	-	-	-	-	-	-	-	-
India Business Excelence Fund	39,17,238	5.92%	-	-	-	-	-	-	-	-	-	-
IRIS Business Solution Pvt Ltd.	-	-	-	-	-	-	-	-	9,00,000	5.69%	9,00,000	5.69%
Purva Construction & Engineering Pvt Ltd.	-	-	-	-	-	-	-	-	10,00,000	6.33%	10,00,000	6.33%

c. Reconciliation of number of shares

(` in million)

Particluars	As at December 31, 2015		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year/period	159,69,464	159.69	159,69,464	159.69	159,69,464	159.69	158,10,272	158.10	158,10,272	158.10	158,10,272	158.10
Shares issued during the year /period	501,90,596	501.91	-	-	-	-	1,59,192	1.59	-	-	-	-
Shares bought back during the year/period	-	-	-	-	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year/period	**661,60,060**	**661.60**	**159,69,464**	**159.69**	**159,69,464**	**159.69**	**159,69,464**	**159.69**	**158,10,272**	**158.10**	**158,10,272**	**158.10**

In the financial year 2012-13, the Company has issued 159,192 equity shares of face value of Rs 10 each fully paid up at a premium of Rs 304.08 per share.

The Company in its Extra ordinary General meeting dated May 26, 2015 has approved bonus shares issue in the ratio of 2:1 and consequently 42,135,038 shares have been issued as bonus shares during the nine months period ended December 31, 2015.

The Company has issued 7,828,558 equity shares against conversion of 116,737,181 Nos compulsorily convertible debentures, at an aggregate share premium of Rs 1,089.09 Million and 227,000 Nos equity shares to Parag Milk Foods Employee's Stock Option Trust at a premium of Rs 240 per share during the nine months period ended December 31, 2015.

d. Information on equity shares alloted without receipt of cash or alloted as bonus shares or shares bought back

Particulars	For the nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Fully paid up pursuant to contract(s) without payment being received in cash	78,28,558	-	-	-	-	-
Fully paid up by way of bonus shares	421,35,038	-	-	-	-	-

e. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company,the holders of equity shares will be entitled to receive remaining assets of the Company,after distribution of all preferential amounts.The distribution will be in proportion to the number of equity shares held by the shareholders.

f. Shares reserved for issue under optioins and contract/commitments

The Company has 68,262,819 Nos (March 31, 2015: 125,000,000 Nos) compulsory convertible debentures (CCD) outstanding as at the reporting date which amount to Rs 682.62 Million (March 31, 2015: 125 Million) , in respect of which the conversion option can be exercised by the holder at anytime within ten years of the date of issue. The conversion price would be determined considering specified IRR based on the CCD agreement.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

2 - RESERVES AND SURPLUS **(₹** in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Securities Premium Account						
Opening Balance	83.27	83.27	83.27	59.37	59.37	59.37
(+) Securities premium credited on share issue	1,143.57	-	-	48.41	-	-
(-) Securities premium debited on bonus share issue	80.00	-	-	-	-	-
(-) Security issue expenses	-	-	-	24.51	-	-
Closing Balance	**1,146.84**	**83.27**	**83.27**	**83.27**	**59.37**	**59.37**
b. General Reserve						
Opening balance	20.00	20.00	20.00	20.00	20.00	15.86
(+) Transfer from Surplus of Statement of Profit & Loss	-	-	-	-	-	4.14
Closing Balance	**20.00**	**20.00**	**20.00**	**20.00**	**20.00**	**20.00**
c. Debenture Redemption Reserve						
Opening balance	13.50	9.00	4.50	-	-	-
(+) Transfer from Surplus of Statement of Profit & Loss	3.38	4.50	4.50	4.50	-	-
Closing Balance	**16.88**	**13.50**	**9.00**	**4.50**	**-**	**-**
d. Surplus of Statement of Profit & Loss						
Opening balance	1,061.63	762.83	574.97	357.29	147.84	157.37
(+) Net Profit/(loss) for the year	335.01	303.30	192.36	222.18	209.45	(5.39)
(-) Bonus shares issued	(341.35)	-	-	-	-	
(-) Transfer to General Reserve	-	-	-	-	-	(4.14)
(-) Transfer to Debenture Redemption Reserve	(3.38)	(4.50)	(4.50)	(4.50)	-	-
Closing Balance	**1,051.91**	**1,061.63**	**762.83**	**574.97**	**357.29**	**147.84**
Grand Total	**2,235.63**	**1,178.40**	**875.10**	**682.74**	**436.66**	**227.21**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

3- Statement of Long term Borrowings as restated

(₹ in million)

Particulars	As at December 31,			As at March 31,														
	2015			2015			2014			2013			2012			2011		
	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
1. Secured Long Term Borrowings																		
(A) Term loans																		
a) Indian rupee loan from banks	211.60	122.60	334.20	336.37	73.24	409.61	613.43	308.14	921.57	793.14	204.28	997.42	458.37	187.43	645.80	442.18	130.34	572.52
b) From financial institution	851.52	110.21	961.73	31.32	14.41	45.73	6.24	4.39	10.63	10.63	4.39	15.02	15.02	5.35	20.37	20.37	5.71	26.08
c) Foreign currency loan from financial institution	30.26	10.20	40.46	911.67	-	911.67	599.60	-	599.60	-	81.58	81.58	76.75	102.30	179.05	179.05	66.53	245.58
(B) Hire purchase loans	3.05	2.49	5.54	4.20	2.34	6.54	3.93	1.65	5.58	3.74	1.56	5.30	5.29	2.76	8.05	2.49	1.93	4.42
Total (A+B)	**1,096.43**	**245.50**	**1,341.93**	**1,283.56**	**89.99**	**1,373.55**	**1,223.20**	**314.18**	**1,537.38**	**807.51**	**291.81**	**1,099.32**	**555.43**	**297.84**	**853.27**	**644.09**	**204.51**	**848.60**
2. Unsecured Long Term Borrowings																		
(A) Compulsory convertible debentures (CCD)	-	682.63	682.63	222.54	1,027.46	1,250.00	1,250.00	-	1,250.00	1,250.00	-	1,250.00	550.00	-	550.00	550.00	-	550.00
(B) 0% Non convertible debentures to Promoters (Refer Annexure V.31)																		
Devendra Shah	30.00	-	30.00	30.00	-	30.00	30.00	-	30.00	30.00	-	30.00	-	-	-	-	-	-
Pritam Shah	150.00	-	150.00	150.00	-	150.00	150.00	-	150.00	150.00	-	150.00	-	-	-	-	-	-
(C) Other Long Term Borrowings (From Directors)																	-	
Devendra Shah	-	-	-	-	-	-	-	-	-	-	-	-	50.00	-	50.00	20.00	-	20.00
Pritam Shah	-	-	-	-	-	-	-	-	-	-	-	-	350.00	-	350.00	30.00	-	30.00
Total	**180.00**	**682.63**	**862.63**	**402.54**	**1,027.46**	**1,430.00**	**1,430.00**	**-**	**1,430.00**	**1,430.00**	**-**	**1,430.00**	**950.00**	**-**	**950.00**	**600.00**	**-**	**600.00**
Total (1+2)	**1,276.43**	**928.13**	**2,204.56**	**1,686.10**	**1,117.45**	**2,803.55**	**2,653.20**	**314.18**	**2,967.38**	**2,237.51**	**291.81**	**2,529.32**	**1,505.43**	**297.84**	**1,803.27**	**1,244.09**	**204.51**	**1,448.60**

Notes:

" Current Maturities of Long term borrowings" are grouped under "Other current liabilities".

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

3A. Statement of Principal Terms of Long term Borrowings as at December 31, 2015, as restated (₹ in million)

Sr No	Name of the Lender	Nature of Facility	Loan Currency	Amount Sanctioned	Outstanding as at December 31, 2015		Rate of Interest	Repayment Schedule	Securities offered	Prepayment clauses	Penal Interest
					long term borrowings	other current liabilities					
1	Union Bank of India	Term Loan	INR	120.00	23.89	24.00	BR + 3.25%	60 Equal Monthly Installments of Rs 2 million from April 2013	Pari passu first Charge on fixed assets of the Company & second pari passu charge on current assets of the Company	Company has an option to make prepayment subject to 1% prepayment premium on outstanding principal amount.	Additional 2%p.a
2	Union Bank of India	Term Loan	INR	492.70	187.71	98.60	BR + 2.75%	60 Equal Monthly Instalments of Rs 8.21 million from November, 2013	Pari passu first charge on fixed assets of the Company & second pari passu charge on current assets of the Company & personal guarantee of Shri Devendra Shah, Shri Parag Shah, Shri Pritam Shah, Shri Prakash Shah	Company has an option to make prepayment subject to 1% prepayment premium on outstanding principal amount.	Additional 2%p.a
3	Electronica Finance Limited	Term Loan	INR	50.00	30.26	10.20	12.98%	FY 2015(Rs.7.04 million) FY 2016(Rs.14.41 million) FY 2017(Rs.14.41 million) FY 2018(Rs.11.76 million) FY 2019(Rs.11.52 million) FY 2020(Rs 8.23 million) FY 2021(Rs 0.91 million)	Hypothecation of Tetra therm Aseptic Flex sterilizer lying at 149/1 Samudrapalli Village, Post - Pengaragunta Palamner Mandal, Chittoor 517408 Andhrapradesh.	Company is eligible to make prepayment subject to following prepayment charges: Upto 12 months-5% on the outstanding principal 13-24 months-4% on the outstanding principal 25 months onwards-3% on the outstanding principal	Revised interest of 24% p.a on the finance amount for the delayed period
4	International Finance Corporation	Term Loan	USD	14.50	851.52	110.21	6 Month Libor + 4.45%	Repayable in 12 Semi annually equal installments Starting from June 16 (TL amount OF USD 9.97 million) & June 17 for (TL amount of USD 4.53 million)	(1.) 1st Pari-Passu on the immovable and movable fixed property of the company. (2)2nd pari passu on the entire current assets of the company along with Union Bank of India, Exim Bank & Standard Chartered Bank. (3) Personnel Guarantee of Mr. Prakash Shah,Mr Devendra Shah,Mr Pritam Shah,Mrs Priti Shah,Mrs Netra Shah	(1) If prepayment is made before 15th Sept 2016 then the unwinding cost as determined by IFC shall be final. (2) Allowed only on interest payment date with 2% of the amount prepaid only after 15 th Sept 2016 and on and before 15th Sept 2018. (3) No pre payment premium if prepayment is done on or after 15th Sept 2018.	Additional 2%p.a
5	HDFC- Car Loan	Hire Purchase Loan	INR	4.83	0.12	1.15	10.03%	Repayable in 60 equal installments of Rs 1,02,750/- per month, starting from March 2012	Secured against vehicles	Prepayment premium 3.42% on outstanding principal amount.	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 550
6	ICICI Bank - Car Loan	Hire Purchase Loan	INR	0.68	0.34	0.13	11.24%	Repayable in 60 equal installments of Rs 14,730/- per month, starting from April 2014	Secured against vehicles	5% of amount pre paid & Interest for unexpired portion - lesser of the two	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 400
7	ICICI Bank - Car Loan	Hire Purchase Loan	INR	1.15	-	0.14	9.38%	Repayable in 36 equal installments of Rs 36,777/- per month, starting from April 2014	Secured against vehicles	5% of amount pre paid & Interest for unexpired portion - lesser of the two	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 400
8	Axis Bank-Car Loan	Hire Purchase Loan	INR	0.84	0.40	0.16	10.70%	Repayable in 60 equal installments of Rs 18,138/- per month, starting from February 2015	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500

9	Axis Bank- Car Loan	Hire Purchase Loan	INR	0.58	0.11	0.20	10.75%	Repayable in 36 equal installments of Rs 18,920/- per month, starting from July 2014	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500
10	Axis Bank- Car Loan	Hire Purchase Loan	INR	0.58	0.11	0.20	10.75%	Repayable in 36 equal installments of Rs 18,920/- per month, starting from July 2014	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500
11	Axis Bank -Car Loan	Hire Purchase Loan	INR	2.00	1.29	0.36	10.50%	Repayable in 60 equal installments of Rs 42,998/- per month, starting from December 2014	Secured against vehicles	5% of amount pre paid &Service Tax	2% Per Month Instalment amount& ECS/ Cheque Return Charges Rs 500
12	Axis Bank -Car Loan	Hire Purchase Loan	INR	0.86	0.68	0.14	10.00%	Repayable in 60 equal installments of Rs 18,272/- per month, starting from Octomber 2015	Secured against vehicles	5% of part payment amount after 180 days from the date of disbursement. 10% of part payment amount upto 80 days from the date of disbursement.	2% Per Month Instalment amount
13	**Compulsary Convertible Debentures:**										
A	India Business Excellence Fund I	Long term Borrowings	INR	24.27	24.27	-	0.00%	Anytime from the date of issue of CCD but not later than at the time of IPO or 10 years from the date of issue of CCDs.	None	None	15% p.a calculated on daily basis and componded quarterly.
B	IL&FS Trust Company Limited	Long term Borrowings	INR	13.07	13.07	-					
C	Suneeta Agarwal	Long term Borrowings	INR	2.24	2.24	-					
D	Vimla Oswal	Long term Borrowings	INR	1.12	1.12	-					
E	Partik Oswal	Long term Borrowings	INR	1.12	1.12	-					
F	IDFC Private Equity Fund III	Long term Borrowings	INR	640.80	640.80	-					
14	**Non Convertible Debentures:**										
A	Devendra Shah	Long term Borrowings	INR	30.00	30.00	-	0.00%	Anytime at the option of investors but not before IPO by the Company or 10 years from the issue of NCDs whichever is earlier.	None	Prepayment not permissiable prior to listing or 10 years from the date of NCD,whichever is earlier.	15% p.a.
B	Pritam Shah	Long term Borrowings	INR	150.00	150.00	-					
	Total				**1,959.06**	**245.50**					

4 - DEFERRED TAX LIABILITY (Net)

The major components of deferred tax liability / asset as recongised in the financial statement are as follows:

(₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Deferred Tax Liability						
Fixed Assets: Impact of difference between Income Tax depreciation and depreciation charged for the financial reporting.	181.14	132.66	135.96	137.26	131.85	96.31
Total	**181.14**	**132.66**	**135.96**	**137.26**	**131.85**	**96.31**
Deferred Tax Asset						
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis.	5.52	2.75	0.21	0.17	0.73	0.77
Provision for doubtful debts and advances	58.33	24.38	33.65	29.96	15.81	11.41
Total	**63.84**	**27.13**	**33.86**	**30.13**	**16.54**	**12.18**
Deferred Tax Liability (Net)	**117.30**	**105.53**	**102.10**	**107.13**	**115.31**	**84.13**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

5 - OTHER LONG-TERM LIABILITIES

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Deposits	169.96	161.47	111.68	4.00	4.00	4.00
Grand Total	**169.96**	**161.47**	**111.68**	**4.00**	**4.00**	**4.00**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

6 - LONG TERM PROVISIONS*

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Gratuity	-	-	0.33	0.38	-	-
Leave encashment	4.79	4.30	1.74	0.21	0.12	0.09
Grand Total	**4.79**	**4.30**	**2.07**	**0.59**	**0.12**	**0.09**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

* for further detail refer Annexure V.29

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

7- Statement of Short term Borrowings as restated

(₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
1. Secured Short Term Borrowings						
Loans repayable on demand-						
Cash credit from banks	2,341.84	2,469.56	2,357.69	1,486.67	1,376.18	1,272.16
Cash credit (PCFC) from banks	-	-	10.87	509.18	500.00	-
Short term loan from banks	-	-	-	-	127.59	200.00
Sub Total	**2,341.84**	**2,469.56**	**2,368.56**	**1,995.85**	**2,003.77**	**1,472.16**
2. Unsecured Short Term Borrowings						
Loans repayable on demand-						
From Banks	-	-	-	-	38.00	-
From Non Banking Financial Institution	-	97.50	107.50	200.00	50.00	-
Loan from related parties*						
From Directors						
Devendra Shah	0.51	4.33	1.07	26.47	5.94	5.97
Pritam Shah	0.39	1.04	1.40	0.95	23.82	2.65
Parag Shah	0.00	0.00	0.08	0.08	0.08	0.16
From Shareholders						
Netra Shah	-	-	-	5.62	2.13	0.15
Prakash Shah	-	-	-	0.03	0.28	0.00
Priti Shah	-	-	-	2.60	0.78	0.36
Rajani Shah	-	-	-	-	0.01	0.01
Loan from others	18.65	40.00	-	-	-	-
Sub Total	**19.55**	**142.87**	**110.05**	**235.75**	**121.04**	**9.30**
Grand Total (1+2)	**2,361.39**	**2,612.43**	**2,478.61**	**2,231.60**	**2,124.81**	**1,481.46**

Notes:

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

* for further details refer annexure V- 31

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

7A. Statement of Principal Terms of Short term Borrowings as at December 31, 2015, as restated

(₹ in million)

Name of the Lender	Nature of Facility	Loan Currency	Amount Sanctioned	Outstanding as at December 31, 2015	Rate of Interest p.a. (%)	Repayment Schedule	Securities offered	Prepayment clauses	Penal Interest
IDBI Bank	Working Capital Facility-Cash Credit	INR	380.00	376.20	BBR+250 bps	Repayable on demand and interest payable monthly	Secured against 1st pari passu charge on all the current assets of the Company and 2nd pari pasu charge on fixed assets of the Company, personal gurantee of promoter directors and their relatives.	Nil	2% p.a
State Bank of India		INR	820.00	787.54	BBR+3.25%				
Standard Chartered Bank		INR	100.00	(0.01)	BBR + 4.50%				
Union Bank of India		INR	1,200.00	1,178.12	BBR +2.75 %				
Total				**2,341.84**					

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

8 - TRADE PAYABLES (₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Due to Micro, Small and Medium Enterprises {Refer Annexure no. 2(36)}	47.47	14.94	6.58	6.38	2.13	-
Other than Micro and Small Enterprises	1,379.32	1,738.74	1,161.29	848.13	774.05	555.15*
Grand Total	**1,426.79**	**1,753.68**	**1,167.87**	**854.51**	**776.18**	**555.15**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

* Includes Rs 53.88 million due to Subsidiary Company.

9 - OTHER CURRENT LIABILITIES

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Current maturities of long term borrowings {Refer Annexure no. V(3)}	925.64	1,117.09	324.21	298.65	301.26	205.48
Current maturities of hire purchase loans {Refer Annexure no. V(3)}	2.49	2.34	1.65	1.55	2.76	1.93
Creditors for capital expenditure	24.98	70.92	43.92	19.65	56.54	53.97
Interest accrued but not due on borrowings	10.29	22.03	15.84	17.22	2.06	2.42
Employee benefits payable	50.97	41.66	27.76	25.57	16.86	13.60
Deposits from customers	-	10.09	-	5.89	3.26	3.29
Advance from customers	191.59	150.86	81.57	23.03	25.73	49.46
Statutory dues payable	38.41	43.42	48.96	44.64	53.49	61.52
Provision for expenses	161.57	127.03	39.92	26.17	30.37	8.32
Grand Total	**1,405.94**	**1,585.44**	**583.83**	**462.37**	**492.33**	**399.99**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

10 - SHORT-TERM PROVISIONS

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Provision for employee benefits*:						
Gratuity	1.51	4.25	0.28	0.13	2.24	2.32
Leave benefits	0.94	0.83	0.09	0.01	0.00	0.00
Others:						
Income tax (net of advance tax)	82.82	-	-	13.85	185.83	204.76
Wealth tax	-	0.08	0.13	0.08	0.07	0.04
Grand Total	**85.26**	**5.16**	**0.50**	**14.07**	**188.14**	**207.12**

-The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

* for further detail refer Annexure V.29

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

11 - FIXED ASSETS

(₹ in million)

Particulars for nine months ended December 31, 2015	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2015	Additions during the period	Deletions/Adjustments	As at December 31, 2015	As at April 1, 2015	Depreciation charge for the period	Deletions/Adjustments	As at December 31, 2015	As at December 31, 2015
A.Tangible Assets									
Land -freehold	32.17	-	-	32.17	-	-	-	-	32.17
Buildings	717.65	9.78	-	727.43	127.20	20.37	-	147.57	579.86
Leasehold Improvements	14.30	5.49	-	19.79	10.52	2.33	-	12.85	6.94
Plant & Machinery	2,869.57	421.53	0.09	3,291.01	1,153.45	193.62	0.01	1,347.08	1,943.93
Furniture & Fixtures	12.80	2.12	-	14.92	3.47	1.08	-	4.55	10.37
Office Equipment	12.94	1.59	-	14.53	7.01	1.90	-	8.91	5.62
Computers	13.66	1.31	-	14.97	10.87	1.34	-	12.21	2.76
Vehicles	29.45	3.83	-	33.28	13.33	2.35	-	15.68	17.60
Total	**3,702.54**	**445.64**	**0.09**	**4,148.10**	**1,325.85**	**222.99**	**0.01**	**1,548.84**	**2,599.26**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.57	0.06	-	0.63	0.20
Computer software	6.88	0.59	-	7.47	4.83	1.05	-	5.88	1.59
Total	**7.71**	**0.59**	**-**	**8.30**	**5.40**	**1.11**	**-**	**6.51**	**1.79**
Grand Total (A+B)	**3,710.25**	**446.23**	**0.09**	**4,156.40**	**1,331.25**	**224.10**	**0.01**	**1,555.35**	**2,601.05**

a. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2014, the Company has capitalised borrowing costs of Rs. Nil . However, during the nine months period ended December 31, 2015 the company has reversed amount of Rs 22.21, from capital work in progress, which was earlier capitalised in excess. Also refer note V(27)

c. In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain / (loss) of Rs. 54.43 millions arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

(₹ in million)

Particulars for FY 14-15	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2014	Additions during the Year	Deletions/Adjustments	As at March 31, 2015	As at April 1, 2014	Depreciation charge for the year	Deletions/Adjustments	As at March 31, 2015	As at March 31, 2015
A.Tangible Assets									
Land -freehold	32.17	-	-	32.17	-	-	-	-	32.17
Buildings	695.13	22.52	-	717.65	100.85	26.35	-	127.20	590.45
Leasehold Improvements	14.26	0.04	-	14.30	8.48	2.04	-	10.52	3.78
Plant & Machinery	2,145.08	728.45	3.96	2,869.57	942.20	211.51	0.26	1,153.45	1,716.12
Furniture & Fixtures	10.16	2.64	-	12.80	2.29	1.18	-	3.47	9.33
Office Equipment	10.90	2.07	0.03	12.94	3.04	3.97	-	7.01	5.93
Computers	12.60	1.19	0.13	13.66	7.43	3.44	-	10.87	2.79
Vehicles	25.18	4.91	0.64	29.45	9.45	4.13	0.25	13.33	16.12
Total	**2,945.48**	**761.82**	**4.76**	**3,702.54**	**1,073.74**	**252.62**	**0.51**	**1,325.85**	**2,376.69**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.52	0.05	-	0.57	0.26
Computer software	6.32	0.56	-	6.88	3.34	1.49	-	4.83	2.05
Total	**7.15**	**0.56**	**-**	**7.71**	**3.86**	**1.54**	**-**	**5.40**	**2.31**
Grand Total (A+B)	**2,952.63**	**762.38**	**4.76**	**3,710.25**	**1,077.60**	**254.16**	**0.51**	**1,331.25**	**2,379.00**

a. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounts) Rules, 2014, the Company has capitalised borrowing costs of Rs. 64.45 million.

c. In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain of Rs.7.04 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

(₹ in million)

Particulars for FY 13-14	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2013	Additions during the Year	Deletions	As at March 31, 2014	As at April 1, 2013	Depreciation charge for the year	Deletions	As at March 31, 2014	As at March 31, 2014
A.Tangible Assets									
Land -freehold	32.17	-	-	32.17	-	-	-	-	32.17
Buildings	688.68	6.45	-	695.13	77.72	23.13	-	100.85	594.28
Leasehold Improvements	5.59	8.67	-	14.26	5.59	2.89	-	8.48	5.78
Plant & Machinery	2,003.12	149.37	7.41	2,145.08	732.81	216.00	6.61	942.20	1,202.88
Furniture & Fixtures	8.81	1.69	0.34	10.16	1.57	0.87	0.15	2.29	7.87
Office Equipment	8.85	2.05	-	10.90	2.17	0.87	-	3.04	7.86
Computers	10.46	2.14	-	12.60	5.88	1.55	-	7.43	5.17
Vehicles	25.60	3.58	4.00	25.18	8.89	2.52	1.96	9.45	15.73
Total	**2,783.28**	**173.95**	**11.75**	**2,945.48**	**834.63**	**247.83**	**8.72**	**1,073.74**	**1,871.74**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.30	0.22	-	0.52	0.31
Computer software	4.31	2.01	-	6.32	2.50	0.84	-	3.34	2.98
Total	**5.14**	**2.01**	**-**	**7.15**	**2.80**	**1.06**	**-**	**3.86**	**3.29**
Grand Total (A+B)	**2,788.42**	**175.96**	**11.75**	**2,952.63**	**837.43**	**248.89**	**8.72**	**1,077.60**	**1,875.03**

a. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs.72.82 million.

c In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ',the Company has adjusted foreign exchange loss of Rs 0.26 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

(₹ in million)

Particulars for FY 12-13	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2012	Additions during the Year	Deletions	As at March 31, 2013	As at April 1, 2012	Depreciation charge for the year	Deletions	As at March 31, 2013	As at March 31, 2013
A.Tangible Assets									
Land -freehold	32.17	-	-	32.17	-	-	-	-	32.17
Buildings	688.53	0.15	-	688.68	54.72	23.00	-	77.72	610.96
Leasehold Improvements	5.59	-	-	5.59	1.61	3.98	-	5.59	-
Plant & Machinery	1,916.37	149.40	62.65	2,003.12	588.99	205.51	61.69	732.81	1,270.31
Furniture & Fixtures	8.49	3.04	2.72	8.81	2.82	0.80	2.05	1.57	7.24
Office Equipment	8.10	1.21	0.46	8.85	1.73	0.67	0.23	2.17	6.68
Computers	9.55	2.14	1.23	10.46	5.14	1.94	1.20	5.88	4.58
Vehicles	25.60	-	-	25.60	6.44	2.45	-	8.89	16.71
Total	**2,694.40**	**155.94**	**67.06**	**2,783.28**	**661.45**	**238.35**	**65.17**	**834.63**	**1,948.65**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.25	0.05	-	0.30	0.53
Computer software	3.18	1.13	-	4.31	1.64	0.86	-	2.50	1.81
Total	**4.01**	**1.13**	**-**	**5.14**	**1.89**	**0.91**	**-**	**2.80**	**2.34**
Grand Total (A+B)	**2,698.41**	**157.07**	**67.06**	**2,788.42**	**663.34**	**239.26**	**65.17**	**837.43**	**1,950.99**

a. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs.24.82 million

c In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain of Rs 0.04 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

(₹ in million)

Particulars for FY 11-12	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2011	Additions during the Year	Deletions	As at March 31, 2012	As at April 1, 2011	Depreciation charge for the year	Deletions	As at March 31, 2012	As at March 31, 2012
A.Tangible Assets									
Land -freehold	32.17	-	-	32.17	-	-	-	-	32.17
Buildings	468.17	220.36	-	688.53	31.92	22.80	-	54.72	633.81
Leasehold Improvements	5.59	-	-	5.59	1.26	0.35	-	1.61	3.98
Plant & Machinery	1,697.68	289.29	70.60	1,916.37	484.85	174.68	70.54	588.99	1,327.38
Furniture & Fixtures	10.29	0.73	2.53	8.49	2.98	0.82	0.98	2.82	5.67
Office Equipment	6.57	1.76	0.23	8.10	1.26	0.59	0.12	1.73	6.37
Computers	6.93	2.82	0.20	9.55	3.43	1.90	0.19	5.14	4.41
Vehicles	17.20	8.40	-	25.60	4.65	1.79	-	6.44	19.16
Total	**2,244.60**	**523.36**	**73.56**	**2,694.40**	**530.35**	**202.93**	**71.83**	**661.45**	**2,032.95**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.20	0.05	-	0.25	0.58
Computer software	2.89	0.29	-	3.18	0.69	0.95	-	1.64	1.54
Total	**3.72**	**0.29**	**-**	**4.01**	**0.89**	**1.00**	**-**	**1.89**	**2.12**
Grand Total (A+B)	**2,248.32**	**523.66**	**73.56**	**2,698.41**	**531.24**	**203.93**	**71.83**	**663.34**	**2,035.07**

a. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs. 13.89 million.

c In accordance with Accounting Standard 11-'Change in Foreign Currency Rates ', the Company has adjusted foreign exchange gain of Rs 28.82 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

(₹ in million)

Particulars for FY 10-11	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2010	Additions during the Year	Deletions	As at March 31, 2011	As at April 1, 2010	Depreciation charge for the year	Deletions	As at March 31, 2011	As at March 31, 2011
A.Tangible Assets									
Land -freehold	24.39	7.78	-	32.17	-	-	-	-	32.17
Buildings	279.22	188.93	-	468.15	19.07	12.85	-	31.92	436.23
Leasehold Improvements	5.53	0.08	-	5.61	0.91	0.35	-	1.26	4.35
Plant & Machinery	1,451.69	246.67	0.68	1,697.68	330.55	154.98	0.68	484.85	1,212.83
Furniture & Fixtures	11.01	1.65	2.37	10.29	3.59	0.76	1.37	2.98	7.31
Office Equipment	5.25	1.97	0.65	6.57	1.09	0.52	0.35	1.26	5.31
Computers	5.67	1.71	0.45	6.93	2.62	1.26	0.45	3.43	3.50
Vehicles	14.12	3.08	-	17.20	3.04	1.61	-	4.65	12.55
Total	**1,796.88**	**451.87**	**4.15**	**2,244.60**	**360.87**	**172.33**	**2.85**	**530.35**	**1,714.25**
B.Intangible Assets									
Brands/Trademarks	0.83	-	-	0.83	0.12	0.08	-	0.20	0.63
Computer software	1.43	1.46	-	2.89	0.18	0.51	-	0.69	2.20
Total	**2.26**	**1.46**	**-**	**3.72**	**0.30**	**0.59**	**-**	**0.89**	**2.83**
Grand Total (A+B)	**1,799.14**	**453.33**	**4.15**	**2,248.32**	**361.17**	**172.92**	**2.85**	**531.24**	**1,717.08**

a. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

b. As per the provisions of the Accounting Standard 16 - 'Borrowing costs' notified pursuant to the Companies (Accounting Standard) Rules, 2006, the Company has capitalised borrowing costs of Rs. 29.54 million.

c. In accordance with Accounting Standard 11-'Change in Foreign Currency Rates', the Company has adjusted foreign exchange gain of Rs 1.70 million arising on reporting of long term foreign currency monetary item against the historical cost of fixed assets.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

12 - NON-CURRENT INVESTMENTS

(₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Trade Investments						
Investments in equity instruments {Refer Annexure V(31)}	577.64	177.64	177.64	177.64	177.64	177.64
Other Investments	-	-	-	-	-	-
Investments in mutual funds	3.00	3.00	3.00	3.00	-	-
Other investments	0.06	0.06	0.06	0.06	0.06	0.06
	580.70	**180.70**	**180.70**	**180.70**	**177.70**	**177.70**

Details of Trade & Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/Others as at December 31, 2015	Quoted / Unquoted	Partly Paid / Fully paid	Amount					
					As at December 31,	As at March 31,				
					2015	2015	2014	2013	2012	2011
A	**Trade Investments**									
1	**Investments in Equity instruments**									
a	Bhagyalaxmi Dairy Farm Pvt. Ltd. (Shares of Rs. 10 each)*	Wholly owned subsidiary	Unquoted	Fully Paid	577.64 (57,85,354)	177.64 (17,85,354)	177.64 (17,85,354)	177.64 (17,85,354)	177.64 (17,85,354)	177.64 (17,85,354)
B	**Other Investments**									
	Investment in Mutual Fund									
a	Union KBC Mutual Fund (Units of Rs 10 each)	Others	Quoted	Fully Paid	3.00 (3,00,000)	3.00 (3,00,000)	3.00 (3,00,000)	3.00 (3,00,000)	-	-
	Other Investments in Equity instruments									
b	Sharad Sahakari Bank Ltd. (Shares of Rs. 50 each)	Others	Unquoted	Fully Paid	0.02 (318)	0.02 (318)	0.02 (318)	0.02 (318)	0.02 (318)	0.02 (318)
c	Rupee Co-operative Bank Ltd. (Shares of Rs. 10 each)	Others	Unquoted	Fully Paid	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)	0.04 (3,800)
					580.70	**180.70**	**180.70**	**180.70**	**177.70**	**177.70**

* 100% holding in subsidary from November 05, 2014 and 99.99% holding in subsidiary till November 04, 2014.

figures in brackets represents the number of shares/ units.

Details of quoted and unquoted Investments

Particulars		As at December 31,	As at March 31,				
		2015	2015	2014	2013	2012	2011
A	Aggregate cost of quoted investments	3.00	3.00	3.00	3.00	-	-
B	Aggregate cost of unquoted investments	577.70	177.70	177.70	177.70	177.70	177.70
C	Aggregate market value of quoted investments	3.68	3.85	3.33	3.03	-	-

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

13 - LONG-TERM LOANS AND ADVANCES (₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Capital Advances						
Considered good(Unsecured)	382.18	602.75	957.94	789.88	418.63	126.65
Considered doubtful	-	1.01	1.01	1.01	-	-
Less: Provision for doubtful advances	-	(1.01)	(1.01)	(1.01)	-	-
	382.18	**602.75**	**957.94**	**789.88**	**418.63**	**126.65**
b.Other Deposits						
Considered good(Unsecured)	77.34	52.46	50.79	46.61	33.82	30.72
	77.34	**52.46**	**50.79**	**46.61**	**33.82**	**30.72**
c. Advance Tax (net of provisions)						
Considered good(Unsecured)	-	1.56	9.66	-	-	-
	-	**1.56**	**9.66**	**-**	**-**	**-**
Grand Total (a + b+c)	**459.52**	**656.77**	**1,018.39**	**836.49**	**452.45**	**157.37**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

14- OTHER NON-CURRENT ASSETS

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Fixed deposits (original maturity for more than 12 months)	10.52	18.20	16.44	9.78	7.12	16.12
	10.52	**18.20**	**16.44**	**9.78**	**7.12**	**16.12**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

15 - INVENTORIES

Particulars (Valued at cost or net realisable value,whichever is less)	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Raw Materials #	229.02	209.97	200.73	189.67	154.65	151.28
b. Work-in-progress	715.69	589.70	735.41	431.14	445.54	361.95
c. Finished goods *	1,306.57	1,297.42	934.74	734.49	750.97	617.00
d.Stock in trade	3.37	-	-	-	-	-
Grand Total	**2,254.65**	**2,097.09**	**1,870.88**	**1,355.30**	**1,351.16**	**1,130.23**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

* includes goods in transit Rs.21.12 million in FY 2012-13 & Rs. 0.45 million in FY 2011-12

\# includes packing material, stores and consumables.

16 - TRADE RECEIVABLES

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Outstanding for a period exceeding six months from the date they are due for payment						
Considered good (Unsecured)	342.75	581.44	349.27	296.33	159.96	52.68
Considered doubtful	151.31	128.84	103.57	78.00	33.54	18.15
Less: Provision for doubtful debts	(151.31)	(128.84)	(103.57)	(78.00)	(33.54)	(18.15)
	342.75	**581.44**	**349.27**	**296.33**	**159.96**	**52.68**
Other debts						
Considered good (Unsecured)	2,086.43	1,111.55	1,272.05	1,171.00	1,015.15	757.91
Grand Total	**2,429.18**	**1,692.99**	**1,621.32**	**1,467.33**	**1,175.11**	**810.59**

There are no amounts due from Promoters /Subsidiary/Director as on December 31, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

17- CASH AND BANK BALANCES (₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
I. Cash and Cash Equivalents						
a) Cash on hand	10.89	7.61	14.75	5.98	1.89	6.46
b) Balances with banks						
-In current accounts	46.64	29.87	13.53	3.73	8.12	3.24
-In deposits with original maturity of less than 3 months	171.90	2.21	-	1.99	3.34	-
Sub total(a+b)	**229.43**	**39.69**	**28.28**	**11.70**	**13.35**	**9.70**
II. Other bank balances						
-Fixed deposits with original maturity for more than 3 months but less than 12 months	2.25	10.18	10.71	7.32	1.69	0.31
-Fixed deposits (original maturity for more than 12 months)	13.16	-	-	-	-	-
Sub total	**15.41**	**10.18**	**10.71**	**7.32**	**1.69**	**0.31**
Grand Total (I+II)	**244.84**	**49.87**	**38.99**	**19.02**	**15.04**	**10.01**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

18 - SHORT-TERM LOANS AND ADVANCES

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a) Advance recoverable in cash or in kind						
Considered good (Unsecured)	9.84	8.06	10.57	15.09	6.86	3.67
	9.84	**8.06**	**10.57**	**15.09**	**6.86**	**3.67**
b) Loans and Advances						
Advances to vendors						
Considered good (Unsecured)	428.45	892.09	272.59	73.02	45.75	21.79
Considered doubtful	-	0.07	0.07	0.07	1.23	1.23
Less: Provision for doubtful advances	-	(0.07)	(0.07)	(0.07)	(1.23)	(1.23)
	428.45	**892.09**	**272.59**	**73.02**	**45.75**	**21.79**
c) Loans and Advances to related parties { Refer annexure V(31)}						
Advance {Considered good (Unsecured)}						
Bhagyalaxmi Dairy Farms Pvt. Ltd	70.73	448.72	395.74	378.67	201.51	-
	70.73	**448.72**	**395.74**	**378.67**	**201.51**	**-**
d) Other loans and advances*						
Considered good (Unsecured)	57.94	64.60	76.31	42.55	7.96	3.09
Considered doubtful	17.21	17.21	17.21	17.75	17.75	17.71
Less: Provision for doubtful advances	(17.21)	(17.21)	(17.21)	(17.75)	(17.75)	(17.71)
	57.94	**64.60**	**76.31**	**42.55**	**7.96**	**3.09**
Grand Total (a+b+c+d)	**566.96**	**1,413.47**	**755.21**	**509.33**	**262.08**	**28.55**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

* Includes balance with government authorities i.e export duty receivable, MAT credit receivable and VAT credit receivable .

19 - OTHER CURRENT ASSETS

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Considered good (Unsecured)						
Electricity Duty Receivables	16.71	21.59	14.68	30.42	16.25	-
PSI Incentive Receivable (Sales Tax)	242.82	482.39	369.63	332.50	239.06	28.41
Interest accrued on fixed deposit	1.14	-	-	-	-	-
Deposits	2.53	-	-	-	-	-
IPO expenses not written off #	44.72	-	-	-	-	-
Grand Total	**307.92**	**503.98**	**384.31**	**362.92**	**255.31**	**28.41**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

IPO expenses incurred being carried forward to be set off against securities premium post issue of shares in IPO

20 - REVENUE FROM OPERATIONS (₹ in million)

Particulars	For the nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
A) Gross Sales						
Sale of Products						
-Manufactured Goods	10,773.11	13,110.55	9,506.20	8,847.38	8,605.70	6,095.96
-Traded Goods	853.35	492.25	793.57	85.92	17.83	109.47
B) Other Operating Revenues						
Processing Charges	356.35	351.16	225.03	152.14	23.66	21.03
Export Benefits and Incentives	2.57	8.77	74.42	13.50	0.19	10.17
PSI Incentive (Sales Tax)	158.58	239.30	192.99	127.54	210.65	28.41
Total	**12,143.96**	**14,202.03**	**10,792.21**	**9,226.48**	**8,858.03**	**6,265.04**

Attribute of Manufactured and Traded goods

Particulars	For the nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Sale of Products comprises of :						
Manufactured goods						
Fresh Milk	2,347.59	2,448.67	2,219.84	1,990.62	1,664.14	1,268.63
Milk Products	8,425.52	10,661.88	7,286.36	6,856.76	6,941.56	4,827.33
Total	**10,773.11**	**13,110.55**	**9,506.20**	**8,847.38**	**8,605.70**	**6,095.96**
Traded goods						
Fresh Milk	-	265.83	155.89	13.13	-	-
Milk Products	853.35	226.42	637.68	72.79	17.83	109.47
Total	**853.35**	**492.25**	**793.57**	**85.92**	**17.83**	**109.47**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

21 - OTHER INCOME

Particulars	Nature (Recurring/Non Recurring)	For the nine months ended December 31,	For the year ended March 31,				
		2015	2015	2014	2013	2012	2011
Interest income on							
-Bank deposits	Recurring	2.72	2.76	3.48	1.93	1.14	0.96
-Others	Recurring	0.01	1.85	0.35	0.13	-	-
Profit on sale of Mutual fund(on short term investment)	Non-Recurring	-	-	-	10.29	-	-
Dividend (on long term investment)	Recurring	0.00	0.00	0.00	0.00	0.00	0.00
Exchange fluctuation gain (Net)	Recurring	-	4.74	-	-	-	1.23
Liabilities no longer required written back	Non-Recurring	-	0.07	3.44	4.52	4.64	0.04
Other non-operating income							
Insurance claim received	Recurring	1.83	0.42	1.17	1.12	0.24	-
Rent received	Recurring	0.07	-	0.40	0.40	0.40	-
Miscellaneous income	Recurring	-	0.22	0.11	0.29	0.16	0.01
Miscellaneous income	Non-Recurring	0.29	-	1.40	-	-	-
Total		**4.92**	**10.06**	**10.35**	**18.68**	**6.58**	**2.24**

Notes:

1.The classification of recurring & non-recurring is based on the current operations and business activities of the Company, as determined by the Management.

2.All items of Other Income are from business and related activities.

3. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities,Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

22 - COST OF MATERIAL CONSUMED (₹ in million)

Particulars	For the nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
a) Raw Material Consumed						
Inventory at the beginning of the year	31.70	51.49	28.71	26.13	18.56	12.64
Add: Purchases	7,659.71	10,076.30	7,696.38	6,402.17	6,785.51	4,905.70
Less: Inventory at the end of the year	38.17	31.70	51.49	28.71	26.13	18.56
	7,653.24	10,096.09	7,673.60	6,399.59	6,777.94	4,899.78
b) Packing Material & Consumables Consumed						
Inventory at the beginning of the year	178.27	149.24	160.96	128.52	132.72	85.92
Add: Purchases	734.79	743.70	548.72	508.69	403.23	271.80
Less: Inventory at the end of the year	190.85	178.27	149.24	160.96	128.52	132.72
	722.21	714.67	560.44	476.25	407.43	225.00
Grand Total (a+b)	**8,375.45**	**10,810.76**	**8,234.04**	**6,875.84**	**7,185.37**	**5,124.78**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities,Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

23 - Details of Material Consumed

Particulars	For the nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Raw milk	5,956.03	9,310.36	6,836.47	5,865.54	6,678.37	4,600.83
Packing material , stores and spares, and consumables	722.21	714.67	560.44	476.25	407.43	225.00
Others*	1,697.21	785.73	837.13	534.05	99.57	298.95
Total	**8,375.45**	**10,810.76**	**8,234.04**	**6,875.84**	**7,185.37**	**5,124.78**

*Others include raw material of milk products.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

24 - PURCHASE OF TRADED GOODS

Particulars	For the nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Fresh milk	-	216.18	147.08	14.61	-	-
Milk products	933.73	176.18	495.64	65.60	16.72	102.48
Total	**933.73**	**392.36**	**642.72**	**80.21**	**16.72**	**102.48**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

25 - EMPLOYEE BENEFIT EXPENSES

Particulars	For the nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Salaries,wages and bonus	442.31	486.99	390.36	322.88	226.61	164.35
Contributions to -						
Provident and other fund	11.81	13.57	10.75	8.08	4.96	4.25
Gratuity*	2.58	5.16	2.35	0.37	2.26	1.21
Leave benefits	0.61	3.36	1.61	0.09	0.02	0.10
Staff welfare expenses	26.90	30.05	27.69	20.78	17.19	10.68
Total	**484.21**	**539.13**	**432.76**	**352.20**	**251.04**	**180.59**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

* for further detail refer Annexure V.29

26 -OTHER EXPENSES (₹ in million)

Particulars	For the Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Power and fuel	310.21	440.01	367.18	356.11	354.19	252.39
Rent,rates & taxes	52.28	53.42	37.88	19.65	17.56	20.57
Insurance	13.18	16.85	12.61	9.35	4.64	5.50
Repairs and maintaince						
-Plant and machinery	62.51	79.33	47.13	49.75	37.44	23.95
-Building	3.32	5.48	4.44	4.62	1.62	0.37
-Others	12.45	8.55	16.58	17.96	9.10	12.92
Other factory expenses	18.36	15.94	13.87	11.39	8.41	9.98
Exchange fluctuation (Net)	4.42	-	28.94	0.49	1.25	-
Carriage outward	516.09	524.62	302.09	227.67	107.14	175.81
Security charges	10.80	13.39	12.00	9.18	6.83	5.87
Advertisements and marketing expenses	122.98	167.94	60.84	104.41	80.27	66.80
Sales promotion expenses	139.55	79.07	67.86	65.61	44.51	41.78
Commission on sales	30.10	44.14	40.55	45.03	44.52	50.66
Agency charges for export	3.89	6.99	11.36	3.24	1.13	1.98
Travelling & conveyance	39.48	33.96	32.87	28.15	21.34	16.75
Communication costs	6.68	7.35	6.37	6.01	6.72	5.56
Printing and stationery	2.69	3.63	2.57	2.49	2.00	2.39
Legal & professional fees	24.65	28.65	26.10	21.60	26.20	13.80
Director's remuneration	17.55	23.40	23.40	12.00	12.00	9.60
Auditor's remuneration	1.83	1.91	1.42	1.70	1.35	1.33
Bad debts	-	0.24	0.32	-	0.03	0.15
Provision for doubtful debts	-	25.27	25.57	44.53	15.39	6.37
Provision for doubtful advances	-	-	0.48	-	0.04	1.91
Loss on impairment of fixed assets	-	-	0.98	1.84	1.73	1.30
Loss on sale of asets	-	0.19	1.17	-	-	-
Donations	0.12	0.28	2.36	0.20	0.44	0.15
Corporate Social Responsibility expenses {Refer Annexure V(36)}	0.66	1.06	0.49	-	-	-
Miscellaneous expenses	43.50	32.44	10.11	7.76	7.95	7.55
Total	**1,437.30**	**1,614.11**	**1,157.54**	**1,050.74**	**813.80**	**735.44**

***Payment to auditor**

Particulars	For the Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
As auditor:						
Audit fees	1.50	1.70	1.20	1.24	1.22	1.17
Tax audit	-	-	-	-	0.11	0.06
Other services	4.96	0.11	0.19	0.39	0.02	-
Reimbursement of expenses	0.02	0.10	0.03	0.07	-	0.10
Total	**6.48**	**1.91**	**1.42**	**1.70**	**1.35**	**1.33**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

27 - FINANCE COST

Particulars	For the Nine months ended December 31,	For the year ended March 31,				
	2015	2015	2014	2013	2012	2011
Interest expenses						
- term loans #	76.12	161.05	150.09	93.34	95.04	81.69
- working capital loans	246.40	349.03	308.16	304.73	265.89	139.36
Total Interest expenses (a)	**322.52**	**510.08**	**458.25**	**398.07**	**360.93**	**221.05**
Interest expense capitalized	0.00	64.45	72.42	24.82	13.89	29.54
Net interest expenses (c)=(a-b)	**322.52**	**445.63**	**385.83**	**373.25**	**347.04**	**191.51**
Other borrowing cost (d)	19.87	33.39	17.99	19.56	18.15	9.15
Total (c+d)	**342.39**	**479.02**	**403.82**	**392.81**	**365.19**	**200.66**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

28 The period end foreign currency (FC) exposures that has been hedged by a derivative instrument or otherwise : Nil
The period end foreign currency (FC) exposures that are unhedged by a derivative instrument or otherwise are as follows:

(₹ in million)

Particulars	Currency	As at 31st December		As at 31st March									
		2015		2015		2014		2013		2012		2011	
		Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC	Amount in INR	Amount in FC
Trade Payables	EURO	10.28	0.14	10.81	0.16	6.23	0.08	4.59	0.07	0.55	0.01	2.81	0.04
	GBP	0.01	0.00	-	-	-	-	-	-	-	-	2.85	0.05
	USD	-	-	-	-	-	-	0.60	0.01	-	-	4.47	0.10
Cash Credit Account	USD	-	-	-	-	-	-	515.92	9.31	-	-	-	-
Secured Loans													
-Principal amount	USD	961.73	14.50	907.56	14.50	599.20	9.97	81.58	1.50	179.05	3.50	245.58	5.50
-Commitment fees accrued	USD	-	-	4.08	0.07	0.41	0.01	-	-	-	-	-	-
-Interest accrued but not due	USD	2.14	0.03	12.63	0.20	8.46	0.14	-	-	-	-	-	-
Trade Receivables	USD	9.25	0.14	-	-	10.73	0.18	52.11	0.96	4.48	0.09	10.03	0.23
Advance received from customers	USD	34.07	0.51	31.97	0.51	40.67	0.68	0.30	0.01	0.09	4.57	0.87	0.02
	AED	-	-	-	-	-	-	1.26	0.04	-	-	-	-
Advance to Suppliers	AUD	-	-	44.35	0.93	51.39	0.93	70.30	1.26	-	-	-	-
	EURO	11.26	0.16	-	-	1.46	0.02	0.65	0.01	16.64	0.24	0.56	0.01

29 **Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'**

a.General Description

i). Provident Fund/ Employee's State Insurance (Defined Contribution)

The Company's provident fund scheme (including pension fund scheme for eligible employees) and employee state insurance scheme are defined contribution plans. The expenses debited to Statement of Profit and Loss in respect of the above schemes is disclosed under the head 'Contribution to provident fundand other funds' under V(25).

ii). Gratuity (Defined benefit plan)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days basic salary (last drawn salary) for each completed year of service.

b. The following tables set out disclosures prescribed by AS 15 in respect of Company's funded gratuity scheme.

i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Present value of obligation as at the beginning of the period / year:	14.28	9.13	6.36	5.74	3.30	2.01
Interest cost	0.83	0.71	0.58	0.46	0.28	0.16
Current service cost	2.47	2.90	2.43	1.65	1.16	1.17
Acquisition/business combination	(0.06)	-	-	-	-	-
Benefits paid	(0.13)	-	(0.16)	(0.18)	(0.02)	-
Actuarial (gain) / loss on obligation	0.73	1.55	(0.08)	(1.30)	1.03	(0.05)
Closing Present value of obligation	18.12	14.29	9.13	6.37	5.75	3.29

ii) Changes in the fair value of plan assets

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Present value of plan assets as at beginning of the period / year	10.04	8.50	5.84	3.50	0.97	0.90
Expected return on plan assets	0.76	0.86	0.55	0.36	0.17	0.07
Contributions	5.25	1.54	2.24	2.09	2.34	-
Benefits paid	(0.13)	-	(0.16)	(0.18)	(0.02)	-
Actuarial gains / (losses)	0.69	(0.86)	0.03	0.07	0.04	-
Fair value of plan assets as at end of the period / year *	16.61	10.04	8.50	5.84	3.50	0.97

* All the funds under the Plan Assets are managed by insurer.

iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Present value of obligation as at the end of the year	18.12	14.29	9.13	6.37	5.75	3.29
Fair value of plan assets as at end of the year/period	16.61	10.04	8.50	5.84	3.50	0.97
Net liability recognised in Balance Sheet	1.51	4.25	0.63	0.53	2.25	2.32

iv) The amounts recognized in the Statement of Profit and Loss are as follows:

Particulars	For the period nine months ended December 31	Year				
	2015	2015	2014	2013	2012	2011
Current service cost	2.47	2.90	2.43	1.65	1.16	1.17
Past service cost	-	-	-	-	-	-
Interest cost	0.83	0.71	0.58	0.46	0.28	0.16
Expected return on plan assets	(0.76)	(0.86)	(0.55)	(0.36)	(0.17)	(0.07)
Net actuarial (gain) / loss recognized in the period/year	0.04	2.41	(0.11)	(1.37)	0.99	(0.05)
Expenses recognized in the Statement of Profit & Loss	2.58	5.16	2.35	0.38	2.26	1.21

v) The principal actuarial assumptions as at the Balance Sheet date

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Discount rate	8.10%	7.80%	9.16%	8.05%	8.57%	8.00%
Rate of increase in compensation levels (p.a)@	6.00%	6.00%	6.00%	5.00%	5.00%	5.00%
Rate of return on plan Assets(for funded scheme) #	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%

#The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

@ The estimates of future salary increase considered in actuarial valuation, take account of inflation, performance, promotion and other relevant factors such as supply and demand in the employment market.

vi) **Expected contribution within one year to the gratuity fund**

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Expected contribution within one year to the gratuity fund	1.51	4.29	0.32	0.53	3.79	2.32

vii) **Components of Experience Adjustments**

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Actuarial (Gains) and Losses on obligations	1.55	1.55	(0.08)	(1.30)	1.03	(0.05)
Actuarial Gains and (Losses) on plan assets	0.86	(0.86)	0.03	0.07	0.04	-
Actuarial (Gains)/Losses recognised for the year	2.41	2.41	(0.11)	(1.37)	0.98	(0.05)

30 Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit & Loss of Guidance note on the revised schedule VI to the Companies Act, 1956;

i) Value of Imports on C.I.F Basis

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Packing material & consumables	26.01	29.41	38.56	26.63	27.75	25.31
Raw materials	140.93	-	-	-	-	-
Traded goods	3.11	-	-	-	-	-
Capital goods (including CWIP)	52.02	18.12	7.10	22.53	3.67	34.31

ii) **Expenditure in Foreign Currency**

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Foreign Travel	1.58	1.37	1.41	0.11	0.92	0.33
Sales Promotion	0.33	0.83	1.64	3.04	1.74	2.27
Commission on Sales	-	-	0.75	0.81	-	-
Interest Expenses debited to Statement of Profit & Loss	48.63	20.47	0.95	7.14	10.40	14.36
Interest Expenses debited to Capital work in progress and Fixed assets	-	40.02	10.21	-	-	-
Bank Charges	0.08	4.05	0.12	-	-	-
Office Expense	0.71	-	-	-	-	-
Professional fee	14.89	-	-	-	-	-

iii) **Earnings in Foreign Currency**

Particulars	As at 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Export of goods on F.O.B. Basis	201.38	467.38	1,496.87	478.93	98.51	329.64

iv) **Consumption of Raw Materials:**

Particulars	As at 31st December		As at 31st March									
	2015		2015		2014		2013		2012		2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Imported	140.82	1.8%	-		-	-	-	-	-	-	-	-
Indigenous	7,512.42	98.2%	10,096.09	100.0%	7,673.60	100.0%	6,399.59	100.0%	6,777.94	100.0%	4,899.78	100.0%
Total	**7,653.24**	**100.0%**	**10,096.09**	**100.0%**	**7,673.60**	**100.0%**	**6,399.59**	**100.0%**	**6,777.94**	**100.0%**	**4,899.78**	**100.0%**

v) **Consumption of packing materials , stores & consumables:**

Particulars	As at 31st December		As at 31st March									
	2015		2015		2014		2013		2012		2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Imported	24.82	3.4%	29.41	4.0%	38.56	6.9%	26.63	5.6%	27.75	6.8%	25.31	11.2%
Indigenous	697.39	96.6%	685.26	95.9%	521.88	93.1%	449.62	94.4%	379.68	93.2%	199.69	88.8%
Total	**722.21**	**100.0%**	**714.67**	**100.0%**	**560.44**	**100.0%**	**476.25**	**100.0%**	**407.43**	**100.0%**	**225.00**	**100.0%**

31 Related Party disclosures

In accordance with the requirements of Accounting Standard 18, "Related Party Disclosures", the details of related party transactions are given below:

a) **List of related parties** (as identified and certified by the management)

Nature of relationship	Name of related parties
a.) Key Management Personnel	Mr. Devendra Shah – Chairman
	Mr. Pritam Shah – Director
	Mr. Bharat Kedia – CFO (From January 01, 2015)
	Mrs.Rachana Sanganeria – CS (From Dec 02, 2013)
	Mr. Parag Shah – Director (Up to February 19, 2015)
b.) subsidiary Company	Bhagyalaxmi Dairy Farms Private Limited (100% holding in subsidiary from November 05, 2014) (99.99% holding in subsidiary till November 04, 2014)
c.) Relatives of Key Management Personnel	Mr. Prakash Shah
	Mr. Parag Shah (From February 20, 2015)
	Mrs. Rajani Shah
	Miss Akshali Shah
	Mrs. Priti Shah
	Mrs. Netra Shah
	Mrs Prity Kedia (From January 01, 2015)
d.) Enterprises over which Key Management Personnel exercise Significant Influence / Control	**Enterprises having transaction during the period:**
	1) Poojan Foods Private Limited (Upto January 18, 2012)
	2) Bharat Trading Company

b) **Details of Related party transactions during the year:** (₹ in million)

Nature of Transactions	Nine months ended December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
(A) Transcations during the year						
Purchase of goods						
Bhagyalaxmi Dairy Farms Private Limited	100.10	647.67	1,135.22	1,377.33	2,619.87	1,606.04
Poojan Foods Private Limited#	-	-	-	-	303.03	305.40
Bharat Trading Company#	10.14	10.92	5.99	5.23	0.01	-
Sale of goods						
Bhagyalaxmi Dairy Farms Private Limited	2.12	5.90	10.52	17.06	1.13	7.33
Managerial Remuneration @						
Devendra Shah	9.00	12.00	12.00	6.60	6.60	5.40
Pritam Shah	8.55	11.40	11.40	5.40	5.40	4.20
Bharat Kedia	6.95	2.24	-	-	-	-
Rachana Sanganeria	0.98	1.04	1.00	-	-	-
Relative of Key Mangerial Personnel						
Akshali Shah	0.77	0.99	0.65	-	-	-
Rent payment						
Bhagyalaxmi Dairy Farms Private Limited	4.95	3.85	-	-	-	-
Devendra Shah	2.54	0.39	0.39	0.39	0.39	0.39
Pritam Shah	0.34	0.45	0.45	0.45	0.45	0.45
Priti Shah	0.29	0.39	0.39	0.39	0.39	0.39
Netra Shah	0.29	0.39	0.39	0.39	0.39	0.39
Prity Kedia #		0.12				
Rent Received						
Bhagyalaxmi Dairy Farms Private Limited	-	-	0.40	0.40	0.40	-
Borrowing (NCD) from						
Devendra Shah	-	-	-	30.00	-	-
Pritam Shah	-	-	-	150.00	-	-
Borrowing (Loan) from						
Devendra Shah	1.20	22.80	50.14	135.70	100.95	40.02
Pritam Shah	3.40	143.20	227.76	103.65	641.82	51.03
Netra Shah	-	-	12.00	64.80	1.98	1.73
Prakash Shah	-	-	0.20	7.52	0.50	0.42
Priti Shah	-	-	-	4.99	0.42	0.45
Parag Shah	-	-	0.00	0.56	-	0.32
Poojan Foods Private Limited	-	-	-	-	17.30	271.07
Borrowing (Loan) repaid to						
Devendra Shah	6.03	19.56	75.54	135.17	100.99	14.08
Pritam Shah	4.05	143.56	227.31	326.52	450.65	18.76
Netra Shah	-	-	17.62	61.31	-	1.72
Prakash Shah	-	-	0.23	7.77	0.22	0.44
Priti Shah	-	-	2.60	3.17	-	0.20
Parag Shah	-	0.08	0.00	0.56	0.08	0.24
Rajani Shah	-	-	-	0.01	-	-

Poojan Foods Private Limited	-	-	-	-	17.30	271.07
Loan and advances received (Net)						
Bhagyalaxmi Dairy Farms Private Limited	377.90	-	-	-	-	-
Loan and advances given (Net)						
Bhagyalaxmi Dairy Farms Private Limited	-	52.98	17.07	177.16	255.39	-
Rachana Sanganeria	-	-	0.04	-	-	-
Share Purchase						
Bhagyalaxmi Dairy Farms Private Limited	400.00	-	-	-	-	-
Bonus Share issued						
Devendra Shah	97.14	-	-	-	-	-
Pritam Shah	61.07	-	-	-	-	-
Parag Shah	32.62	-	-	-	-	-
Prakash Shah	44.78	-	-	-	-	-
Rajani Shah	3.80	-	-	-	-	-
Priti Shah	9.94	-	-	-	-	-
Netra Shah	18.50	-	-	-	-	-
(B) Balances outstanding at the end of the year						
(i) Loan						
Devendra Shah	0.51	4.33	1.07	26.47	55.94	25.98
Pritam Shah	0.39	1.04	1.40	0.95	373.82	32.65
Netra Shah	-	-	-	5.62	2.13	0.15
Prakash Shah	-	-	-	0.03	0.28	0.00
Priti Shah	-	-	-	2.60	0.78	0.36
Parag Shah	0.00	0.00	0.08	0.08	0.08	0.16
Rajani Shah	-	-	-	-	0.01	0.01
(ii) Non convertible debentures						
Devendra Shah	30.00	30.00	30.00	30.00	-	-
Pritam Shah	150.00	150.00	150.00	150.00	-	-
(iii) Personal guarantee issued by						
Devendra Shah, Pritam Shah, Parag Shah, Prakash Shah, Netra Shah & Priti Shah	4,370.98	3,948.67	4,027.98	3,303.56	2,911.74	2,323.66
(iv) Corporate guarantee issued to*						
Bhagyalaxmi Dairy Farms Private Limited	48.86	74.82	112.14	148.35	194.12	217.11
Poojan Foods Private Limited#	-	-	-	-	-	100.00
(v) Advance Given to						
Bhagyalaxmi Dairy Farms Private Limited	70.73	448.72	395.74	378.67	201.51	-
Rachana Sanganeria			0.04			
(vi) Payable to						
Prity Kedia #	-	0.12	-	-	-	-
Poojan Foods Private Limited#	-	-	-	-	-	98.70
Bharat Trading Company#	3.29	1.67	0.81	0.60	-	-
Bhagyalaxmi Dairy Farms Private Limited		-	-	-	-	53.88

*Disclosure of liability for guarantee for secured and unsecured loans obtained has been restricted to the amount of liability outstanding as at the Balance Sheet date.

These figures, which were not disclosed in the audited finanical statements, have now been disclosed as part of the Restated Finanical Statements. The auditors have placed reliance on the Management disclosure in this report.

@ The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Further, the remuneration to key managerial personnel does not include employee stock compensation expense.

32. Segment Reporting Disclosure:

i) Primary (Business) Segment

In accordance with the requirements of the Accounting Standard 17 "Segment Reporting", the Company's business consists of one reportable business segment i.e., "Manufacturing & Processing of Milk & Milk Products" hence no separate disclosures pertaining to attributable Revenue, Profits, Assets, Liability, Capital Employed are given.

ii) Secondary (Geographical) Segment:

Secondary segment reporting is performed on the basis of geographical location of the customers. The operation of the Company comprises local sales and export sales. The management views the Indian market and export market as distinct geographical segments. The geographical segments considered for disclosure are as follows:

(₹ in million)

Particulars	As at 31st December			As at 31st March														
	2015			2015			2014			2013			2012			2011		
	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total
Segment Revenue	11,942.36	201.60	12,143.96	13,755.95	467.38	14,223.33	9,283.17	1,496.87	10,780.04	8,761.20	478.93	9,240.13	8,722.09	98.51	8,820.60	5,947.14	329.64	6,276.79
Additions to Fixed Assets	475.85	-	475.85	649.12	-	649.12	487.00	-	487.00	149.38	-	149.38	308.42	-	308.42	453.33	-	453.33
Carrying value of segment assets	9,692.37	20.51	9,712.88	8,986.41	-	8,986.41	7,797.59	10.73	7,808.32	6,448.82	52.11	6,500.93	5,572.46	4.48	5,576.94	4,161.48	10.03	4,171.51

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

33. Contingent Liabilities

(₹ in millions)

Sr. No	Particulars	For the nine months period ended 31st December	As at 31st March				
		2015	2015	2014	2013	2012	2011
a.	Guarantees given by banks on behalf of the Company	7.88	10.35	23.28	27.97	30.91	8.45
b.	Corporate guarantees given by Company for loans taken by its subsidiary company & suppliers from banks /financial institutions	920.34	1,003.04	782.70	657.70	657.70	657.70
c.	Sales tax matter under litigation for F.Y. 2006-07, FY 2009-10 and FY 2010-11 for pending F forms and lower allowance on account of Central Quantum Benefit. Company has filed an appeal against the same.	83.32	83.30	83.30	-	-	-
d.	Claim against the Company not acknowledge as debt in relation to claim made by France International Trade, Rennes, vide Special Civil Suit No. 692/2012 dated March 07, 2012 in the Court of Honourable Civil Judge, Senior Division, Pune for damaged goods supplied by the Company. The amount includes interest of Rs 20.37 Million.	70.67	70.67	70.67	-	-	-
e.	Income tax matter under litigation for the AY 2012-13, mainly with regard to taxability of PSI incentive (including interest of Rs. 7.26).	56.20	-	-	-	-	-
f.	Demand notice received u/s 245 for AY 2014-15 and AY 2015-16	0.35	-	-	-	-	-

f. Income Tax

During the FY 2010-11, Income Tax Authorities had conducted a search/survey on the Company, its subsidiary and Promoter Directors.

(₹ in millions)

Financial Year	Income offered		Tax and interest provided for				
	Addl. Income offered in FY 12-13	Final Addl. Income offered in FY 13-14	Addl. Tax in FY 12-13	Addl. Interest in FY 12-13	Further Tax in FY 13-14	Further Interest in FY 13-14	Total Demand
2004-05	3.47	2.09	1.27	1.57	0.77	-	3.61
2005-06	49.50	-	16.66	17.46	-	-	34.14
2006-07	30.68	25.50	10.33	9.87	8.58	3.12	31.89
2007-08	91.88	-	31.23	25.91	-	-	57.14

2008-09	16.01	6.00	5.44	3.66	2.04	0.37	11.51
2009-10	67.34	19.96	6.43	3.38	6.17	2.78	18.76
2010-11	17.37	11.25	15.45	4.95	0.46	2.52	23.37
Total	**276.25**	**648.30**	**86.81**	**66.80**	**18.02**	**8.79**	**180.42**

To avoid protracted litigations the Company had declared in FY 2010-11 Rs. 130.00 million towards purchases of milk and Rs 22.60 million towards inventory, i.e. aggregate additional income of Rs. 152.60 million. Further, the Company had approached Income Tax Settlement Commission and final order to this effect has been received dated 23rd June 2014 and the respective liabilities as shown above have been provided for in FY 2012-13 & FY 2013-14 and discharged in FY 2012-13 & FY 2014-15 respectively. In the financial statements for FY 2014-15, no additional tax or interest has been provided for since the Company has received tax clearance certificate for AY 2005-2006 to AY 2011-12 from Income tax department vide letter dated April 24, 2015. There is no other consequential impact of all such declarations of income and assets in the financial statements for subsequent periods as well.

In all the cases mentioned above, outflow is not probable in accordance with Accounting Standard 29 ("AS-29") Provisions, Contingent Liabilities and Contingent Assets, hence not provided by the Company

34. Capital and other commitments

(₹ in millions)

Particulars	For the nine months period ended 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Estimated amount of contracts remaining to be executed on capital account (net of advances already made) and not provided for	127.48	8.65	19.15	109.48	33.00	54.42

For other commitments relating to lease arrangements, refer note no.35.

35. Operating Lease

The company has entered into commercial leases for taking office spaces on lease. These leases have an average term of three to five years, with renewal option and escalation clauses included in the agreements. There are no restrictions placed upon the Company by entering into these leases. The Company has not given any sub lease during the year. Some of the lease arrangements also include a non-cancellable period.

Disclosure for minimum lease rentals payable under non-cancellable lease agreements are as below:

(₹ in millions)

Particulars	For the nine months period ended 31st December	As at 31st March				
	2015	2015	2014	2013	2012	2011
Lease rentals charged to Statement of Profit and Loss	52.64	31.07	5.38	7.23	7.05	-
Future lease rental commitments for non-cancellable leases are as below :						
Not later than one year	2.33	8.39	14.79	6.45	7.23	-
Later than one year and not later than five years	1.75	-	8.39	0.72	7.17	-
Later than five years	-	-	-	-	-	-

36. Amounts due to Micro, Small and Medium Enterprises:

As per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 following information has been disclosed. This information takes into account only those Suppliers who have responded to the enquiries made by the Company for this purpose. (₹ in millions)

Particulars	For the nine months period ended December 31	As at 31st March				
	2015	2015	2014	2013	2012	2011
a) The Principal amount remaining unpaid to any supplier at the end of the accounting year included in Trade Payables.	45.37	13.55	6.53	6.38	2.13	-
b) The interest due on above	2.10	1.39	0.05	-	-	-
The amount of interest paid by the buyer in term of Section 16 of the Act	-	-	-	-	-	-
The amount of the payment made to the supplier beyond the appointed day during the accounting year.	68.41	6.57	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of financial year.	2.10	1.39	0.05	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act	-	-	-	-	-	-
The amount of further interest remaining due & payable in the succeeding years	2.10	1.39	0.05	-	-	-

37. Disclosure of CSR Expenses:

(₹ in millions)

Sr. No	Particulars	Nine months period ended December 31, 2015	Nine months period ended December 31, 2014
a)	Gross amount required to be spent by the Company during the period	3.86	1.91
b)	Amount spent during the period on:	-	-
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	0.66	0.11

38. The Board of Directors constituted the equity settled Employee Stock Option Scheme ("ESOS2015") vide its resolutions dated February 27, 2015 and April 21, 2015 for issue of 696,339 stock options to the key employees of the Company, which has been further approved in the Company's Extra ordinary General meeting dated April 3, 2015 and May 16, 2015.

Pursuant to the above scheme, the Board of Directors vide its circular resolution dated September 3, 2015, approved grant of 227,000 stock options to its employees on September 4, 2015.

According to ESOP2015, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The contractual life (comprising the vesting period and the exercise period) of options granted is 3 years. The other relevant terms of the grant are as below:

Vesting period	1 years
Exercise period	2 years
Expected life	3 years
Exercise price	Rs 250

Particulars	Nine months period ended December 31, 2015	
	No. of options	WAEP (Rs)
Outstanding at the beginning of the year	-	-
Granted during the year	227,000	250
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	227,000	250
Exercisable at the end of the year	-	-

Particulars	Nine months period ended December 31, 2015
Dividend yield (%)	-
Expected volatility	41.71%
Risk-free interest rate	7.54%
Weighted average share price (Rs)	250
Exercise price (Rs)	250
Expected life of options granted in years	3

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

No cost has been recognised in respect of ESOS2015 during the period as the exercise price of the options is higher than the fair value of the options as at the grant date. Further, disclosures for the prior periods have not been given as the ESOP's were granted only during the nine months ended December 31, 2015.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure VI

Restated Standalone Summary Statement on adjustments to Audited Financial Statements

A. **Adjustments made to audited statement of profit and loss** (₹ in million)

Particulars	Nine months ended December 31,	For the years ended March 31,				
	2015	2015	2014	2013	2012	2011
Net profit as per audited standalone financials statements	**328.11**	**365.64**	**108.20**	**131.90**	**95.74**	**30.82**
a) Material Restatement Adjustments on account of :						
Bad debts (refer note no 1)	-	-	0.20	0.22	1.78	(0.15)
Electricity duty exemption (refer note no 2)	-	(13.12)	6.58	4.58	1.95	-
Exceptional items (refer note no 3)	-	-	-	-	3.52	6.11
Export subsidy (refer note no 4)	-	(3.18)	3.18	-	-	-
Prior period expense (refer note no 5)	0.56	(0.56)	-	1.16	0.24	0.23
Provision for doubtful advances (Net) (refer note no 6)	-	9.02	7.72	1.01	(0.04)	(0.68)
Provision for doubtful debts (Net) (refer note no 6)	(6.07)	44.25	12.21	(34.46)	(5.36)	1.33
Borrowing cost excess capitalised reversed	22.21	(24.67)	1.57	0.89	-	-
Sales tax benefit (refer note no 4)	(2.91)	(49.95)	25.40	(26.22)	77.17	(23.49)
Sundry creditors written back (Net) (refer note no 8)	-	(5.21)	3.37	2.48	2.03	(0.17)
VAT/CST adjustments (refer note no 9)	(1.09)	7.98	-	-	-	(3.61)
Interest on VAT (refer note no 9)	(0.24)	3.23	-	-	-	(2.13)
Leave encashment (refer note no 5)	-	1.82	(1.61)	(0.09)	(0.02)	(0.10)
Investment in Mutual Fund (refer note no 10)	-	0.33	(0.28)	(0.04)	-	-
Total Adjustments on Restatements	**12.46**	**(30.06)**	**58.34**	**(50.47)**	**81.27**	**(22.66)**
b) Adjustments on account of Changes in Accounting Estimate:						
Depreciation and Amortisation (refer note no 7)	-	-	0.22	(0.86)	(1.37)	(0.86)
Total Adjustments on Account of changes in Accounting Estimate	**-**	**-**	**0.22**	**(0.86)**	**(1.37)**	**(0.86)**
Total Adjustments	**12.46**	**(30.06)**	**58.56**	**(51.33)**	**79.90**	**(23.52)**
c) Restatement of Taxes						
Statutory tax rate applicable	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Tax Adjustments (refer note no 12)	(3.74)	(19.93)	31.56	131.57	32.19	(12.49)
Deferred Tax on Restatements @ 30.00% (refer note no 11)	(1.82)	(12.35)	(5.96)	10.03	1.62	(0.20)
Total	**(5.56)**	**(32.28)**	**25.60**	**141.60**	**33.81**	**(12.69)**
Net adjustment including taxes (a+b+c)	**6.90**	**(62.34)**	**84.16**	**90.28**	**113.71**	**(36.21)**
Profit as per Restated Standalone Summary Financial Information	**335.01**	**303.30**	**192.36**	**222.18**	**209.45**	**(5.39)**

The above table does not contain impact of regrouping/reclassification done in accordance with the requirement of Schedule III to the Companies Act, 2013

B. Further, the Surplus in the Statement of Profit & Loss as at 1 April 2010 has been adjusted to reflect the impact of the items pertaining to the years prior to 31 March 2010. The adjustments are as below:

Opening Reserves Reconciliation (₹ in million)

Particulars	Amount
Surplus in Statement of Profit and Loss as audited:	**357.12**
Adjustments:	
Bad debts (refer note no 1)	(2.05)
Exceptional items (refer note no 3)	(9.63)
Prior period expense (refer note no 5)	(1.64)
Provision for doubtful advances (Net) (refer note no 6)	(17.03)
Provision for doubtful debts (Net) (refer note no 6)	(11.90)
Sundry creditors written back (Net) (refer note no 8)	(2.50)
VAT/CST adjustments (refer note no 9)	(3.05)
Interest on VAT (refer note no 9)	(1.10)
Total Adjusements on Restatements	**(48.90)**
b) Adjustments on account of Changes in accounting estimate:	
Depreciation and Amortisation (refer note no 7)	(0.35)
	(0.35)
Total Adjustments on account of changes in Accounting policy	**(49.25)**
c) Restatement of Taxes	
Tax Adjustments	(159.18)
Deferred Tax on Restatements @ 30.00%	8.68
	(150.50)
Surplus in Statement of Profit and Loss as restated:	**157.37**

Explanatory Notes:

1 In the audited financial statements for the years ended March 31 2014, 2013, 2012 and 2011, certain amounts had been written off as bad debts, which for the purpose of this statement have been appropriately adjusted in the respective year of sale.

2 In the audited financial statements for the years ended March 31 2015, the Company had recognized electricity duty exemption which pertain to the previous years. The Company, on restatement, has recorded the income in the financial statements of the respective years.

3 In the audited financial statements for the years ended March 31 2012 and 2011, the Company had recognized exceptional items (Interest receivable & electricity duty benefit) which pertain to the previous years.The Company, on restatement, has recorded the expenses/income in the financial statements of the respective years.

4 In the audited financial statements for the nine months period ended December 31, 2015 and years ended March 31 2015, 2014, 2013, 2012 and 2011, the Company on restatement had recognized sales tax benefit and export subsidy which pertain to the previous years.The Company has recorded the income in the financial statements of the respective years.

5 In the audited financial statements for the nine months period ended December 31 2015 and years ended March 2015, 2014, 2013, 2012 and 2011, the Company had recognized income/expenses which pertain to the earlier years. On restatement, the company has recorded the income / expenses in the financial statements of the respective years.

6 Receivable/advances, which were considered doubtful and provided for and allowances for doubtful receivables/advances written back in the nine months period ended December 31 2015 and years ended March 31 2015, 2014, 2013, 2012 and 2011 have been appropriately adjusted in the respective years in which the relevant asset was orginally created.

7 In the year 2014-15, the management carried out an independent estimate of the useful life of assets and accordingly the estimated useful life of assets are revised from 1st April 2014. Now the estimated useful life of assets are as per Schedule II to the Companies Act, 2013. Depreciation, as per the transitional provision, has been adjusted to the respective years to effect the difference in the useful life. The impact of depreciation on previous years has been computed and adjusted.

8 In the audited financial statements for years ended March 31 2015, 2014, 2013, 2012, and 2011, certain liabilities created in previous years were written back. For the purpose of this statement, such write backs have been appropriately adjusted in the respective years in which the corresponding liabilities were originally created.

9 In the audited financial statements for the nine months period ended December 31 2015 and year ended March 2015, the Company had recognized VAT disallowance and interest on VAT which pertain to the previous years. The Company, on restatement, has recorded the expenses in the financial statements of the respective years.

10 In the audited financial statements for the years ended March 31 2014 and 2013, the Company had recognized mutual fund investment at market value.The Company, on restatement, has recorded the mutual fund at cost in the financial statements of the respective years.

11 Deferred tax has been computed on the applicable items at uniform tax rate i.e 30% for the nine months ended December 31 2015 and for the year ended March 31 2015, 2014, 2013, 2012 and 2011 for the purpose of restatement.

12 In the audited financial statements for the nine months period ended December 31 2015 and for the years ended March 31 2015,2014,2013,2012 and 2011, the Company had considered the tax impact of income tax assessment/orders of earlier years in the year of receipt of order. On restatement, such amounts have been recorded in the respective years to which the income tax assessment/order relates.

C **Material regrouping:**

Appropriate adjustments have been made in the restated consolidated summary Statements of Assets and Liabilities, Profit and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company for nine months ended December 31, 2015, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

D **Non - Adjusting Items to Audited Financial Statements**

For the financial years ended 31 March 2013, 2012 and 2011, financial statements were jointly audited by M/S Haribhakti & Co. and M/S SPCM & Associates

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003(CARO) issued by the Central Government of India under sub section (4A) of Section 227 of the Act. Certain statements/comments included in audit opinion on the financial statements and CARO, which do not require an adjustment in the restated summary financial information are reproduced below in respect of the financial statements presented:

Financial Year 2010-11

Statutory Auditors (Financial Year 2010-11) have made the following comments in the Auditors' Report - Not requiring adjustment

Qualification: Main Audit Report

(i) We report that the Company has during the year, entered into transactions for purchase and sale of goods amounting to Rs. 1606.04 million and Rs. 7.33 million, respectively, with a private company in which some of the directors are interested. The Company has not obtained prior approval of Central Government in this regard under section 297 of the Act. However, as informed to us, the Company has filed the application for compounding of offences with the Company Law Board, Mumbai.

(ii) Attention is invited to note C 1 (iii) (c) in schedule 16 in respect of additional income of Rs.152.60 million, declared to the Income Tax Authorities. As regards declaration of Rs.130 millions, in respect of which only provision for taxation of Rs.43.18 million is made in the books of account of the Company, we are unable to comment upon its resulting effect on the relevant assets, income/profit for the year & on the report annexed hereto.

Companies (Auditor's Report) Order, 2003

i(a) The Company needs to further streamline its fixed assets register to show proper and identifiable records, showing full particulars, including quantitative details and situation of fixed assets.

i(b) As informed to us, the management has prepared the inventory of fixed assets based on the physical verification carried during the year. However in view of the limitation of information in Fixed assets register, the management is unable to provide information about the discrepancies, if any, arising on such reconciliation.

iv The existing internal control system with regard to the purchase of inventory and fixed assets and for the sale of goods and services need to be strengthened to be commensurate with the size of the company and the nature of its business, There is no continuing failure to correct major weaknesses in internal control system.

vii The company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.

ix (a) No undisputed statutory dues including provident fund, investor education protection fund, or employees' state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess have remained outstanding for more than six months, However, there are delays in payment thereof.

xvii According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short term basis for long term investment.

Financial Year 2011-12

Statutory Auditors (Financial Year 2011-12) have made the following comments in the Auditors' Report - Not requiring adjustment

Companies (Auditor's Report) Order, 2003

i(a) The Company needs to further streamline its fixed assets register to show proper and identifiable records, showing full particulars, including quantitative details and situation of fixed assets.

i(b) As informed to us, the management has prepared the inventory of fixed assets based on the physical verification carried during the year. However in view of the limitation of information in fixed assets register, the management is unable to provide information about the discrepancies, if any, arising on such reconciliation.

iv In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the Manchar Plant and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and service. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the plant. In case of Palamner plant, the existing internal control system with regard to the purchase of inventory and fixed assets and for the sale of goods and services need to be strengthened to be commensurate with the size of the plant and the nature of its business. However, there is no continuing failure to correct major weakness in internal control system.

vii In our opinion, the company has an internal audit system which commensurate with the size and nature of its business, except at Palamner Plant.

ix(a) No undisputed statutory dues including provident fund, investor education provident fund, or employees' state insurance, income tax, wealth tax, service tax, custom duty, excise duty, cess have remained outstanding for more than six months, However, there are delays in payment thereof.

xvii According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short term basis for long term investment.

Financial Year 2012-13

Statutory Auditors (Financial Year 2012-13) have made the following comments in the Auditor's Report - Not requiring adjustment.

Qualification: Main Audit Report

We draw attention to note no 27 (C) to the Financial Statements, the company has made following declaration of additional income upon action U/s 132 of the Income Tax Act, 1961.

i) Additional Income to avoid protected litigation Rs. 130.0 million (For FY 2010-11)

ii) Increase in the value of Inventory Rs. 22.60 million (FY 2010-11)

iii) Additional Income of RS. 276.25 million while moving application for settlement (before Settlement Commission U/s 245 c (i) of the Income Tax Act, 1961.

The Company has made only provision for taxation in above respect and no effect is considerd as regard assets and income/profit of the Company. Further, the acceptability of declared additional income is a matter of decision by Settlement Commission and the other Income Tax Authorities and will be known after the proceedings are over.

Financial Year 2013-14

Statutory Auditors (Financial Year 2013-14) have made the following comments in the Auditor's Report - Not requiring adjustment

Qualification: Main Audit Report

1. We draw attention to note no. 28 (II) to the Financial Statements. As explained therein, consequent to action u/s 132 of the Income Tax Act, 1961 the company has made during various financial years declaration of additional income of amounts aggregating Rs. 341.08 million for AY 2005-06 to AY 2011-12.

In its book of account, the Company has made only provision of Rs. 191.65 million being tax and interest thereon for such additional income, as no consequential effect is considered necessary by the management as regard assets and income/profit of the company.

Companies (Auditor's Report) Order, 2003

ix (a) Except for slight delays in depositing tax deducted at source and sales tax the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

ix(c) According to the information and explanation given to us, there are no dues of income tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except sales tax on account of dispute, as follows:

(₹ in million)

Name of the statute	Nature of dues	Amount (incl. interest)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956*	VAT and CST	11.4	F.Y. 2006-07	Jt Co. of Sales Tax (App) -1
Central Sales Tax Act, 1956*	VAT and CST	62.92	F.Y. 2009-10	Jt Co. of Sales Tax (App) -1

* The company has obtained stay order against payment of these dues.

xi In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of its dues to Bank. The particulars of delay which related to interest/installment during the year ended March 31, 2014 are as follows:

(₹ in million)

Particulars	Amount (including interest)	Period of Delay (days)
EXIM Bank	5.86	61
EXIM Bank	5.74	40
EXIM Bank	5.76	49

Financial Year 2014-15

Statutory Auditors (Financial Year 2014-15) have made the following comments in the Auditor's Report - Not requiring adjustment

Companies (Auditor's Report) Order, 2015

vii According to the information and explanation given to us, there are no dues with respect to income tax, wealth tax, service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute, except sales tax and value added tax which are as under:

(₹ in million)

Name of the statute	Nature of dues	Amount (incl. interest)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956*	VAT and CST	12.30	F.Y. 2006-07	Jt Co. of Sales Tax (App) - 1
Central Sales Tax Act, 1956*	VAT and CST	62.92	F.Y. 2009-10	Jt Co. of Sales Tax (App) - 1

*The Company has obtained stay order against payment of these dues.

ix According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks /financial institutions/ debenture holders, except delay in few cases of repayment (including interest), which are as under:

(₹ in million)

Particulars	Amount (including interest)	Period of Delay (days)
Exim Bank	10.28	0 to 30
State Bank of India	29.65	0 to 30
Union Bank of India	113.55	0 to 30

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure VII A

A.Restated Standalone Summary Statement of Accounting Ratios (before considering the impact of changes in capital structure)

(₹ in million)

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Basic Earnings per Share						
Profit attributable to equity shareholders, as restated	335.01	303.30	192.36	222.18	209.45	(5.39)
Weighted average number of equity shares (in million)	64.11	58.10	58.10	58.10	57.95	57.95
Basic Earnings Per Share	**5.23**	**5.22**	**3.31**	**3.82**	**3.61**	**(0.09)**
Face value per Share	10	10	10	10	10	10
b. Diluted Earnings per Share						
Profit attributable to equity shareholders, as restated	335.01	303.30	192.36	222.18	209.45	(5.39)
Add: Interest on CCDs	-	-	-	-	-	-
Less: Tax impact on interest on CCDs	-	-	-	-	-	-
Profit after adjusting interest on potential equity shares,as restated (A)	**335.01**	**303.30**	**192.36**	**222.18**	**209.45**	**(5.39)**
Weighted average number of equity share (in million)	64.11	58.10	58.10	58.10	57.95	57.95
Add :Potential convertible debentures (in million)	4.26	10.02	10.02	10.02	4.41	4.41
Total potential number of equity shares (in million)	**68.37**	**68.13**	**68.13**	**68.13**	**62.36**	**62.36**
Diluted Earnings per Share	**4.90**	**4.45**	**2.82**	**3.26**	**3.36**	**(0.09)**
c. Return on Networth for Equity Shareholders in (%)						
i) Profit available to equity shareholders	335.01	303.30	192.36	222.18	209.45	(5.39)
ii) Networth of equity shareholders (B)	2,897.23	1,338.09	1,034.79	842.43	594.76	385.31
iii) Return on networth (i/ii)	**11.56%**	**22.67%**	**18.59%**	**26.37%**	**35.22%**	**-1.40%**
d. Net Asset Value per Share						
Total no of shares outstanding (in million)	66.16	15.97	15.97	15.97	15.81	15.81
i) Net asset value	**43.79**	**83.79**	**64.80**	**52.75**	**37.62**	**24.37**

Notes:

1. The above ratios have been computed on the basis of the Restated Summary Financial Statements.
2. The Ratio have been computed as below:

Earnings per Share (Rs.) = Restated Profit after tax attributable to equity shareholders for the year/period / Weighted Average Number of equity shares

Diluted Earnings per Share (Rs.) = Restated Profit after tax attributable to equity shareholders for the year/period / Weighted Average dilutive Number of equity shares

Return on Net Worth (%) = Restated Profit after tax attributable to equity shareholders for the year/period / Net Worth at the end of the year/period

Net Assets Value per Share (Rs.) = Net Worth at the end of the year/period / Total number of equity shares outstanding at the end of the year/period

3. Net worth for ratios mentioned represents sum of share capital, reserves and surplus (securities premium, debenture redemption reserve, general reserve and surplus in the statement of profit and loss).

4. For computation of diluted earnings per share, effect of dilutive CCDs has been given for all the years presented based on the current estimates of conversion in those respective years.

5. The above statements should be read with the notes to Restated Standalone Summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure VII B

B. Restated Standalone Summary Statement of Accounting Ratios (after considering the impact of changes in capital structure)

(₹ in million)

Particulars	As at December	As at March 31,				
	2015	2015	2014	2013	2012	2011
a. Basic Earnings per Share						
Profit attributable to equity shareholders, as restated	335.01	303.30	192.36	222.18	209.45	(5.39)
Weighted average number of equity shares (Considered for computation of basic EPS) (in million)	64.11	58.10	58.10	58.10	57.95	57.95
Basic Earnings Per Share	**5.23**	**5.22**	**3.31**	**3.82**	**3.61**	**(0.09)**
Face value per Share	10	10	10	10	10	10
b. Diluted Earnings per Share						
Profit attributable to equity shareholders, as restated	335.01	303.30	192.36	222.18	209.45	(5.39)
Weighted average number of equity share (Considered for computation of diluted EPS) (in million)	68.37	68.13	68.13	68.13	62.36	62.36
Diluted Earnings per Share	**4.90**	**4.45**	**2.82**	**3.26**	**3.36**	**(0.09)**
c. Return on Networth for Equity Shareholders in (%)						
i) Profit available to equity shareholders	335.01	303.30	192.36	222.18	209.45	(5.39)
ii) Networth of equity shareholders	2,897.23	1,338.09	1,034.79	842.43	594.76	385.31
iii) Return on networth (i/ii)	**11.56%**	**22.67%**	**18.59%**	**26.37%**	**35.22%**	**-1.40%**
d. Net Asset Value per Share						
Total no of shares outstanding (in million)	66.16	15.97	15.97	15.97	15.81	15.81
Net Asset Value	**43.79**	**83.79**	**64.80**	**52.75**	**37.62**	**24.37**

Notes:

1. The above ratios have been computed on the basis of the Restated Summary Financial Statements.
2. The Ratio have been computed as below:

Earnings per Share (Rs.) = Restated Profit after tax attributable to equity shareholders for the year/period / Weighted average Number of equity shares

Diluted Earnings per Share (Rs.) = Restated Profit after tax attributable to equity shareholders for the year/period / Weighted average dilutive Number of equity shares

Return on Net Worth (%) = Restated profit after tax attributable to equity shareholders for the year/period / Net worth at the end of the year/period

Net Assets Value per Share (Rs.) = Net Worth at the end of the year/period / Total number of equity shares outstanding at the end of the year/period

3. Net worth for ratios mentioned represents sum of share capital, reserves and surplus (securities premium, debenture redemption reserve, general reserve and surplus in the statement of profit and loss).

4. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

5. Proforma accouting ratio disclosure

Subsequent to 31st December,2015, the capital structure of the Company has changed due to the following transactions:

682,62,819 Compulsory Convertible Debentures of Rs 682.62 million has been converted into 4,255,827 equity shares.

Computation of post balance sheet adjustments to equity share capital:

Particulars	No of Eq Shares
Number of equity shares outstanding as on 31 December,2015	661,60,060
Add: Dilutive effect of conversion of the balance 8,262,819 zero coupon compulsory convertible debenture	21,94,917
Add: Dilutive effect of conversion of 60,000,000 compulsory convertible debenture with IDFC S.P.I.C.E.	20,60,910
Total number of equity shares outstanding after impacting the above dilutive effect.	**704,15,887**

Parag Milk Foods Limited *(formerly known as Parag Milk Foods Pvt Ltd.)*

Annexure VIII

Resated Standalone Summary Statement of Capitalisation

(₹ in million)

Particulars	Refer Annexure V note	Pre Issue as at 31st December 2015	As adjusted for issue
Debt			**Refer Note 2**
Long term debts includes current maturities of long term debt (A)	2(3)	2,204.56	
Short term debts (B)	2(7)	2,361.39	
Total Debt C= (A+B)		**4,565.95**	
Shareholder's funds			
Share Capital (D)	2(1)	661.60	
Reserves & Surplus (E)	2(2)	2,235.63	
Total Shareholders funds F = (D+E)		**2,897.23**	
Long term debt/Equity ratio (A/F)		**0.76**	
Debt/ equity ratio (C/F)		**1.58**	

Notes:

1) The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

2) The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

3) Short term debts is considered as borrowing due within 12 months from the balance sheet date.

4) Long term debts is considered as borrowing other than short term borrowing, as defined above and excludes the Current maturities of finance lease obligation.

5) Post issue details have not been provided as the issue price of the share is not known at the date of the report.

6) Long term debt equity ratio = $\frac{\text{Long term borrowing}}{\text{Total shareholder fund}}$

7) Debt equity ratio = $\frac{\text{Total borrowing}}{\text{Total shareholder fund}}$

Annexure IX

Restated Standalone Summary Statement of Dividends Paid / Proposed

Particulars	As at December 31,	As at March 31,				
	2015	2015	2014	2013	2012	2011
Dividend on Equity Shares						
Number of Equity Shares	661,60,060	159,69,464	159,69,464	159,69,464	158,10,272	158,10,272
Face Value per share(Rs.)	10	10	10	10	10	10
Dividend paid on Equity Shares (Rs. In million)	-	-	-	-	-	-

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

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Annexure X

Restaed Standalone Summary Statement of Tax Shelter (₹ in million)

S.no	Particulars	Nine months ended December 31,	For the year ended 31st March,				
		2015	2015	2014	2013	2012	2011
A	**Profit before extraordinary item and tax, as restated**	490.22	339.51	187.32	223.22	246.13	95.65
B	**Statutory tax rate applicable**	**34.61%**	**32.45%**	**33.99%**	**32.45%**	**32.45%**	**33.22%**
	Basic tax rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
	Surcharge (on basic tax rate)	12.00%	5.00%	10.00%	5.00%	5.00%	7.50%
	Education cess (on basic tax rate + surcharge)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
C	**Tax thereon at the above rate**	**169.65**	**110.15**	**63.67**	**72.42**	**79.86**	**31.77**
D	**Adjustment for Timing differences**						
	Provision for doubtful debts/advances	-6.07	78.54	0.00	11.08	10.03	7.58
	Provision for gratuity/leave encashment	-0.33	8.47	0.00	0.00	0.00	0.39
	Differences in book depreciation and depreciation under the Income Tax Act.	-21.61	-14.93	-2.20	-18.60	-51.43	-108.38
	Others disallowed expenses	6.07	0.00	-0.52	0.00	-0.80	-49.00
	Effect of restatement-Timing	6.07	-55.09	-18.51	34.40	6.78	0.31
	Total adjustment for Timing difference	**-15.87**	**16.99**	**-21.23**	**26.88**	**-35.42**	**-149.10**
E	**Adjustment for Permanent differences**						
	Other Income as per section 132 (4)	0.00	0.00	0.00	0.00	0.00	130.00
	Others (Donation, CSR, Prior period exp, Share issue exp etc)	29.84	7.34	63.36	7.37	3.39	7.49
	Interest on income tax	5.78					
	Effect of restatement-Permanent	-18.53	85.15	-40.05	16.93	-86.68	23.21
	Total adjustment for Permanent difference	**17.09**	**92.49**	**23.31**	**24.30**	**-83.29**	**160.70**
F	Tax exemptions						
	Less : Deduction u/s 80 IB	-76.95	-69.81	-117.78	-102.19	-22.75	0.00
	Capital Receipts-Sales tax Incentive	0.00	-265.09	-167.56	-153.76	-133.49	0.00
	Total Tax Expemptions	**-76.95**	**-334.90**	**-285.34**	**-255.95**	**-156.24**	**0.00**
G	**Net adjustments**	**-75.73**	**-225.41**	**-283.26**	**-204.78**	**-274.95**	**11.60**
H	Tax expense/(saving) thereon (H*B)	-26.21	-73.13	-96.28	-66.44	-89.21	3.85
I	**Total Tax expenses (H+C)**	**143.44**	**37.02**	**-32.61**	**5.98**	**-9.35**	**35.63**
	Less: Tax credit	-	-	-	-	-	8.74
	Net tax expenses	**143.44**	**37.02**	**-32.61**	**5.98**	**-9.35**	**23.98**
J	**Tax as per MAT 115 JB**	**89.33**	**38.31**	**1.37**	**26.38**	**6.56**	**25.95**
K	**Tax Expenses (Higher of I and J)**	**143.44**	**38.31**	**1.37**	**26.38**	**6.56**	**25.95**

Notes:

1. The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

2. The above Statement is in accordance with Accounting Standard 22, 'Accounting for Taxes on Income", as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. The permanent/ timing differences for the nine months ended December 31 2015, have been derived on the basis of provisional computation of total income prepared by the Company in line with the final return of income filed for the assessment year 2015-16 and are subject to any change that may be considered at the time of filing of final return of income for the assessment year 2016-17.

4. The permanent/ timing differences for year ended 31 March 2015, 2014, 2013, 2012 and 2011 have been computed based on the Income-tax returns filed for the respective years.

5. Statutory tax rate includes applicable surcharge, education cess and higher education cess for the respective years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated consolidated financial statements as of and for the nine months ended December 31, 2015, and the financial years ended March 31, 2015, 2014 and 2013, and the related notes, schedules and annexures. These restated consolidated financial statements are based on our audited consolidated financial statements and are restated in accordance with the Companies Act, 2013, and the SEBI Regulations. Our audited consolidated financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects with IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" included in this Red Herring Prospectus.

Overview

We are one of the leading manufacturers and marketers of dairy-based branded foods in India. We commenced our business in 1992 with collection and distribution of milk and have now developed into a dairy-based branded consumer products company with an integrated business model, manufacturing a diverse range of products including cheese, *ghee* (clarified butter), fresh milk, whey proteins, *paneer*, curd, yoghurt, milk powders and dairy based beverages targeting a wide range of consumer groups through several brands. A significant portion of our product range includes long shelf-life food and beverage products that enable us to sell our products to retail and institutional customers across India. We derive all of our products only from cows' milk. Our aggregate milk processing capacity is 2 million litres per day and our cheese plant has the largest production capacity in India, with a raw cheese production capacity of 40 MT per day. *(Source: IMARC Report)*. 'Gowardhan' and 'Go', our flagship brands, are among the leading *ghee*, cheese and other value added product brands in India.

Our manufacturing facilities are strategically located at Manchar in the Pune district of Maharashtra and Palamaner in the Chittoor district of Andhra Pradesh, which have a high population of dairy cows, with milk processing capacities of 1.2 million litres per day and 0.8 million litres per day, respectively. We produce cheese and whey products only at our Manchar facility, UHT products only at our Palamaner facility and other products at both facilities. We produce cheese in 75 stock keeping units at our cheese plant. As of February 29, 2016, we employed 1,618 personnel across our operations. We place significant emphasis on quality control and product safety at each step of the manufacturing process, right from the procurement of raw milk until the final product is packaged and ready for distribution. We have obtained several quality control certifications and registrations for our facilities.

Our supply chain network includes procurement from 29 districts across Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu, through over 3,400 village level milk collection centres. We procure milk from milk farmers and through chilling centres and bulk coolers. Our average daily milk procurement for the nine months ended December 31, 2015 and 2014, and the financial years 2015, 2014 and 2013 was approximately 1.00 million litres, 1.00 million litres, 1.05 million litres, 0.77 million litres and 0.85 million litres, respectively. We have an extensive sales and distribution network, which covers 15 depots, 104 super stockists and over 3,000 distributors as of February 29, 2016, spread across most states and union territories in India. We also have a dedicated sales and marketing team comprising 560 personnel based in our key distribution centres. Some of our leading institutional customers include leading restaurant and cafe chains such as Yum! Restaurants (India) Private Limited (for Pizza Hut, Taco Bell and KFC), Jubilant Foodworks Limited (for Domino's Pizza) and Sankalp Recreation Private Limited (for Sam's Pizza).

In 2005, we set up our Bhagyalaxmi Dairy Farm at Manchar with an aim to educate farmers about best practices of breeding, feeding, animal management and improving productivity. Our dairy farm is fully automated and houses over 2,000 holstein breed cows with higher yields of superior quality milk. We supply farm-to-home premium fresh milk from our Bhagyalaxmi Dairy Farm, which we market and sell under our 'Pride of Cows' brand in Mumbai and Pune.

Our Company is promoted by Mr. Devendra Shah, Mr. Pritam Shah and Mr. Parag Shah, each of whom has over 20 years of industry experience and have well established relationships with farmers in the vicinity of our facilities, distributors and institutional customers. Motilal Oswal group (the "**MO Group**") and IDFC, through their private equity funds, have made financial investments in our Company over the years. We have been

awarded a number of industry awards and recognition and our 'Gowardhan' brand was ranked among the top 25 most trusted brands in the food products category by the Economic Times in 2014. Go Cheezooz, one of our products, was awarded the 'Best Children's Dairy Product' for the product innovation category at the Dairy Innovation Awards 2012 and Go Cheese was awarded 'India's Most Promising Brand 2014-15' in the FMCG Category by World Consulting & Research Corporation in December 2015. We were also recently awarded a state level award for excellence in energy conservation and management by the Maharashtra Energy development Agency on February 18, 2016.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our business and results of operations are affected by a number of important factors including:

Availability and Price of Cows' Raw Milk

Our manufacturing operations are dependent on the supply of large amounts of cow's raw milk, which is the primary raw material used in the manufacture of all our dairy products. Our manufacturing facilities are located at Manchar, Maharashtra and Palamaner, Andhra Pradesh, and our supply chain network includes procurement from 29 districts across Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu. We procure milk from milk farmers and through chilling centres and bulk coolers located close to our facilities, with whom we have no formal arrangements. As we continue to grow our product portfolio and increase our production capacities, we would need to expand our milk procurement base. If we are unable to source higher volumes of raw milk, or maintain our current procurement base, our operations and business prospects would be adversely affected. Also, the amount of raw milk procured and the price at which we procure such supplies, may fluctuate from time to time in the absence of a formal supply arrangement.

The availability and price of raw milk is subject to a number of factors beyond our control including seasonal factors, environmental factors, general health of cattle in India and Government policies and regulations. For example, the volume and quality of milk produced by cows is dependent upon the quality of nourishment provided by the cattle feed and could be adversely affected during period of extreme weather. Also, any disease or epidemic affecting the health of cows in India, specially within our procurement regions, could significantly affect our ability to procure adequate amounts of raw milk. Any inability on our part to procure sufficient quantities of raw milk and on commercially acceptable terms, could lead to a change in our production and sales volumes.

Ability to Introduce New Products and Cater to Evolving Consumer Preferences

The success of our business depends upon our ability to anticipate and identify changes in consumer preferences and offer products that appeal to consumers. We commenced our business with collection and distribution of milk and have now developed into a dairy-based branded consumer products company with a diverse range of products including cheese, *ghee* (clarified butter), fresh milk, whey proteins, *paneer*, yoghurt, milk powder and dairy based beverages. We constantly seek to develop our research and development capabilities to distinguish ourselves from our competitors to enable us to introduce new products and different variants of our existing products, based on consumer preferences and demand. For instance, we introduced UHT capabilities at our Palamaner facility, launched our T-Star milk and various whey proteins and powders. Although we seek to identify such trends in the industry and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in these new product segments.

Competition and Pricing Pressure

We are facing increasing competition from a number of international, regional and domestic companies. Some of our competitors may be larger than us, may have more financial and other resources and have products with greater brand recognition than ours. Our competitors in certain regions may also have better access to raw materials required in our operations and may procure them at lower costs than us. Some of our international competitors may be able to capitalise on their overseas experience to compete in the Indian market. We also compete with large dairy cooperatives that procure milk from farmers in the regions where we procure milk, and any incentives offered by the Central or State Governments to such cooperatives, could benefit such entities, which may allow them to lower the price of their products.

Our diverse product portfolio caters to customers across various segments and the success of our business is dependent on our ability to competitively price our products. Our pricing policy is based on several factors including the cost of operations and raw material, market analysis, including analysis of customer needs and our

competitive position and the pricing of certain products in the markets. We seek to offset the effect of this pricing pressure by increasing the efficiency of our manufacturing operations at our facilities. Further, our competitors may also significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies in the future. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operation.

Distribution Network

We sell our products to retail customers through modern trade channels, which include super-markets and hyper-markets and through general trade channels, which include smaller stores. We have a structured pan-India distribution network to cater to our retail and institutional customers. We constantly seek to grow our product reach to under-penetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our distribution network. We may, however, not be successful in appointing new distributors to expand our network or effectively manage our existing distribution network. Further, we may also face disruptions in the delivery of our products for reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or fail to adhere to the terms of the distribution agreements, or if our distribution agreements are terminated, our business and results of operations may be adversely affected.

Tax Incentives

We are currently entitled to certain tax benefits and incentives. Sales tax incentives are granted to our Company under the Package Scheme of Incentives, 2007 ("**PSI**") from Government of Maharashtra, Directorate of Industries. Pursuant to the scheme and subject to certain approvals, we are entitled to refunds on the value added tax paid by us in Maharashtra, based on capital investment and employment commitment made by us in the Manchar area. Our manufacturing facility at Manchar is also entitled to certain income tax incentives pursuant to Section 80(IB) of the Income Tax Act, 1961. We are entitled to claim deductions of 100% for the first five years and 30% for the next five years. We will be able to claim deductions of only 30% from the financial year 2015 in respect of our Manchar facility. Further, we have received an in-principle approval for certain additional tax incentives with respect to our expansion plans at our Manchar facility, subject to compliance with certain conditions. We cannot assure you that our ability to claim reduced deduction in the future will not affect our financial condition and results of operations. Further, we may be unable to avail these tax benefits in the future, which could result in increased tax liabilities and reduced liquidity and have an adverse effect on our results of operations.

Statement of Significant Accounting Policies

Basis of preparation

The restated consolidated summary financial information has been prepared by applying necessary adjustments to the consolidated financial statements. The financial statements are prepared and presented under our historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India ("**Indian GAAP**") and the requirements of the Companies Act, 1956 and the Companies Act, as applicable. With effect from April 1, 2014, Schedule III notified under the Companies Act, has become applicable to us for the preparation and presentation of our financial statements. Accordingly, previous years' figures have been regrouped or reclassified wherever applicable.

Use of estimates

The preparation of restated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying restated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

Inventories

Inventories are valued at lower of cost or net realisable value. Basis of determination of cost remain as follows:

Items	Methodology of Valuation
Raw materials, components, stores and spares, trading goods, and packing materials	Lower of cost and net realisable value, Cost is determined on a weighted average method. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value, Cost is determined on a weighted average method. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
Goods in Transits are valued exclusive of custom duty, where applicable.	
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.	

Cash flow statement

The cash flow statement is prepared using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" and presents the cash flows by our operating, investing and financing activities.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

Depreciation

Depreciation on fixed assets is provided up to March 31, 2014 as per following:

- Leasehold improvement includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

- Depreciation on other fixed assets is provided on straight line method on a pro rata basis over its economic useful lives, estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act 1956, whichever is higher.

- Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro rata basis up to the date on which such assets are sold, discarded or demolished.

- Assets costing less than or equal to ₹5,000 are depreciated fully in the year of purchase.

Depreciation on fixed assets is provided from April 1, 2014 as per following:

- Depreciation on cost of fixed assets is provided on straight line method at estimated useful live, which is in line with the estimated useful life as specified in Schedule II of the Companies Act. The useful life of an asset is the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.

- Leasehold premises are recorded at acquisition cost and amortized on straight-line basis based over the lease term.

- Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis upto the month proceeding the month of deduction/disposal.

- Leasehold improvement includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

- Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro rata basis up to the date on which such assets are sold, discarded or demolished.

- Intangible assets are amortized over their estimated useful life but not exceeding 10 years.

- Assets costing less than or equal to ₹5,000 are depreciated fully in the year of purchase.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured.

- *Sales of goods*

  Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer which is normally on dispatch of goods. Sales are stated net of returns and trade discount. Sales tax and VAT are excluded.

- *Service Income*

  Service income is recognised as per the terms of the contract when the related services are rendered. It is stated net of service tax.

- *Interest income*

  Interest income is recognised on time proportion basis.

- *Other Income*

  Export incentive, income from investment, sales tax refund on account of "Mega Project" and other service income are accounted on accrual basis. Export entitlements and benefits are recognised in the statement of profit and loss when the right to receive credit in accordance with the terms of the scheme is established in respect of exports made. Dividend income is accounted for when the right to receive income is established

Tangible fixed assets

Fixed assets are stated on cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use.

Projects under commissioning and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. The costs relating to acquisition of trademark are capitalised as 'Intangible Assets' and amortised on a straight line basis over a period of ten years, which is the management's estimate of the useful life of such trademark. Website development and computer software are amortized over a period of three years.

Expenditure on new projects and substantial expansion during construction period

Expenditure directly related to construction and installation period is included under capital work in progress and is transferred to fixed assets on the completion of its construction. Expenditure related to a construction and installation period is examined for each reporting period and any expenditure related to construction or installation that is delayed for over 12 months for any unavoidable reason is expensed.

Foreign currency transactions

- *Initial recognition*

  Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- *Conversion*

  Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

- *Exchange differences*

  Exchange differences arising on the settlement of monetary items or on reporting monetary items of our at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets, which are included in the cost of fixed assets.

Government grants and subsidies

Grants and subsidies from the Government are recognised when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Investments are classified under non-current and current categories.

Non-current Investments are carried at acquisition or amortized cost. A provision is made for diminution other than temporary on an individual basis.

Current Investments are carried at the lower of cost or fair value on an individual basis.

Retirement and other employee benefits

- *Short term employee benefit*

  All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus or ex-gratia are recognised in the period in which the employee renders the related service.

- *Post-employment employee benefits*

  Defined contribution schemes

  Our contributions to the Provident Fund and Employee's State Insurance Fund are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

  Defined benefits plans

  Our gratuity benefit scheme is a defined benefit plan. Our net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in

return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. Our contribution in the case of gratuity is funded annually with Life Insurance Corporation of India.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each balance sheet date, using the projected unit credit method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

- *Other long term employee benefits*

  Our liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the balance sheet date, carried out by an independent actuary using projected unit credit method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

- *Employee Stock Option*

  Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

  In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Borrowing cost

Borrowing costs to the extent related or attributable to the acquisition or construction of assets that takes substantial period of time to get ready for their intended use are capitalised along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the statement of profit and loss.

Leases

Assets taken under leases, where we assume substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken under leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Taxation

Income-tax expense comprises current tax, deferred tax charge or credit and minimum alternative tax ("**MAT**").

Current tax

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognised only if there is a virtual certainty of realisation of such asset. Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realised.

Minimum alternative tax

Minimum alternative tax obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that we will pay normal tax during the specified period. Accordingly, it is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to us and the asset can be measured reliably.

Impairment of assets

We assess at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, we estimate the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of our Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Segment reporting

We have identified manufacturing and processing of milk and milk products as our sole operating segment and it has so been treated as the primary segment. Our secondary geographical segments have been identified based on the location of customers and are demarcated into Indian and overseas revenue earnings segment wise as follows:

Particulars	**Nine months ended December 31,**			**Financial Year**								
	2015 *(₹in million)*			**2015 *(₹in million)***			**2014 *(₹in million)***			**2013 *(₹in million)***		
	Within India	**Outside India**	**Total**	**Within India**	**Outside India**	**Total**	**Within India**	**Outside India**	**Total**	**Within India**	**Outside India**	**Total**
Segment Revenue	12,104.42	201.60	12,306.02	13,940.92	467.38	14,408.30	9,373.50	1,496.87	10,870.37	8,769.14	494.86	9,264.00
Additions to Fixed Assets	528.20	-	528.20	770.90	–	770.90	263.58	–	263.58	235.13	–	235.13
Carrying value of segment assets	9,645.88	20.51	9,666.39	9,138.64	–	9,138.64	8,069.25	10.73	8,079.98	6,782.63	52.11	6,834.74

Revenue and Expenditure

Our revenue and expenditure is reported in the following manner:

Revenue

Revenue. Total revenue consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises revenues from the sale of products including manufactured goods and traded goods and other operating revenues.

Manufactured goods comprises the sale of fresh milk, skimmed milk powder, *ghee*, cheese, UHT products, whey products and other products comprising curd, fruit yoghurt, butter, cream, *gulab jamun* mix, dairy whitener, flavoured milk and *paneer*. Traded goods comprise revenues from the sale of fresh milk, skimmed milk powder and other milk products.

Our revenues from the sales of manufactured goods and traded goods was as follows:

	Nine months ended December 31,	**Financial Year**		
	2015	**2015**	**2014**	**2013**
	(₹ in millions)	***(₹ in millions)***	***(₹ in millions)***	***(₹ in millions)***
Manufactured Goods				
Gross fresh milk	2,503.43	2,627.91	2,306.92	2,006.49
Skimmed milk powder and dairy whitener	1,244.71	3,010.03	2,030.02	1,856.16
Ghee, butter and cream	3,510.29	2,628.98	2,067.82	2,173.93
Cheese/*Paneer*	2,307.24	2,669.81	2,015.95	1,740.59
UHT products	589.93	467.67	250.46	89.86
Whey products	361.91	225.08	222.27	204.49
Other products	607.87	1,660.30	699.80	791.73
Total	**11,125.38**	**13,289.78**	**9,593.24**	**8,863.25**
Traded Goods				
Fresh milk	-	265.82	155.89	13.13
Milk products	853.35	226.43	637.68	72.79
Total	**853.35**	**492.25**	**793.57**	**85.92**
Grand Total	**11,978.73**	**13,782.03**	**10,386.81**	**8,949.17**

Other operating revenues comprise:

- Processing charges received for the conversion of milk into milk powder and butter for third parties carried on at our facility;
- Export benefits and incentives received on account of various State and Central Government incentives;
- PSI incentives (sales tax); and
- Other sales, comprising manure, liquid slurry and scrap sales, milk can sales, cattle feed.

Other income. Other income primarily includes interest income received on bank deposits and other investments, gain on foreign exchange fluctuation, sundry balances written back and other non-operating income.

Expenses

Expenses consists of cost of materials consumed, purchase of traded goods, changes in inventories of finished goods and work-in-progress, employee benefits expenses and other expenses.

Cost of materials consumed. Cost of materials consumed comprises cost incurred towards the purchase of raw milk, packing materials and raw materials for our dairy based products.

Purchase of traded goods. Purchase of traded goods comprises the cost of, amongst others, fresh milk, butter and skimmed milk powder.

Changes in inventories of finished goods and work-in-progress. Changes in inventories of finished goods and work-in-progress comprises the finished goods stock and work-in-progress goods.

Employee benefit expenses. Employee benefit expenses include salaries, wages and bonuses, contributions to provident and other funds, leave balance, gratuity and staff welfare expenses.

Other expenses. Other expenses primarily include costs incurred towards power and fuel, carriage outward, advertisements and marketing expenses, sales promotion expenses, rents, rates and taxes, repair and maintenance and commission on sales.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statements of profit and loss for the nine months ended December 31, 2015 and the financial years 2015, 2014 and 2013, the components of which are also expressed as a percentage of total revenue for such periods:

	Nine months ended December 31,		Financial Year					
	2015		2015		2014		2013	
	(₹ in millions)	*(% of Total Revenue)*	*(₹ in millions)*	*(% of Total Revenue)*	*(₹ in millions)*	*(% of Total Revenue)*	*(₹ in millions)*	*(% of Total Revenue)*
Income:								
Revenue from operations	12,306.02	100.0	14,387.00	99.9	10,882.54	99.9	9,250.35	99.8
Other income	5.86	0.0	18.19	0.1	12.46	0.1	21.14	0.2
Total Revenue	**12,311.88**	**100.0**	**14,405.19**	**100.0**	**10,895.00**	**100.0**	**9,271.49**	**100.0**
Expenses:								
Cost of materials consumed	8,419.11	68.4	10,833.45	75.2	8,220.46	75.5	6,796.01	73.3
Purchase of traded goods	933.73	7.6	392.36	2.7	642.72	5.9	80.21	0.9
Changes in inventories of finished goods & WIP	(138.52)	(1.1)	(216.96)	(1.5)	(504.52)	(4.6)	30.88	0.3
Employee benefit expense	507.75	4.1	574.91	4.0	478.04	4.4	398.04	4.3
Other expenses	1,509.35	12.3	1,739.75	12.1	1,222.72	11.2	1,111.15	12.0
Depreciation and amortization expense	236.52	1.9	275.32	1.9	275.25	2.5	261.23	2.8
Finance costs	349.25	2.8	493.88	3.4	437.25	4.0	402.69	4.3
Profit before tax	**494.69**	**4.0**	**312.48**	**2.2**	**123.08**	**1.1**	**191.28**	**2.1**
Tax expenses:								
(1) Current tax	143.45	1.2	40.61	0.3	1.37	0.0	26.38	0.3

	Nine months ended December 31,		Financial Year					
	2015		2015		2014		2013	
	(₹ in millions)	*(% of Total Revenue)*	*(₹ in millions)*	*(% of Total Revenue)*	*(₹ in millions)*	*(% of Total Revenue)*	*(₹ in millions)*	*(% of Total Revenue)*
(2) MAT credit	0.62	0.0	(4.10)	(0.0)	(1.37)	(0.0)	(19.26)	(0.2)
(3) Deferred tax.....	31.39	0.2	20.05	0.2	(36.60)	(0.3)	(25.66)	(0.3)
(4) Tax adjustments	0.00	0.0	(3.74)	0.0	0.00	0.0	2.08	0.0
Restated Profit after tax and before minority interest	**319.23**	**2.6**	**259.66**	**1.8**	**159.68**	**1.5**	**207.74**	**2.2**
Minority Interest	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Restated Profit	**319.23**	**2.6**	**259.66**	**1.8**	**159.68**	**1.5**	**207.74**	**2.2**

Nine months ended December 31, 2015

Total Revenue. Our total revenue was ₹12,311.88 million for the nine months ended December 31, 2015.

Revenue from operations. Our revenue from operations was ₹12,306.02 million for the nine months ended December 31, 2015, primarily consisting of revenue from the sale of manufactured goods and sale of traded goods.

Our revenue from the sale of manufactured goods was ₹10,928.95 million for the nine months ended December 31, 2015, primarily consisting of:

- sale of gross fresh milk of ₹2,503.43 million, representing 20.3% of our total revenues, for the nine months ended December 31, 2015. From our Bhagyalaxmi Dairy Farm at Manchar, Pune, through our Subsidiary, we sold 4.55 million litres of milk for the nine months ended December 31, 2015;

- sale of *ghee*, butter and cream of ₹3,510.29 million, representing 28.5% of our total revenues, for the nine months ended December 31, 2015;

- sale of cheese/*paneer* of ₹2,307.24 million, representing 18.7% of our total revenues, for the nine months ended December 31, 2015;

- sale of UHT products of ₹589.93 million, representing 4.8% of our total revenues, for the nine months ended December 31, 2015;

- sale of whey products of ₹361.91 million, representing 2.9% of our total revenues, for the nine months ended December 31, 2015; and

- sale of skimmed milk powder and dairy whitener of ₹1,244.71 million, representing 10.1% of our total revenues, for the nine months ended December 31, 2015;

- sale of other products, including curd, fruit yoghurt, butter, cream, *gulab jamun* mix, dairy whitener and flavoured milk, of ₹607.87 million, representing 4.9% of our total revenues, for the nine months ended December 31, 2015.

Our revenue from the sale of traded goods was ₹853.35 million for the nine months ended December 31, 2015, primarily resulting from trade in milk products, primarily butter and skimmed milk powder.

Our other operating revenue was ₹523.72 million for the the nine months ended December 31, 2015, primarily consisting of processing charges and PSI incentives (sales tax).

Other income. Other income was ₹5.86 million for the nine months ended December 31, 2015, primarily consisting of interest income on bank deposits and the proceeds from an insurance claim.

Expenses

Our total expenses were ₹11,231.42 million for the nine months ended December 31, 2015, primarily consisting of cost of materials consumed.

Cost of materials consumed. Cost of materials consumed was ₹8,419.11 million for the nine months ended December 31, 2015. This consisted primarily of the purchase of raw milk of ₹5,869.71 million for the nine months ended December 31, 2015.

Purchases of traded goods. Expenses for our purchases of traded goods totalled ₹933.73 million for the nine months ended December 31, 2015, wholly consisting of purchase of milk products, primarily butter, which was used in the manufacture of *ghee*, as prices for such milk products were relatively lower than price for milk in the period. We made no purchases of fresh milk during the nine months ended December 31, 2015.

Changes in inventories of finished goods and work-in-progress. Increases in inventories of finished goods and work-in-progress was ₹138.52 million for the nine months ended December 31, 2015. Inventories increased primarily due to an increase in production volumes of our products.

Employee benefits expenses. Employee benefits expenses were ₹507.75 million for the nine months ended December 31, 2015. As at December 31, 2015, we had 1,579 employees.

Other expenses. Other expenses were ₹1,509.35 million for the nine months ended December 31, 2015. Our other expenses primarily consisted of:

- power and fuel expenses of ₹319.43 million, relating to our production of dairy based products and the processing of milk;
- carriage outward expenses of ₹525.12 million for the nine months ended December 31, 2015, relating to costs associated with the transport of goods from our manufacturing facilities to our depots, distributors and stockists;
- sales promotion expenses of ₹141.27 million for the nine months ended December 31, 2015 relating to new product launches and associated promotional activities undertaken during the period, and
- advertisements and marketing expenses of ₹122.98 million for the nine months ended December 31, 2015, relating to campaigns to strengthen our brands and promote our consumer products.

Depreciation and amortization expenses. Our depreciation and amortization expenses were ₹236.52 million for the nine months ended December 31, 2015.

Finance costs. Our finance costs were ₹349.25 million for the nine months ended December 31, 2015.

Tax expenses. Our tax expenses were ₹175.46 million for the nine months ended December 31, 2015, primarily consisting of current taxes of ₹143.45 million and deferred tax of ₹31.39 million. Current taxes during the period were a result of increased profits and the application of tax on sales tax incentives received by the Company during the period.

Restated Profit. Our restated profit for the nine months ended December 31, 2015 was ₹319.23 million.

Financial Year 2015 compared to Financial Year 2014

Our results of operations for the financial year 2015 were particularly affected by the following factors:

- an increase in the sale of skimmed milk powder, *ghee*, cheese, fresh milk and other products;
- an increase in our capacity utilisation at our facilities for milk processing and the manufacturing of cheese; and
- an overall increase in expenses as a result of the increase in sale of our products.

Total Revenue. Our total revenue increased by 32.2% to ₹14,405.19 million for the financial year 2015 from ₹ 10,895.00 million for the financial year 2014, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 32.2% to ₹14,387.00 million for the financial year 2015 from ₹10,882.54 million for the financial year 2014.

Our revenue from the sale of manufactured goods increased by 38.5% to ₹13,289.78 million for the financial year 2015 from ₹9,593.24 million for the financial year 2014, primarily due to:

- an increase in the sale of fresh milk to ₹2,627.91 million for the financial year 2015 from ₹2,306.92 million for the financial year 2014; although we sold a lower quantity of fresh milk during the financial year 2015 as compared to financial year 2014, an increase in the selling price of milk and the introduction of our T-Star variant in Mumbai led to an increase in our revenue from the sale of fresh milk;
- an increase in the sale of skimmed milk powder to ₹3,010.03 million for the financial year 2015 from ₹2,030.02 million for the financial year 2014; primarily due to an increase in the volume of skimmed milk powder sold during the financial year 2015;

- an increase in the sale of *ghee* to ₹2,628.98 million for the financial year 2015 from ₹2,067.82 million for the financial year 2014; primarily due to an increase in the volume of *ghee* sold during the financial year 2015;

- an increase in the sale of cheese/*paneer* to ₹2,669.81 million for the financial year 2015 from ₹2,015.95 million for the financial year 2014; primarily due to an increase in the volume of cheese and *paneer* sold during the financial year 2015;

- an increase in the sale of UHT products to ₹467.67 million for the financial year 2015 from ₹250.46 million for the financial year 2014; primarily due to an increase in the volume of UHT products sold and the launch of buttermilk and cream during the financial year 2015;

- an increase in the sale of whey products to ₹225.08 million for the financial year 2015 from ₹222.27 million for the financial year 2014; although we sold a lower quantity of whey products during the financial year 2015 as compared to financial year 2014, the sale of whey products was impacted due to the introduction of new variants of whey powders with higher pricing and the commissioning of our whey proteins unit in January 2015; and

- an increase in the sale of other products to ₹1,660.30 million for the financial year 2015 from ₹699.80 million for the financial year 2014, primarily due to an increase in the sale of milk based beverages during the financial year 2015.

Our revenues from the sale of traded goods decreased by 38.0%, from ₹793.57 million for the financial year 2014 to ₹492.25 million for the financial year 2015 on account of lower volumes of skimmed milk powder traded, which was partially offset by an increase in the volume of fresh milk traded.

Our other operating revenues increased by 22.0% to ₹604.97 million for the financial year 2015 from ₹495.73 million for the financial year 2014, primarily on account of an increase in processing charges and PSI (sales tax) incentives, which were partially offset by a decrease in the export benefits and incentives.

Other income. Other income increased by 46.0% from ₹12.46 million for the financial year 2014 to ₹18.19 million for the financial year 2015, primarily due to the reversal of a provision for doubtful debts of ₹6.02 million for the financial year 2015 in respect of trade creditors as compared to a reversal of a provision for doubtful debts of ₹0.05 million for the financial year 2014, and income from foreign exchange fluctuation (net) of ₹4.74 million for the financial year 2015, due to appreciation of the Ruppee against the USD for financial investments, as compared to nil for the financial year 2014.

Expenses

Cost of materials consumed. Cost of materials consumed increased by 31.8% to ₹10,833.45 million for the financial year 2015 from ₹8,220.46 million for the financial year 2014. This increase was primarily on account of expenses incurred to source greater volumes of raw milk and packing material due to an overall increase in the production and sale of our products.

Purchase of traded goods. Expenses for the purchase of traded goods decreased by 39.0% from ₹642.72 million for the financial year 2014 to ₹392.36 million for the financial year 2015, primarily due to a decrease in the purchase of milk products from ₹495.64 million for the financial year 2014 to ₹176.18 million for the financial year 2015. This was partially offset by an increase in purchase of fresh milk to ₹216.18 million for the financial year 2015 from ₹147.08 million for the financial year 2014.

Changes in inventories of finished goods and work-in-progress. Increases in inventories of finished goods and work-in-progress was ₹216.96 million for the financial year 2015 as compared to ₹504.52 million for the financial year 2014, primarily attributable to an increase in production volumes of our products.

Employee benefits expenses. Employee benefits expenses increased by 20.3% to ₹574.91 million for the financial year 2015 from ₹478.04 million for the financial year 2014, primarily as a result of an increase in our number of employees as a result of the growth in our business and compensation increments given to our employees. Our number of employees increased to 1,519 employees as of March 31, 2015 from 1,233 employees as of March 31, 2014. Although our total number of employees and employee benefit expenses increased from the financial year 2014 to the financial year 2015, employee benefits expenses, expressed as a

percentage of our total revenue, decreased marginally from 4.4% for the financial year 2014 to 4.0% for the financial year 2015.

Other expenses. Our other expenses increased by 42.3% to ₹1,739.75 million for the financial year 2015 from ₹1,222.72 million for the financial year 2014, primarily as a result of:

- an increase in carriage outward by 75.2% to ₹537.31 million for the financial year 2015 from ₹306.67 million for the financial year 2014; this was due to the increase in our distribution and depot network and costs associated with the transport of goods over greater distances, along with higher volumes of goods being transported from our manufacturing facilities to our depots, distributors and stockists;

- an increase in power and fuel costs by 18.4% to ₹455.65 million for the financial year 2015 from ₹384.95 million for the financial year 2014 due to an increase in production of dairy based products and the processing of milk; and

- an increase in advertisements and marketing expenses to ₹167.94 million for the financial year 2015 from ₹60.84 million for the financial year 2014, due to an overall increase in our campaigns to strengthen our brands and promote our consumer products.

Depreciation and amortization expenses. Our depreciation and amortization expenses increased marginally by ₹0.07 million to ₹275.32 million for the financial year 2015 from ₹275.25 million for the financial year 2014. Although we purchased additional plant and machinery during the financial year 2015, they were not commissioned until the last quarter of the financial year and hence the costs associated with the depreciation of those assets were only partially expensed. Our total depreciation and amortization expenses, expressed as a percentage of our total revenue decreased from 2.5% for the financial year 2014 to 1.9% for the financial year 2015.

Finance costs. Our finance costs increased by 13.0% to ₹493.88 million for the financial year 2015 from ₹437.25 million for the financial year 2014, primarily due to an increase in interest expenses on term loans and working capital loans and a decrease in the amount of such interest expenses that were capitalised, as well as an increase in other borrowing costs to ₹33.70 million for the financial year 2015 from ₹18.36 million for the financial year 2014.

Tax expenses. Our tax expenses were ₹52.82 million for the financial year 2015 as compared to a tax credit of ₹36.60 million that we received for the financial year 2014. Our current tax increased to ₹40.61 million for the financial year 2015 from ₹1.37 million for the financial year 2014, primarily in line with the increase in our total revenues for the period. For the financial year 2014, we received a MAT credit and a deferred tax credit of ₹1.37 million and ₹36.60 million, respectively, as compared to a MAT credit and a deferred tax expense of ₹4.10 million and ₹20.05 million for the financial year 2015, respectively. Our effective tax rate for the financial year 2015 was 16.9%.

Restated Profit for the Year. Our restated profit for the year increased by 62.6% to ₹259.66 million for the financial year 2015 from ₹159.68 million for the financial year 2014.

Financial Year 2014 compared to Financial Year 2013

Our results of operations for the financial year 2014 were particularly affected by the following factors:

- an increase in the sale of ghee, cheese, UHT products and whey products; and

- a reduction in the supply of raw milk during the financial year 2014, which led to a significant increase in the price of raw milk procured.

Total Revenue. Our total revenue increased by 17.5% to ₹10,895.00 million for the financial year 2014 from ₹9,271.49 million for the financial year 2013, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 17.6% to ₹10,882.54 million for the financial year 2014 from ₹9,250.35 million for the financial year 2013.

Our revenue from the sale of manufactured goods increased by 8.2% to ₹9,593.24 million for the financial year 2014 from ₹8,863.25 million for the financial year 2013, primarily due to:

- an increase in the sale of fresh milk to ₹2,306.92 million for the financial year 2014 from ₹2,006.49 million for the financial year 2013; although we sold a lower quantity of fresh milk during the financial year 2014 as compared to financial year 2013, an increase in the selling price of milk led to an increase in our revenue from the sale of fresh milk;

- an increase in the sale of cheese/*paneer* to ₹2,015.95 million for the financial year 2014 from ₹1,740.59 million for the financial year 2013; primarily due to an increase in the volume of cheese and *paneer* sold during the financial year 2014;

- an increase in the sale of UHT products to ₹250.46 million for the financial year 2014 from ₹89.86 million for the financial year 2013; primarily due to an increase in the volume of UHT products sold during the financial year 2014 as compared to financial year 2013 since we introduced UHT capabilities at our Palamaner facility in November 2012; and

- an increase in the sale of whey products to ₹222.27 million for the financial year 2014 from ₹204.49 million for the financial year 2013; although we sold a lower quantity of whey products during the financial year 2014 as compared to financial year 2013, the sale of whey products was impacted due to the introduction of new variants of whey powders with higher pricing.

The increase in our revenues from manufactured goods was primarily attributable to an increase in the volumes of products sold and favourable market conditions. The increase in our revenues from the sale of manufactured goods was partially offset by a decrease of 4.9% in revenues from the sale of *ghee* from ₹2,173.93 million for the financial year 2013 to ₹2,067.82 million for the financial year 2014, primarily due to a shortage in the availability of milk and butter, which are required to manufacture *ghee*.

Our revenues from the sale of traded goods increased to ₹793.57 million for the financial year 2014 from ₹85.92 million for the financial year 2013 on account of higher volumes of skimmed milk powder and fresh milk traded. A significant increase in the price of skimmed milk powder overseas provided us the opportunity to export skimmed milk powder and realise higher margins.

Our other operating revenues increased by 64.6% to ₹495.73 million for the financial year 2014 from ₹301.18 million for the financial year 2013, primarily due to an increase in revenues from processing charges, export benefits and incentives received and PSI (sales tax) incentives.

Other income. Other income decreased by 41.1% from ₹21.14 million for the financial year 2013 to ₹12.46 million for the financial year 2014, primarily due to a decrease in short term profit on sale of mutual fund investments from ₹10.29 million for the financial year 2013 to nil for the financial year 2014.

Expenses

Cost of materials consumed. Cost of materials consumed increased by 21.0% to ₹8,220.46 million for the financial year 2014 from ₹6,796.01 million for the financial year 2013. This increase was primarily on account of an increase in average price of raw milk procured during the financial year 2014 and expenses incurred to source greater volumes of packing material due to an overall increase in the sale of our products.

Purchases of traded goods. Expenses for the purchase of traded goods increased to ₹642.72 million for the financial year 2014 from ₹80.21 million for the financial year 2013, due to an increase in purchase of milk products to ₹495.64 million for the financial year 2014 from ₹65.60 million for the financial year 2013 and an increase in purchase of fresh milk to ₹147.08 million for the financial year 2014 from ₹14.61 million for the financial year 2013. A significant increase in the price of skimmed milk powder overseas provided us the opportunity to export skimmed milk powder and realise higher margins.

Changes in inventories of finished goods and work-in-progress. Increases in inventories of finished goods and work-in-progress was ₹504.52 million for the financial year 2014 as compared to a decrease of ₹30.88 million for the financial year 2013, primarily attributable to an increase in production volumes of our products.

Employee benefits expenses. Our employee benefits expenses increased by 20.1% to ₹478.04 million for the financial year 2014 from ₹398.04 million for the financial year 2013, primarily as a result of an increase in our number of employees as a result of the growth in our business and compensation increments given to our employees. Our number of employees increased to 1,233 employees for the financial year 2014 from 1,213 employees for the financial year 2013.

Other expenses. Our other expenses increased by 10.0% to ₹1,222.72 million for the financial year 2014 from ₹1,111.15 million for the financial year 2013, primarily as a result of:

- an increase in costs incurred towards rents, rates and taxes by 78.6% to ₹42.15 million for the financial year 2014 from ₹23.61 million for the financial year 2013, primarily due to the expansion of our office and warehouse space;

- an increase in carriage outward by 34.0% to ₹306.67 million for the financial year 2014 from ₹228.83 million for the financial year 2013, due to the higher volumes of goods being transported from our manufacturing facilities to our distributors and stockists as well as higher carriage costs for the export of products; and

- an increase in power and fuel costs by 2.0% to ₹384.95 million for the financial year 2014 from ₹377.42 million for the financial year 2013 due to an increase in production of dairy based products and the processing of milk.

The increase in our other expenses was partially offset by a decrease in our advertising and marketing expenses from ₹104.41 million for the financial year 2013 to ₹60.84 million for the financial year 2014.

Depreciation and amortization expenses. Our depreciation and amortization expenses increased by 5.4% to ₹275.25 million for the financial year 2014 from ₹261.23 million for the financial year 2013, primarily due to an increase in our fixed assets. Our depreciation and amortization expenses, expressed as a percentage of our total revenue decreased from 2.8% for the financial year 2013 to 2.5% for the financial year 2014.

Finance costs. Our finance costs increased by 8.6% to ₹437.25 million for the financial year 2014 from ₹402.69 million for the financial year 2013, primarily due to an increase in interest expenses on term loans and working capital loans and an increase in interest expenses capitalised to ₹72.42 million for the financial year 2014 from ₹24.82 million for the financial year 2013.

Tax expenses. We received a net tax credit of ₹16.46 million for the financial year 2013 as compared to a tax credit of ₹36.60 million for the financial year 2014. Our current tax decreased from ₹26.38 million for the financial year 2013 to ₹1.37 million for the financial year 2014. For the financial year 2013, we received a MAT credit and a deferred tax credit of ₹19.26 million and ₹25.66 million, respectively, as compared to a MAT credit and a deferred tax credit of ₹1.37 million and ₹36.60 million for the financial year 2014.

Restated Profit for the Year. Our restated profit for the year decreased by 23.1% from ₹207.74 million for the financial year 2013 to ₹159.68 million for the financial year 2014.

Cash Flows

The table below summarises our cash flows for the periods indicated:

	Nine months ended December 31,	**Financial Year**		
	2015	**2015**	**2014**	**2013**
	(₹ in millions)	***(₹ in millions)***	***(₹ in millions)***	***(₹ in millions)***
Net Cash generated from/(used in) operating activities	523.74	660.70	464.85	160.50
Net Cash generated from/(used in) investing activities.....	(394.16)	(223.36)	(593.42)	(569.55)
Net Cash generated from/(used in) financing activities	59.41	(423.21)	145.03	407.01
Net increase/(decrease) in cash and cash equivalents	**189.00**	**14.13**	**16.47**	**(2.05)**

Operating Activities

Net cash generated from operating activities was ₹523.74 million for the nine months ended December 31, 2015. While our net profit before taxation was ₹494.69 million for the nine months ended December 31, 2015,

we had an operating profit before working capital changes of ₹1,135.04 million, primarily as a result of interest expense of ₹349.25 million, accumulated depreciation on fixed assets of ₹236.52 million and unrealised foreign exchange losses of ₹54.84 million for the period. Our working capital adjustments to operating profit before working capital changes for the nine months ended December 31, 2015, primarily consisted of adjustments for an increase in trade receivables of ₹748.42 million, in line with increased sales during holiday periods during the quarter ended December 31, 2015, payment for which was yet to be paid as at December 31, 2015 in line with our credit terms, and a decrease in trade payables of ₹332.33 million as a result of our use of part of the proceeds from the issue of CCDs issued in the quarter ended December 31, 2015 to repay trade creditors, which were partially offset by adjustments for a decrease in short term loans and advances of ₹464.96 million and a decrease in other current assets of ₹198.50 milllion.

Net cash generated from operating activities was ₹660.70 million for the financial year 2015. While our net profit before taxation was ₹312.48 million for the financial year 2015, we had an operating profit before working capital changes of ₹1,086.21 million, primarily as a result of interest expenses of ₹469.21 million and depreciation of fixed assets of ₹275.32 million. Our working capital adjustments to our operating profit before working capital changes for the financial year 2015 primarily consisted of adjustments for an increase in trade payables of ₹552.29 million, which was partially offset by adjustments for an increase in short term loans and advances of ₹583.24 million and an increase in inventories of ₹216.14 million.

Net cash generated from operating activities was ₹464.85 million for the financial year 2014. While our net profit before taxation was ₹123.08 million for the financial year 2014, we had an operating profit before working capital changes of ₹868.14 million primarily as a result of interest expenses of ₹438.82 million and depreciation of fixed assets of ₹275.25 million. Our working capital adjustments to our operating profit before working capital changes for the financial year 2014 primarily consisted of adjustments for an increase in trade payables of ₹327.04 million, which was partially offset by adjustments for an increase in inventories of ₹508.10 million and an increase in short term loans and advances of ₹203.43 million.

Net cash generated from operating activities was ₹160.50 million for the financial year 2013. While our net profit before taxation was ₹191.28 million for the financial year 2013, we had an operating profit before working capital changes of ₹906.16 million primarily as a result of interest expenses of ₹403.58 million and depreciation of fixed assets of ₹261.23 million. Our working capital adjustments to our operating profit before working capital changes for the financial year 2013 primarily consisted of adjustments for an increase in trade payables of ₹72.12 million, which was partially offset by adjustments for an increase in trade receivables of ₹331.96 million, and a decrease in provisions of ₹173.49 million.

Investing Activities

Net cash used in investing activities was ₹394.16 million for the nine months ended December 31, 2015, primarily consisting of purchase of fixed assets (including capital advance) of ₹406.36 million and investments of ₹13.16 million, partially offset by sale of fixed assets of ₹7.01 million, interest and dividend received of ₹10.44 million and decrease in other non-current assets of ₹7.92 million. The fixed assets purchased were plant and machinery and livestock.

Net cash used in investing activities was ₹223.36 million for the financial year 2015, primarily consisting of purchase of fixed assets (including capital advance) of ₹230.86 million, partially offset by sale of fixed assets of ₹4.12 million and interest and dividend received of ₹4.66 million. The fixed assets purchased were plant and machinery for both our facilities.

Net cash used in investing activities was ₹593.42 million for the financial year 2014, primarily consisting of purchase of fixed assets (including capital advance) of ₹591.20 million, partially offset by sale of fixed assets of ₹4.00 million and interest and dividend received of ₹3.88 million. The fixed assets purchased were plant and machinery for our Manchar facility.

Net cash used in investing activities was ₹569.55 million for the financial year 2013, primarily consisting of purchase of fixed assets (including capital advance) of ₹559.83 million, partially offset by interest and dividend received of ₹2.11 million. The fixed assets purchased were plant and machinery for our Manchar facility.

Financing Activities

Net cash generated from financing activities was ₹59.41 million for the nine months ended December 31, 2015, primarily consisting of proceeds from long term borrowings of ₹585.69 million, partially offset by repayment of short term borrowings of ₹211.03 million and interest paid of ₹360.99 million.

Net cash used in financing activities was ₹423.21 million for the financial year 2015, primarily consisting of interest paid of ₹544.35 million and repayment of long term borrowings of ₹305.01 million, partially offset by proceeds from long term borrowings of ₹332.34 million and proceeds from short term borrowings of ₹100.99 million.

Net cash generated from financing activities was ₹145.03 million for the financial year 2014, primarily consisting of proceeds from long term borrowings of ₹771.98 million and proceeds from short term borrowings of ₹372.72 million, partially offset by interest paid of ₹501.41 million and repayment of long-term borrowings of ₹372.56 million.

Net cash generated from financing activities was ₹407.01 million for the financial year 2013, primarily consisting of proceeds from long term borrowings of ₹1,347.46 million, partially offset by repayment of longterm borrowings of ₹654.19 million and interest paid of ₹413.24 million.

Indebtedness

Our indebtedness as of February 29, 2016, is set out below:

	As of February 29, 2016
	Total
	(₹in millions)
Secured Loans	
Long Term Borrowings:	
Term loans	
a. Indian rupee loan from banks	360.63
b. From Financial Institutions	38.84
c. Foreign currency loan from Financial Institutions	994.93
Hire purchase loans	5.07
Short Term Borrowings	2,350.90
Interest accrued and due	17.44
Total Secured Loans	**3,767.8**
Unsecured Loans	
Long Term Borrowings:	
Compulsory Convertible Debentures	-
0% Non Convertible Debentures to Promoters	180.00
Short Term Borrowings	0.05
Total Unsecured Loans	**180.05**
Grand Total	**3,947.86**

See "Financial Indebtedness" for a description of broad terms of our indebtedness on page 327.

In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition.

Credit Ratings

On November 26, 2015, India Ratings & Research Private Limited assigned us a long-term issuer rating of IND BB'; outlook stable.

Capital and Other Commitments

As of December 31, 2015, our estimated amount of contracts remaining to be executed on capital account (net of advances already made) and not provided for was ₹127.48 million.

Capital Expenditure

We propose to utilise ₹1,477.01 million to meet the capital expenditure in relation to the Expansion and Modernisation Plan, of which, ₹831.45 million, ₹626.31 million and ₹19.25 million will be spent during the financial years 2017, 2018 and 2019, respectively. For further details, see "Objects of the Issue" on page 98.

Contingent Liabilities and Commitments

Particulars	As of December 31, 2015
	(₹ in millions)
Guarantees given by banks on behalf of our Company	7.88
Corporate guarantees given by Company for loans taken by suppliers from banks / financial institutions	920.34
Sales tax matter under litigation for FY 2006-07 and 2009-10	83.32
Claim against the company not acknowledge as debt	70.67
Income tax matter under litigation for assessment year 2012-13	56.20
Income tax matter under litigation of the subsidiary company for assessment year 2011-12	21.53
Total	**1,159.94**

See "Financial Statements - Contingent liabilities and commitments" on page 236.

Transactions with entities in which employees are interested

In addition to the related party transactions as per Accounting Standard 18, which are disclosed in our Financial Statements, we have entered into certain transactions for the purchase of raw milk, sale of milk products and loans and advances with certain entities in which our employees are and were interested. The details of such transactions are given below as follows:

Particulars	Nine months ended December 31,		Financial Year/As at March 31,				
	2015	2014	2015	2014	2013	2012	2011
	(₹ in million)	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*
Poojan Foods Private Limited[(1)]							
Purchase of Raw Milk	545.75	435.50	589.19	503.54	437.30	373.55	305.40
Advances	-	291.86	546.33	-	-	-	-
Sale of Milk Products	28.66	153.08	153.08	-	-	-	-
Corporate guarantees given by Company for loans taken from banks /financial institutions	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Akshara Milk Products Private Limited (formerly Shree Jogeshwari Food Private Limited[(2)]							
Purchase of Raw Milk	-	541.84	541.84	107.87	-	-	-
Shree Jogeswari Milk Processors[(3)]							
Purchase of Raw Milk	124.82	410.52	524.65	624.77	201.44	936.61	724.16
Corporate guarantees given by Company for loans taken from banks /financial	-	82.7	82.7	82.7	82.7	82.7	82.7

Particulars	Nine months ended December 31,		Financial Year/As at March 31,				
	2015	2014	2015	2014	2013	2012	2011
	(₹ in million)	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*	*(₹ in million)*
institutions							
S.S. Milk Traders[4]							
Purchase of Raw Milk and Milk Products	277.32	131.92	203.82	219.25	232.30	677.08	331.87
Advances	-	44.01	-	-	-	-	-
Sale of Milk Products	105.51	294.36	280.35	-	-	-	-
Corporate guarantees given by Company for loans taken from banks /financial institutions	20.00	20.00	20.00	20.00	75.00	75.00	75.00

(1) Sachin Shah, an employee of our Company and a cousin of our Promoters, was a director until September 5, 2015 and is a minority shareholder of Poojan Foods. For details of our relationship with Poojan Foods, see "History and Certain Corporate Matters – Our relationship with Poojan Foods Private Limited" on page 165. For details of our disassociation of our Promoters with Poojan Foods, see "Promoters, Promoter Group and Group Companies" on page 187.

(2) An employee of our Company, together with his brother, were the 100% shareholders of Akshara Milk Products Private Limited. Our employee is no longer a shareholder of Akshara Milk Products Private Limited.

(3) An employee of our Company, together with his spouse, were the majority partners of Shree Jogeshwari Milk Processors.

(4) An employee of our Company, is the sole proprietor of S.S. Milk Traders.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including exchange rate risk and interest rate risk. We are exposed to commodity risk, exchange rate risk, interest rate risk and inflation risk in the normal course of our business.

Commodity risk

We are exposed to the price risk associated with purchasing raw milk, which is our key raw material. We typically do not enter into formal arrangements with milk farmers, bulk milk coolers and chilling centres. Therefore, fluctuations in the price and availability of raw milk may affect our business and results of operations. If the price of raw milk increases, milk farmers may make higher investments towards their cows' to increase the volume of milk produced and realise better returns, resulting in increased volumes of milk available. However, if there is a sustained decrease in the price of milk, milk farmers may decide not to invest in their cows, resulting in stagnating volumes of milk available. For further information, see "Risk Factors - Our operations are dependent on the supply of large amounts of cow's raw milk, and our inability to procure adequate amounts of good quality raw milk, at competitive prices, may have an adverse effect on our business, results of operations and financial condition" on page 16.

Exchange rate risk

We face exchange rate risk because a portion of our revenues relating to our export sales and a portion of our borrowing obligations are denominated in foreign currencies. As of December 31, 2015, our principal amount of

unhedged borrowing obligations denominated in foreign currency was USD 14.5 million. For further information, see "Risk Factors - We face foreign exchange risks that could adversely affect our results of operations" on page 30.

Interest rate risk

We are subject to interest rate risk, primarily because a majority of our borrowings are at floating interest rates. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

Inflation risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates, adversely affecting both sales and margins.

Unusual or Infrequent Events or Transactions

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "- Significant Factors Affecting Our Results of Operations" and the uncertainties described in the section "Risk Factors" on pages 303 and 16, respectively. To our knowledge, except as disclosed in this Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "Risk Factors" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "Risk Factors" and "Our Business" on pages 17 and 155, respectively.

Seasonality of Business

Our business is seasonal in nature. Cows generally produce more milk in temperate weather, and extreme cold or hot weather could lead to lower than expected production. Our raw milk procurement and production is therefore higher in the second half of the financial year during the winter months with temperate climate in our milk procurement region.

New Products or Business Segments

Except as disclosed in "Our Business" on page 152, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Developments Occurring after December 31, 2015

Our Company had allotted compulsorily convertible debentures, which were converted to Equity Shares. 2,060,910 Equity Shares were allotted to IDFC S.P.I.C.E. on account of conversion of 60,000,000 CCDs; 442,511 Equity Shares were allotted to IBEF I on account of conversion of 2,427,140 CCDs, 207,583 Equity Shares were allotted to IBEF on account of conversion of 1,307,134 CCDs; 1,426,581 Equity Shares were allotted to IDFC PE on account of conversion of 4,080,027 CCDs; 59,122 Equity Shares were allotted to Suneeta Agrawal on account of conversion of 224,259 CCDs; 29,560 Equity Shares were allotted to Vimla Oswal on account of conversion of 112,130 CCDs; and 29,560 Equity Shares were allotted to Pratik Oswal on account of conversion of 112,129 CCDs. For further details, please see "Capital Structure" on page 81.

Except as set out above, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiary have availed loans in the ordinary course of business for the purposes of meeting working capital requirements and for capital expenditure. Our Company has obtained the necessary consents and has notified the relevant lenders as required under the relevant loan documentation for undertaking activities, such as substantial change in its shareholding pattern, change in the constitution of our Company, which would adversely affect the interest of the lender and material change in the information provided by our Company to the lenders.

Set forth below is a brief summary of our aggregate indebtedness as of February 29, 2016:

Category of borrowing	**Sanctioned amount (in ₹ million, unless otherwise indicated)**	**Outstanding amount (in ₹Million)**
Working capital loans		
Secured	2,400.00	2,350.90
Unsecured	-	-
Sub-Total	**2,400.00**	**2,350.90**
Term loans		
Secured		
- Indian rupee denominated	973.36	404.55
- Foreign currency denominated	USD 14.50 million*	994.93
Accrued Interest on Term Loan		17.44
Others (Unsecured Loans)	180.05	180.05
Sub-Total	2,149.23	1,596.97
Total	4,549.23	3,947.86

**USD – INR conversion rate for foreign currency denominated loan is ₹68.62 as per RBI closing rates on February 29, 2016.*

The borrowings specified above includes, availed unsecured loans aggregating to ₹180.05 million, through subscription to non-convertible redeemable debentures, loans from our Promoters of which, ₹180.05 million was outstanding as on February 29, 2016.

Principal terms of the borrowings availed by us:

1. ***Interest:*** In terms of the loans availed by us, the interest rate is typically base rate plus basis points of the specified lender.

2. ***Tenor:*** The tenor of the working capital limits typically ranges from one day to 12 months and eight years for the term loans.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security by way of, amongst others, hypothecation of the current assets and moveable assets of our Company; mortgage of certain immoveable properties; fixed deposits, pledge of Equity Shares; personal guarantees of the promoters and certain members of the promoter group. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The working capital facilities are typically repayable on demand. The repayment period for our term loans is in stipulated monthly or half yearly instalments.

5. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including:

    a) Change in constitution or control of our Company, except as specified; and
    b) Breach of the obligations under any term of the relevant financing agreement; any other financing agreement entered into by our Company; and failure to pay taxes by our Company, except as specified.

This is an indicative list and there are additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) material litigation, in each case involving our Company, Directors, our Promoters or Subsidiary, and (iv) any litigation involving any other person whose outcome could have a material adverse effect on the position of our Company.

In relation to (iii) above, our Board has considered such cases involving our Company, Subsidiary, Directors and Promoters as material where the amount involved for quantifiable cases exceeds: (1) ₹50.00 million; or (2) 0.5% of our consolidated revenue for Fiscal 2015, whichever is lower. As per our Restated Consolidated Financial Statements disclosed on page 192, our consolidated revenue for Fiscal 2015 was ₹14,420.47 million. Therefore, all outstanding cases which involved an amount exceeding ₹50.00 million have been considered material.

Further, except as stated in this section, there are (i) no inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiary, (ii) no fines imposed on or compounding of offences by our Company or Subsidiary, and (iii) no material frauds committed against our Company, in each case in the five years preceding the date of this Red Herring Prospectus. Further, there have been no proceedings initiated against our Company for economic offences, defaults in respect of dues payable dues.

Our Board considers dues owed by our Company to small scale undertakings and other creditors exceeding (1) ₹100.00 million; or (2) 1.00% of our annual revenue; whichever is lower, as material dues for our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution dated August 27, 2015. As per our Restated Standalone Financial Statements disclosed on page 249, our standalone revenue for Fiscal 2015 was ₹14,233.39 million. Therefore, all outstanding dues exceeding ₹100.00 million have been considered material.

I. Litigation involving our Company

Litigation against our Company

Civil proceedings

1. France International Trade ("**FIT**") has filed a special civil suit against our Company before the Civil Judge, Senior Division, Pune (the "**Judge**") in relation to an agreement dated September 22, 2004 for marketing collaboration and a settlement agreement dated January 21, 2009 entered into between FIT and our Company (the "**Agreements**"). FIT has alleged that the goods exported by our Company did not meet their requirements and had to be returned or destroyed, thus causing monetary loss to FIT and that our Company had breached the terms of the Agreements. FIT has claimed an amount of ₹50.30 million from our Company pursuant to a credit note dated March 9, 2009 (the "**Credit Note**") issued by our Company to FIT along with interest at the rate of 18% per annum till June 2014 amounting to ₹20.37 million from our Company. FIT had further sought attachment of certain properties of our Company on account of failure in payment of the aforesaid amount by our Company as compensation. Our Company has filed its written statement before the Judge and has refuted the allegations and stated that the Credit Note of USD 675,000 was issued to FIT with a view to keeping good business relations with FIT and on the understanding that the said Credit Note was to be appropriated by adjusting 500 USD per ton of the food products for which future orders would be placed by FIT with our Company. Our Company has also submitted that no expert or agency was appointed for inspection of the allegedly defective products and that FIT did not allow physical inspection of the goods allegedly rejected by FIT's customers. Our Company has further challenged the jurisdiction of the Judge to hear this matter due to the presence of an arbitration clause in the agreement. The matter is currently pending.

   Post the filing of the Draft Red Herring Prospectus, our Company has received certain letters the latest being February 3, 2016 from the legal counsel of FIT (the "**Letters**"). Certain letters were also addressed to SEBI, the Stock Exchanges, ICAI, the registrar of companies, Mumbai and Pune and the Book Running Lead Managers. The Letters alleged, amongst other things, suppression of material facts, inadequacy of disclosures pertaining to the abovementioned dispute on the part of our Company and the Credit Note not being recorded as a contingent liability and not being reflected in the accounts

of our Company for Fiscal Years 2009 to 2013. The legal counsel of FIT has also filed a complaint before ICAI against the erstwhile statutory auditors of our Company in respect of their audits for the Fiscal Years 2009 and 2010. The erstwhile statutory auditor of our Company for Fiscal Years 2009 and 2010, has, indicated in its response to ICAI that our Company had neither provided the Credit Note to them during the course of their audit nor any adjustment of the same had been made in the financial statements of our Company for Fiscal Years 2009 and 2010. The erstwhile statutory auditor has also indicated that the Credit Note was not included in the list of credit notes appearing in the accounting records of our Company. Our Company has also appropriately responded to the Letters and has submitted that the Letters pertain to a matter which is currently sub-judice before the Judge. Our Company submitted the last reply to the legal counsel of FIT on March 19, 2016.

Criminal proceedings

1. The Government of Maharashtra, through the Food Safety Officer S. M. Jagtap (the "**Complainant**") has filed a criminal complaint against our Company, Pritam Shah, Devendra Shah, Parag Shah, Sunil Goyal and others before Chief Judicial Magistrate, Alibaug (the "**CJM**") alleging contravention of Food Safety and Standards (Prohibition and Restriction of Sale) Regulations, 2011, Food Safety and Standards (Food Product Standards & Additives) Regulations, 2011 and Food Safety and Standards Act, 2006. The Complainant alleged that based on his testing of the samples of Krishna milk and Gowardhan Gold milk, our Company is responsible for production of unsafe food substance due to (i) the milk fat percentage is below the prescribed standards, and (ii) glucose and skimmed milk powder being added to milk. The CJM issued a process on January 31, 2013 ("**Process**") against Devendra Shah, Pritam Shah, Parag Shah, Sunil Goyal and one another ("**Applicants**") in relation to the aforementioned proceedings. On April 29, 2013, the Applicants filed a revision petition under Section 397 read with Section 399 of the Code of Criminal Procedure, 1973 before the Court of District and Sessions Judge, Alibaug (the "**Sessions Court**") praying for, *inter alia*, setting aside of the Process on the ground that the Process failed to mention how the Applicants are responsible for the breach of provisions of the Food Safety and Standards Act, 2006 ("**FSSA**") and was issued in breach of the provisions of the FSSA. Subsequently, the Sessions Court passed an order dated November 25, 2013 quashing the Process issued against the Applicants and dropping the proceedings initiated against them in this matter. The matter is currently pending against our Company.

2. Our Company has filed a writ petition against the State of Jammu & Kashmir (the "**Respondent**") and others before the High Court of Jammu and Kashmir appealing against an order passed by the Adjudicating Officer appointed under Food Safety Standards Act, 2006 on March 25, 2015. The impugned order was passed on the basis of allegations made by the investigating Food Safety Officer regarding misbranding of products by our Company and levied a fine of ₹5,000 on our Company. An application for grant of interim relief has been filed by our Company to stay the order of the Adjudicating Officer. Our Company has prayed that (i) the order of the Adjudicating Officer be stayed; and (ii) any other interim relief be granted. The matter is currently pending.

3. The Government of Jammu & Kashmir has filed a criminal complaint against our Company before the Chief Judicial Magistrate, Kathua alleging contravention of Food Safety and Standards (Food Products and Food Additive) Regulations, 2011 and Food Safety and Standards Act, 2006. The complaint alleged that the sample of the double toned milk was sub-standard, unsafe and misbranded. The matter is currently pending.

Litigation by our Company

Civil proceedings

1. Our Company has filed a civil suit against Pastonji Brands and Holding Private Limited and Naim Hafizi (the "**Respondents**") before the District Judge, Pune under the Trade Marks Act, 1999, seeking perpetual injunction against the Respondents from using in any manner, in relation to products falling under Class 29, the marks 'Go Sip' and 'Go Ghee'. The District Judge, Pune, pursuant to an order dated May 19, 2015, dismissed the said application for injunction (the "**Order**"). Our Company has filed an appeal before the High Court of Bombay against the order of the District Judge, Pune challenging the Order and has amongst others sought (i) quashing of the Order; and (ii) interim injunction restraining the Respondents from using the mark 'GO' and any other marks amounting to infringement or passing off of the trade mark 'GO' of our Company. No interim injunction has been granted in this matter and it is currently pending.

2. Our Company has filed a writ petition before the High Court of Bombay against Pimpri Chinchwad Mathadi and Unprotected Workers Board (the "**Respondent**") on the grounds that a report prepared by the Respondent (the "**Impugned Report**") violates the rights of our Company under Articles 14, 19 and 21 of the Constitution of India. The report was prepared on the basis of an offence prescribed under the Mathadi Hamal and Other Manual Workers (Regulation of Employment & Welfare) Scheme, 1992 (the "**Mathadi Scheme**") which is not applicable to our Company due to the automisation of our plant. Our Company has sought (i) quashing of the Impugned Report; and (ii) retraining of the Respondent from initiating criminal prosecution against our Company until the final disposal of the petition. The High Court of Bombay through an interim order dated March 18, 2013 restrained the Respondents from taking further steps against our Company.The matter is currently pending.

Criminal Proceedings

1. Our Company has filed 12 separate cases under section 138 of the Negotiable Instruments Act, 1881. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in all these matters is ₹2.13 million.

Tax proceedings

We have separately disclosed claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims.

Direct Tax Proceedings:

1. The Wealth Tax Department issued a notice of demand dated October 16, 2015 to our Company in relation to inappropriate computation of demand payable under Section 16(1) of the Wealth Tax Act, 1957 for the assessment year 2014-2015. The department has raised a demand of ₹77,959 from our Company. Our Company has disagreed with the notice of demand issued by the department since our Company paid the outstanding tax demand of ₹77,959 on January 14, 2015 which is subject to the verification and confirmation of the Assistant Commissioner of Wealth Tax. The matter is currently pending.

2. The Income Tax Department issued a notice of demand dated March 1, 2016 to our Company in relation to inaccurate computation of income tax payable under Section 143(1) of the Income Tax Act, 1961 for assessment year 2015-2016. The department has raised a demand of ₹271,060 from our Company. The matter is currently pending.

Indirect Tax Proceedings:

1. Seven indirect tax matters involving our Company are pending before the Joint Commissioner of Sales Tax at Pune (the "**Joint Commissioner**") for the financial years 2006-2007, 2008-2009, 2009-2010 and 2010-2011. Out of these, four matters are in relation to financial years 2006-07 and 2009-10 enhanced penalty imposed on our Company under Section 29(8) of the Maharashtra Value Added Tax Act, 2002 for delay in filing of returns. The sales tax authority has raised a demand aggregating to ₹83,318,999, of which, we have paid an aggregrate amount of ₹8,100,000, under protest. The recovery proceedings have been stayed by the Joint Commissioner for recovery of ₹75,218,999 until final adjudication of these matters. These matters are currently in appeal and are pending. Further, there are three matters initiated by the Joint Commissioner against our Company financial years 2008-09 and 2010-2011 in relation to demand of sales tax and value added tax and refunds claimed. The total amount involved in these matters is ₹47,082,732. These matters are currently in appeal and are pending.

Notices from statutory or regulatory authorities

1. Our Company receives notices from regulatory and statutory authorities in its ordinary course of business, including under the Food Safety and Standards Act, 2006, the Legal Metrology Act, 2009 and rules and regulations issued thereunder. These notices are in the nature of *inter alia* alleging that some food articles like Gowardhan Process Cheese supplied by our Company to a shop which was inspected by the Joint Commissioner did not have a license as required under Clause 14 of Annexure 3 of the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 and non-compliance with specified standards under these laws alleging "misbranding" and samples of our

products to be "sub-standard" as defined under section 3(1)(zx) of Food Safety and Standards Act, 2006.

2. The Maharashtra Pollution Control Board ("**MPCB**") issued a show cause notice dated November 1, 2013 ("**SCN**") to our Company under the provisions of the Water (Prevention & Control of Pollution) Act, 1981 (the "**Water Act**"), Air (Prevention & Control of Pollution) Act, 1981 (the "**Air Act**"), and authorisation under Rule 5 of the Hazardous Wastes (Management & Handling) Rules, 1989 and Amendment Rules, 2003 (the "**Hazardous Wastes Management Rules**") alleging that our Company has violated the conditions laid down under the consent to operate issued by MPCB in relation to our Manchar Facility by operating the effluent treatment plant beyond the stipulated parameters. Our Company has replied to the SCN. The matter is currently pending.

3. MPCB issued a show cause notice dated April 22, 2013 to our Subsidiary in relation to our Subsidiary's application for renewal of consent to operate as a dairy farm. MPCB has alleged *inter alia* certain violations under the provisions of the Water Act, the Air Act and the Hazardous Wastes Management Rules. In the show cause notice, MPCB has directed our Subsidiary to show cause as to why its renewal application should not be recommended for rejection. Our Subsidiary has replied to the show cause notice. The matter is currently pending.

4. The Deputy Commissioner of Income Tax, Central Circle -1 (1) issued a show cause notice dated November 27, 2015 under the Income Tax Act, 1961, to initiate penalty proceedings in relation to concealment of the particulars of our Company's income and for furnishing inaccurate particulars of such income for Fiscal 2012-2013. The matter is currently pending

Past Penalties

1. On February 4, 2011 under order of the Deputy Commissioner of Income Tax (the "**Income Tax Department**"), a search action was conducted at our Company's and our Subsidiary's premises as well as at the residence of Pritam Shah and Devendra Shah (together, the "**Promoter Directors**"). Pursuant to such search action, the Income Tax Department imposed demands of ₹180.42 million, ₹21.53 million and ₹151.19 million on our Company, our Subsidiary and the Promoter Directors, respectively, alleging that our Company, our Subsidiary and the Promoter Directors had furnished inaccurate particulars of their respective income. Our Company has made a payment of ₹180.53 million and settled the matter. The Income Tax Department in April 2015 issued a tax clearance certificate stating that no demand was outstanding against our Company for the assessment years 2005-2006 to 2011-2012. In relation to the demands raised against our Subsidiary and the Promoter Directors, the same are under appeal, which are currently pending. Pending the disposal of its appeal, our Subsidiary has paid ₹1.02 million under protest.

2. An application was filed by our Company for compounding of offence under sections 621A and 297 of the Companies Act, 1956 in relation to related party transaction(s) between our Company and our Subsidiary during Fiscal 2006 to Fiscal 2012. A penalty of ₹0.15 million was imposed by the Company Law Board on our Company, our Managing Director, Pritam Shah and the then company secretary of our Company.

3. The Deputy Commissioner of Sales Tax, Pune has imposed certain penalties in relation to inadequate payment of sales tax aggregating to ₹451,436 for Fiscals 2005-2006 and 2010-2011. Our Company has made a payment of ₹195,286 in this regard. Further, our Company has also paid a penalty of ₹1,000 for the Fiscal 2011 imposed by the Assistant Commissioner, Service Tax.

4. Our Company filed three applications before the Company Law Board, Mumbai in 2012, under section 141 of the Companies Act, 1956, for condonation of delays in (i) modification of charge with Union Bank of India, IFB Pune branch ("**UBI**") for increasing of working capital limits availed by our Company from UBI; (ii) creation of charge with UBI for term loan of ₹120.00 million availed by the Company from UBI; and (iii) creation of charge with State Bank of India, IFB Pune branch for term loan of ₹160.00 million availed by our Company from State Bank of India.

5. The Adjudicating Officer, Kutch, Bhuj passed an order dated November 20, 2015, (the "**Order**") and held that the sample of "Cow Ghee Goverdhan Brand in 15 kgs pack in tin" was declared to be misbranded and that a crime was committed by our Company. The Adjudicating Officer imposed a

penalty of ₹30,000 on our Company under Sections 50 and 52 of the the Food Safety and Standard Act, 2006.

Inquiries, inspections or investigations under Companies Act

1. There are no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company or Subsidiary in the past five years.

For further details, see "– Litigation involving our Company – Past Penalties, Sr. No. 2" on page 331.

Outstanding payment of statutory dues

Other than Income Tax claims disclosed above, there are no outstanding payments of statutory dues.

Material Frauds

There have been no material frauds committed against our Company in the five years preceding the date of this Red Herring Prospectus.

II. Litigation involving our Subsidiary

Civil proceedings

There are no civil proceedings pending either against or by our Subsidiary.

Criminal proceedings

There are no criminal litigations pending either against or by our Subsidiary.

Tax proceedings

We have separately disclosed claims relating to direct and indirect taxes involving our Subsidiary in a consolidated manner giving details of number of cases and total amount involved in such claims.

Direct Tax Proceedings:

1. For further details, see "– Litigation involving our Company – Past Penalties, Sr. No. 1" on page 331.

Indirect Tax Proceedings:

There are no indirect tax proceedings initiated against our Subsidiary.

III. Litigation involving our Directors

(a) Litigation involving Devendra Shah

Criminal Proceedings:

There are no criminal proceedings involving Devendra Shah.

Direct Tax Proceedings:

1. For further details, see "– Litigation involving our Company – Past Penalties, Sr. No. 1" on page 331.

2. The Wealth Tax Department issued a demand order dated March 7, 2014 to Devendra Shah and Pritam Shah in relation to concealment of wealth under Section 4 of the Wealth Tax Act, 1957 for the assessment year 2011-2012. The department has raised a demand of ₹60,830 and ₹179,220 from Devendra Shah and Pritam Shah, respectively. Devendra Shah and Pritam Shah have filed appeals dated April 11, 2014 against this demand order before the Deputy Commissioner (Appeals) and Commissioner Wealth Tax (Appeals). This matter is currently pending.

Indirect Tax Proceedings:

There are no indirect tax proceedings initiated against Devendra Shah.

(b) Litigation involving Pritam Shah

Criminal Proceedings:

There are no criminal proceedings involving Pritam Shah.

Direct Tax Proceedings:

1. For further details, see "– Litigation involving our Company – Past Penalties, Sr. No. 1" on page 331.

2. For further details, see "– Litigation involving Devendra Shah – Direct Tax Proceedings, Sr. No. 2" on page 330.

Indirect Tax Proceedings:

There are no indirect tax proceedings initiated against Pritam Shah.

(c) Litigation involving B. M. Vyas

There is no litigation involving B.M.Vyas.

(d) Litigation involving Narendra Ambwani

Criminal Proceedings:

National Pharmaceutical Authority ("**NPPA**") had raised a demand on Johnson and Johnson Private Limited in 2001 for overcharging Raricap 40, a drug product for which the price was fixed by NPPA. The overcharged amount with interest was paid by Johnson and Johnson Private Limited in full after series of court proceedings. NPPA had asked the Central Bureau Of Investigation ("**CBI**") in June 2003 to investigate the case for violation of Essential Commodities Act,1955 on account of economic offence. CBI after investigation had filed criminal case in the Magistrate Court at Mumbai stating that the exemption for price control for the value over ₹20 crore was wrongly availed by NPPA and hence violated the Essential Commodities Act, 1955. The case was against NPPA and individuals. Narendra Ambwani, being the managing director at the relevant time was impleaded as one of the accused. The magistrate court passed an order and discharged all accused including Narendra Ambwani. The CBI has filed an appeal against the order of the Magistrate Court. The matter is currently pending.

(e) Litigation involving Radhika Pereira

Criminal Proceedings:

India SME Asset Reconstruction Company Limited ("**ISARC**") had initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**") against Crystal Sugar Private Limited ("**Crystal**") and had sold certain secured properties of Crystal under the proceedings. Crystal being aggrieved by the aforesaid actions, filed a criminal complaint ("**Complaint**") against ISARC and others before the Chief Judicial Magistrate, Kolhapur (the "**CJM**"). The CJM, after perusing the Complaint, directed the Gokul Shirgaon police station to investigate the matter. The police station registered a first information report ("**FIR**") and Radhika Pereira, being an independent director in ISARC was impleaded as an accused. Subsequently, ISARC and its directors challenged the orders of the CJM before the Bombay High Court through a writ petition praying for quashing of the FIR. The Bombay High Court granted an interim relief and stayed the investigation in the matter.

(f) Litigation involving Sunil Goyal

There are no outstanding litigation cases involving Sunil Goyal.

(g) Litigation involving Nitin Dhavalikar

There are no outstanding litigation cases involving Nitin Dhavalikar.

(h) Litigation involving Ramesh Chandak

There are no outstanding litigation cases involving Ramesh Chandak.

IV. Litigation involving our Promoters

(a) Litigation involving Devendra Shah

For details, see "– Litigation involving our Directors – Litigation involving Devendra Shah" on page 330.

(b) Litigation involving Pritam Shah

For details, see "– Litigation involving our Directors – Litigation involving Pritam Shah" on page 330.

(c) Litigation involving Parag Shah

There is no litigation involving Parag Shah.

Outstanding dues to Creditors

Our Company had net outstanding dues amounting to ₹1,105.37 million towards 25 small scale undertakings and 890 other creditors as on February 29, 2016. Our Board considers net outstanding dues exceeding ₹100.00 million to small scale undertakings and other creditors as material dues for our Company. Our Company did not owe any small scale undertakings any amounts exceeding ₹100.00 million as of February 29, 2016.

As of February 29, 2016, our Company did not owe to any creditors any amounts exceeding ₹100.00 million in its ordinary course of business. There are no outstanding disputes between our Company and such creditors in relation to payments to be made to them.

The details pertaining to the net outstanding dues towards such creditors as on February 29, 2016, are available on the website of our Company at http://www.paragmilkfoods.com/pdfs/creditors-list.pdf. The details in relation to other creditors and amount payable to each creditor available on the website of our Company do not form a part of this Red Herring Prospectus.

Material Developments

For details of material developments post December 31, 2015, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 326.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details see "Regulations and Policies" on page 157. We have received the necessary consents, licenses, permissions and approvals from the Central Government and various governmental agencies required for our present business such regulatory approvals include registration under the Food and Safety Standards Act, 2006. The key approvals, licences, registrations and permits obtained by us which enable us to undertake our business as set out in this section. Additionally unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus. Some of the approvals may expire periodically in the ordinary course and applications for removal of such expired approvals are submitted in accordance with applicable requirements and procedures, the object clause and objects incidental to the main objects of the Memorandum of Association enable our Company to undertake its existing business operations.

I. Approvals for the Issue

For the approvals obtained for the Issue, see "Other Regulatory and Statutory Disclosures" on page 345.

A. Approvals for our Company and our Subsidiary

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
II.	**Approvals for Incorporation of our Company**			
1.	Certificate of incorporation dated December 29, 1992	Registrar of Companies, Mumbai	PMFL	-
2.	Certificate of incorporation on account of change of name from 'Parag Milk & Milk Products Private Limited' to 'Parag Milk Foods Private Limited' dated April 11, 2008	Registrar of Companies, Pune	PMFL	-
3.	Fresh certificate of incorporation upon conversion to public limited company dated July 7, 2015	Registrar of Companies, Pune	PMFL	-
4.	Certificate of Registration issued under the Package Scheme of Incentives, 2007 dated March 14, 2012	Joint Commissioner of Sales Tax	PMFL	-
	Tax related approvals			
5.	The permanent account number of our company is AABCP0425G issued under the Income Tax Act, 1961	Income Tax Department, Government of India	PMFL	-
6.	The tax payer identification number of our Company issued under the Maharashtra Value Added Tax Act, 2003 is 27220293349-V	Sales Tax Officer – Registration Branch, Pune	PMFL	-
7.	The tax payer identification number of our Company issued under the Central Sales Tax (Registration and Turnover) Rules, 1957 is 27220293349-C	Sales Tax Officer – Registration Branch, Pune	PMFL	-
8.	The tax payer identification number of our company issued under the Andhra Pradesh Value Added Tax Act, 2005 is 37029208242-V	Assistant Commercial Tax Officer – II, Office of the Commercial Tax Officer, Chittoor – II circle, Chittoor	PMFL	-
9.	Service tax registration number of our Company is AABCP0425GST001	Central Board of Excise and Customs, Department of Revenue, Ministry of Commerce,	PMFL	-

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
		Government of India		
10.	Professional tax number is 28758056403 issued by the Government of Andhra Pradesh	Deputy Commercial Tax Officer, Profession Tax Officer, CTO–II, Circle, Chittoor	PMFL	-
11.	Professional tax number is 27220293349P issued under Maharashtra State, Tax on Professions, Trade, Callings and Employment Act, 1975	Profession Tax Officer, C-03, Pune	PMFL	-
12.	Professional tax employer number is 99341921404P issued under Maharashtra State, Tax on Professions, Trade, Callings and Employment Act, 1975	Profession Tax Officer, C-03, Pune	PMFL	-
13.	Import-export code is 3197031814	Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India at Pune	PMFL	-
	Others			
14.	Acknowledgment issued for the manufacture of milk, baby milk foods, ghee, butter, cream, cheese, khoya, milk powder, ice-cream powder and condensed milk up to prescribed capacities	Secretariat for Industrial Assistance, Ministry of Commerce and Industry	PMFL	-
15.	Certificate of registration issued under the Maharashtra Shops and Establishments Act, 1948 for our Corporate Office located at, Nariman Point	Office of the Inspector under the Maharashtra Shops and Establishments Act, 1948	PMFL	December 31, 2016
III.	**Approvals in relation to our Plants**			
The material approvals obtained in respect of the Manchar Plant and the Palamaner Plant are listed below. These approvals and licenses are subject to the effective implementation of the terms and conditions, if any, contained therein.				
	Approvals in relation to our Manchar Plant			
1.	Certificate of registration as a Star Export House in accordance with the provisions of the Foreign Trade Policy, 2009-2014	Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India at Pune	PMFL	March 31, 2019
2.	Certificate of registration as a two Star Export House in accordance with the provisions of the Foreign Trade Policy, 2015-2020	Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India at Pune	PMFL	July 14, 2020
3.	Certificate of registration-cum-membership under the Agricultural and Processed Foods Products Export Development Authority Act, 1985	Agricultural and Processed Foods Products Export Development Authority	PMFL	December 31, 2017
4.	Certificate of authorisation for grading and marking of 'Ghee' issued the Agricultural Produce (Grading and Marking) Act, 1937	Department of Agriculture and Co-operation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India	PMFL	March 31, 2019
5.	Certificate for use of a boiler with	Directorate of Steam	PMFL	November 1, 2016

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
	maximum pressure of 17.5 kg/sq. cm.	Boiler, Department, Government of Maharashtra at Pune		
6.	Certificate for use of a boiler with maximum pressure of 17.5 kg/sq. cm.	Directorate of Steam Boiler, Department, Government of Maharashtra at Pune	PMFL	November 1, 2016
7.	Certificate for use of a boiler with maximum pressure of 48 kg/sq. cm.	Directorate of Steam Boiler, Labour Department, Government of Maharashtra at Pune	PMFL	August 23, 2016
8.	Certificate for use of a boiler with maximum pressure of 21.09 kg/sq. cm.	Deputy Director of Steam Boilers, Government of Maharashtra at Pune	PMFL	January 26, 2017
9.	Approval for processing and packing of milk products for export to all countries other than the European Union. Issued nder the Export of Milk Products Quality Inspection and Monitoring Rules, 2000	Export Inspection Council of India, New Delhi	PMFL	November 23, 2016
10.	License of registration bearing number 10012022001320 for registration as a manufacturer for manufacturing milk products issued under the under the Food Safety and Standards Act, 2006	Food Safety and Standards Authority of India, Mumbai	PMFL	December 31, 2017
11.	License of registration bearing number 10013022001935 for registration as an importer under the Food Safety and Standards Act, 2006	Food Safety and Standards Authority of India, Mumbai	PMFL	May 23, 2016
12.	Certificate of registration bearing number IP512-QC-HC for operation of a food safety program which complies with the requirements of HACCP Code:2003 and covers the production of milk, cheese, butter and other dairy products	TQCS International (Group) Pty. Limited	PMFL	November 10, 2017
13.	Certificate of registration bearing registration number 12343172570 for consumption of food and milk products by humans and animals issued under the Public Health Security and Bioterrorism Preparedness and Response Act, 2002	United States FDA	PMFL	December 9, 2016
14.	Certificate of registration bearing registration number 0130 for milk products being compliant with halal requirements	Halal Committee, Jamiat-Ulama-E Maharashtra	PMFL	April 24, 2016
15.	License bearing number 7366885 for certification of milk powder as IS 1165:2002 issued under the Bureau of Indian Standards Act, 1986	Bureau of Indian Standards, Pune	PMFL	December 31, 2016
16.	License bearing number 7273474 for certification of skim milk powder-part 1: standard grade as IS 13334:Part 1:1998 issued under the Bureau of Indian	Bureau of Indian Standards, Pune	PMFL	December 31, 2016

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
	Standards Act, 1986			
17.	License bearing number 7525576 for certification of skim milk powder-part 1: standard grade as IS 13334:Part 2:1992 issued under the Bureau of Indian Standards Act, 1986	Bureau of Indian Standards, Pune	PMFL	November 30, 2017
18.	Verification Certificates have been issued under the Weight and Measurement (Enforcement) Act, 1985 along with rules and regulations formulated thereunder for the use of various measuring scales	Food, Civil Storage and Customer Protection Department of the Government of Maharashtra	PMFL	until May, 2016
19.	Registration bearing number MH/PF/PN/33240/ENF/II/324 under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Office of the Regional Provident Fund Commissioner, Pune	PMFL	-
20.	Certificate of registration bearing number PN-2445 issued under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 and the rules made there under	Assistant Commissioner of Labour, Pune	PMFL	-
21.	License to work a factory bearing license number 100861issued under the Factories Act, 1948 for 1,000 workers with maximum installed power capacity of 2,000 horse power	Director, Industrial Safety and Health, Government of Maharashtra, Mumbai	PMFL	December 31, 2017
22.	License number P/WC/MH/15/2070 (P56429), issued under the Petroleum Act, 1934 and the Petroleum Rules, 2002 for a Class B petroleum installation	Petroleum & Explosives Safety Organisation, Ministry of Commerce & Industry, Government of India	PMFL	December 31, 2025
23.	No Objection Certificate for establishment and operation of the Manchar facility	The Gram Panchayat of Awasari Khurd	PMFL	-
	Tax related approvals for our Manchar Plant			
24.	The VAT registration number (TIN) is 27220293349-V issued under the Maharashtra Value Added Tax Act, 2003	Sales Tax Officer – Registration Branch, Pune	PMFL	-
25.	Certificate of registration bearing number AABCP045GST001with the Central Board of Excise and Customs, Department of Revenue, Ministry of Commerce, Government of India dated October 12, 2009 for the transport of goods by road	Central Board of Excise and Customs, Department of Revenue, Ministry of Commerce, Government of India	PMFL	-
26.	Certificate of registration bearing number 27220293349-C, dated April 1, 2006 issued under the Central Sales Tax (Registration and Turnover) Rules, 1957 for use of packing materials and diesel fuel in the manufacturing or processing of goods. The registration is effective from April 1, 2006	Sales Tax Officer – Registration Branch, Pune	PMFL	-
27.	Professional tax number is	Profession Tax Officer,	PMFL	-

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
	27220293349P issued under Maharashtra State, Tax on Professions, Trade, Callings and Employment Act, 1975	C-03, Pune		
28.	Professional tax employer number is 99341921404P issued under Maharashtra State, Tax on Professions, Trade, Callings and Employment Act, 1975	Profession Tax Officer, C-03, Pune	PMFL	-
	Approvals in relation to our Palmaner Plant			
1.	Certificate of authorisation for grading and marking of 'Ghee' under the Agricultural Produce (Grading and Marking) Act, 1937	Department of Agriculture and Co-operation, Ministry of Agriculture	PMFL	March 31, 2021
2.	Certificate of registration bearing registration number 1096 for milk products being compliant with halal requirements	Halal Committee, Jamiat Ulama-E-Maharashtra	PMFL	May 1, 2016
3.	License for manufacturing milk products number 10012044000176 issued under the Food Safety and Standards Act, 2006	Food Safety and Standards Authority of India, Chennai	PMFL	July 30, 2018
4.	Approval for processing and packing of milk products for export issued under the Export of Milk Products Quality Inspection and Monitoring Rules, 2000	Export Inspection Agency, Chennai	PMFL	February 16, 2017
5.	Certificate of registration bearing registration number IN/OHS/00073 certifying that the Palamaner plant complies with OHSAS 18001:2007 standards with respect to receiving of raw material, processing and packing of milk and milk products	MS Certification Services Private Limited	PMFL	January 4, 2018
6.	License bearing number C/246/2015-2020 issued under the Andhra Pradesh (Agriculture Produce and Live Stocks) Markets Act, 1966 and the rules framed there under to use the premises as specified for the purchase, sale, storage, weighment, carrying, pressing and processing of any notified agricultural produce and products of live stock and for the sale and purchase of live stock	The Agriculture Market Committee, Palamaner	PMFL	March 31, 2020
7.	Certificate for use of a boiler with maximum pressure of 42 kg/sq. cm.	Andhra Pradesh Boiler Inspection Department	PMFL	November 1, 2016
8.	Certificate for use of a boiler with maximum pressure of 21 kg/sq. cm.	Andhra Pradesh Boiler Inspection Department	PMFL	April 1, 2017
9.	Provisional certificate for use of a boiler with maximum pressure of 10.55 kg/sq. cm.	Inspector of Boilers, Tirupati circle, Tirupati	PMFL	October 1, 2016
10.	Certificate of registration bearing number P.E. 143/JCL-KNL/2015 issued under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 and the rules made there under	The Commisioner of Labour, Kurnool	PMFL	-

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
11.	Various Certificates have been issued to our Company for the measurement scales being used by us	Controller, Legal Metrology department of the Government of Andhra Pradesh	PMFL	2015-2016
12.	Certificate bearing number IN15/818842748 certifying that the Palamner facility is compliant with ISO 22000:2005, ISO/TS 22002-1 and additional FSSC 22000 requirements for processing of milk and manufacturing of milk products	SGS United Kingdom Limited System and Services Certification	PMFL	November 3, 2018
13.	License to work a factory bearing registration number 99180 issued under the Factories Act, 1948 for operating a factory with 500 workers with maximum installed power capacity of 4,041 horse power	Inspector of Factories, Chittoor	PMFL	Until cancelation
14.	No Objection Certificate for assignment number 311	The local Gram Panchayat	PMFL	Year ending 2016
	Tax related approvals for our Palmaner Plant			
15.	The VAT registration number is 37029208242 issued under the Andhra Pradesh Value Added Tax Act, 2005	Assistant Commercial Tax Officer – II, Office of the Commercial Tax Officer, Chittoor – II circle, Chittoor	PMFL	-
16.	Certificate of registration bearing number 37029208242, issued under the Central Sales Tax (Registration and Turnover) Rules, 1957 for use of specified commodities in the manufacturing of milk products	Assistant Commercial Tax Officer – II, Office of the Commercial Tax Officer, Chittoor – II circle, Chittoor	PMFL	-
17.	Professional tax number is 28758056403	Deputy Commercial Tax Officer, Profession Tax Officer, CTO–II, Circle, Chittoor	PMFL	-
18.	Professional tax employer number is 37117016915	Deputy Commercial Tax Officer – II, Office of the Commercial Tax Officer, Chittoor – II circle, Chittoor	PMFL	-
IV.	**Approvals in relation to our Subsidiary**			
1.	Consent to operate was issued, under the Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous Wastes (Management & Handling Transboundary Movement) Rules, 2008 for pasteurization and bottling milk bearing consent number MPCB/16/00833	Maharashtra Pollution Control Board	BDFPL	December 31, 2017
2.	License bearing number 11512038004187 issued by the Food and Drug Administration, Pune under the Food Safety and Standards Act, 2006 for carrying out dairy business	The Assistant Commissioner (Foods) and Authorised Officer , Food and Drug Administration, Pune	BDFPL	December 31, 2020
3.	License to work factory unit - I bearing number 106441 issued under the Factories Act, 1948 for	Director, Industries Security and Health, Government of	BDFPL	December 31, 2017

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
	operating a factory with 50 workers with maximum installed power capacity of 500 horse power	Maharashtra, Mumbai		
4.	License to work factory unit - II bearing number 106451 issued under the Factories Act, 1948 for operating a factory with 50 workers with maximum installed power capacity of 500 horse power	Director, Industries Security and Health, Government of Maharashtra, Mumbai	BDFPL	December 31, 2017
5.	Certificate of registration for establishment at shop number 44, Gayatri Satsang building, Vishnu Shivam corporate housing society, Thakur village, Kandivali, Mumbai bearing registration number 760439216	Office of the Inspector under the Maharashtra Shops and Establishments Act, 1948	BDFPL	December 31, 2016
6.	Certificate of registration for establishment at shop number 14, ground floor, Laxmi nagar, Sayani road, shop owners welfare association, Prabhadevi, Mumbai bearing registration number 760441310	Office of the Inspector under the Maharashtra Shops and Establishments Act, 1948	BDFPL	December 31, 2016
7.	Certificate of registration for establishment at shop number 14, ground floor, Radhimit Corporate Housing Society, Nerul, Navi Mumbai bearing registration number 1610200310251383	Office of the Inspector under the Maharashtra Shops and Establishments Act, 1948	BDFPL	March 16, 2019
8.	Certificate of registration for establishment at shop number 5, building number A-4 ground floor Highjack Garden, Dhokali, Balkum road, Thane, Maharashtra. bearing registration number CE-12934	Office of the Inspector under the Maharashtra Shops and Establishments Act, 1948	BDFPL	From the year 2015 to 2016
9.	No Objection Certificate for assignment number 525 to 538	Gram Panchayat of Ekhalare	BDFPL	-
10.	Certificate of registration bearing number PN-4443 issued under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 and the rules made there under	Assistant Commissioner of Labour, Pune	BDFPL	-
	Tax related approvals for our Subsidiary			
11.	The permanent account number is AACCB6817F under the Income Tax Act, 1961	Income Tax Department, Government of India	BDFPL	-
12.	The VAT registration number is 27790833956V	Sales Tax Officer, VAT C-004, Registration branch, Pune	BDFPL	-
13.	Certificate of registration bearing number 27790833956C, under the Central Sales Tax (Registration & Turnover) Rules, 1957 as a manufacturer mainly, and partly as an importer	Sales Tax Officer, VAT C-004, Registration branch, Pune	BDFPL	-
14.	Professional tax number is 27220293349P issued under Maharashtra State, Tax on Professions, Trade, Callings and Employment Act 1975	Profession Tax Officer, PTO-C-010, Pune	BDFPL	-

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
15.	Professional tax employer number is 99851969381P issued under Maharashtra State, Tax on Professions, Trade, Callings and Employment Act 1975	Profession Tax Officer, (PUN-PTO C-002), Pune	BDFPL	-
V.	**Licenses for our depots and warehouses**			
We have obtained registrations under the relevant value added tax and sales tax and registrations under relevant state shops and establishments laws for our depot and warehouses where we conduct our operations as a trader, wholesaler, retailer, importer or a distributor and maintain such registrations as required under applicable law. Further, we have obtained registrations under relevant state shops and establishments laws for our depots and warehouses in various states. These registrations are periodically renewed at regular intervals.				
	Approvals for our depots and warehouses			
1.	License to operate as a wholesaler of dairy products and analogues, excluding products of food category 0.2.0 at Chandigarh issued under the Food Safety and Standards Act, 2006 bearing number 13015001000158	Food Safety Cell, Chandigarh	PMFL	March 22, 2018
2.	License for operating a storage/chilling facility under the Food Safety and Standards Act, 2006 at Hyderabad bearing number 13615011000632	Government of Telangana	PMFL	July 25, 2018
3.	License for carrying out business of storage/warehouse/wholesale at Raipur under the Food Safety and Standards Act, 2006 bearing number 10512016000078	Food and Drugs Administration, Chhattisgarh	PMFL	April 9, 2020
4.	License for storage/warehouse for dairy products at Kolkata under the Food Safety and Standards Act, 2006 bearing number 12812019001267	Kolkata Municipal Corporation	PMFL	September 3, 2016
5.	License for carrying out business as a wholesaler of dairy products and analogues excluding products of food category 0.2.0 at Solan under the Food Safety and Standards Act, 2006 bearing number 10914011000053	Department of Health Safety and Regulations, Himachal Pradesh	PMFL	January 16, 2017
6.	License for carrying out business as a distributor and for storage (controlled atmosphere and cold) at Guwathi, Assam under the Food Safety and Standards Act, 2006 bearing number 10314001000108	Commisionerate of Food Safety, Assam	PMFL	November 27, 2019
7.	License for carrying out business of cold storage at Nagpur under the Food Safety and Standards Act, 2006 bearing umber 11515056000240	Food and Drugs Administration, Maharashtra	PMFL	August 3, 2020
8.	License to operate as a wholesaler of dairy products and analogues under the Food Safety and Standards Act, 2006 bearing number 11215333001058	Government of Karnataka	PMFL	August 2, 2016
9.	License for carrying out business of cold storage at Bhiwandi under the Food Safety and Standards Act, 2006 bearing number 11515018000185 and 11515018000186	Food and Drugs Administration, Maharashtra	PMFL	October 11, 2018

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto
10.	License for carrying out business of storage (except controlled atmosphere and cold), distributer and wholesaler at Indore under the Food Safety and Standards Act, 2006 bearing number 11414850002882	Food and Drugs Administration, Madhya Pradesh	PMFL	July 17, 2016
11.	License for carrying out business of wholesale trade of milk and milk products at Jammu, Jammu and Kashmir under the Food Safety and Standards Act, 2006 bearing number 11015150000711	Government of Jammu and Kashmir, Department of Health and Medical Education	PMFL	June 6, 2017

VI. Intellectual Property

A. Intellectual Property of our Company

Trademarks

As on the date of this Red Herring Prospectus, our Company has registered and holds 57 registrations in respect of trademarks under various classes including classes from 1 to 43, granted by the Registrar of Trademarks under the Trademarks Act, 1999 in India and one trademark in Russia registered in accordance with Rule 14(1) under the Madrid Agreement and Protocol relating to that Agreement concerning the international registration of marks.

Our Company has also filed 127 applications for registration in various classes of trademarks out of which two trademark applications have been opposed.

Copyrights

As on the date of this Red Herring Prospectus, our Company has registered, and holds, registrations for four copyrights granted by the Registrar of Copyrights under the Copyright Act, 1957 in India. Further, as on the date of this Red Herring Prospectus, our Company has not filed applications for registration of any copyrights.

Designs

As on the date of this Red Herring Prospectus, our Company holds registration for two designs in India. Further, as on the date of this Red Herring Prospectus, our Company has not filed any application for registration of designs before the Controller of Designs under the Designs Act, 2000.

B. Intellectual Property of our Subsidiary

As on the date of this Red Herring Prospectus, our Subsidiary has registered and holds registrations for three trademarks under class 29, granted by the Registrar of Trademarks under the Trademarks Act, 1999 in India. Further, as on the date of this Red Herring Prospectus, our Subsidiary has not filed any applications for registration of trademarks.

VII. Approvals applied for:

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto	Date of Application
1.	Consent to operate an industrial plant at Manchar was issued, under the Water (Prevention & Control of Pollution) Act, 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous Wastes (Management & Handling) Rules, 1989 and Amendment Rules, 2003	Maharashtra Pollution Control Board	PMFL	April 30, 2015	March 9, 2015

Sr. No.	Nature of approval	Issuing Authority	Name of the Licensee	Valid upto	Date of Application
2.	An application bearing number 1018914150421 has been made for registration as a manufacturer/packer/importer under the Legal Metrology (Packaged Commodities) Rules, 2011	Department of Metrology, Government of Andhra Pradesh	PMFL	-	April 21, 2015
3.	An application has been made by our Company for registration as an importer of the commodities Go Amlette Cheese, Butter Oil and AMF, under the Legal Metrology (Packaged Commodities) Rules, 2011	Department of Metrology, Government of Maharashtra	PMFL	-	September 29, 2015
4.	Consent order and authorisation dated January 8, 2015 issued under the Water (Prevention & Control of Pollution) Act, 1981, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous Wastes (Management & Handling) Rules, 1989 and Amendment Rules, 2003 for operation of an industrial plant	Andhra Pradesh Pollution Control Board	PMFL	September 30, 2015	September 29, 2015
5.	License bearing number 13315007000324 issued by the Department of Food Safety, New Delhi, under the Food Safety and Standards Act, 2006 for storage (cold/refrigerated), storage (controlled atmosphere and cold), storage (except controlled atmosphere and cold) at New Delhi	Food Safety and Standards Authority of India at Delhi	PMFL	January 8, 2016	January 9, 2016
6.	License bearing number 10014051000933 issued by the Central Licensing Authority under the Food Safety and Standards Act, 2006 for carrying on business as a wholesaler of dairy products and analogues, excluding products of food category 0.2.0 at Kanpur	Food Safety and Standards Authority of India	PMFL	February 2, 2016	February 2, 2016

VIII. Approvals yet to be applied for:

a. FSSAI, VAT, CST, and shops and establishment licences for the proposed depot at Jaipur.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. The Issue has been authorised by a resolution of the Board passed at their meeting held on August 27, 2015 subject to the approval of the Shareholders of our Company through a special resolution passed pursuant to section 62 of the Companies Act, 2013.

2. The Shareholders of our Company have authorised the Fresh Issue by a special resolution passed in accordance with section 62 of the Companies Act, 2013, at the EGM of our Company held on August 28, 2015.

3. The Selling Shareholders offering up to 20,572,573 Equity Shares have authorised the Offer for Sale pursuant to their respective authorisations, as set out in "Capital Structure" on page 77.

In-Principle Listing Approvals

- We have received an in-principle approval from BSE for the listing of the Equity Shares pursuant to a letter dated October 16, 2015.

- We have received an in-principle approval from NSE for the listing of the Equity Shares pursuant to a letter dated October 14, 2015.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the persons in control of our Company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Each of the Selling Shareholders severally and not jointly confirms that such Selling Shareholder, has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Sunil Goyal, our Director, is also a director in Ladderup Corporate Advisory Private Limited ("**LCAPL**"), which is registered with SEBI and in Motilal Oswal Trustee Company Limited, a trustee of Motilal Oswal Mutual Fund ("**MOMF**"), which is registered with SEBI. The details of such registration have been provided to SEBI. No action has been initiated against LCAPL or MOMF by SEBI.

Except as disclosed above, none of our Directors are associated with the securities market in any manner.

There has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

The listing of any securities of our Company and our Subsidiary has never been refused at any time by any of the Stock Exchanges in India or abroad.

Prohibition by RBI

Neither our Company nor our Promoters, relatives (as defined under Companies Act) of our Promoters, Directors, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations, which states as follows:

"*(2) An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if*

the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers."

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations which are set out below.

- We are complying with Regulation 26(2) of the SEBI Regulations and at least 75% of the Net Issue is required to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders.

- We are complying with Regulation 43(2A) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Net Issue, respectively.

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

In accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application money will be refunded forthwith.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO 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 DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, IDFC SECURITIES LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2015 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 30, 2015 PERTAINING TO THE SAID ISSUE;

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, 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 COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

   a. **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   b. **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, 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, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED (THE "SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - <u>NOTED FOR COMPLIANCE</u>;**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA 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 SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS; - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS 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 SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE**

COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH 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 COMPANY AND THE SELLING SHAREHOLDERS 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. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY;**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS 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 COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION OF THE EQUITY SHARES OF THE COMPANY; AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE - NOTED FOR COMPLIANCE;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, 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 SEBI REGULATIONS, 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;**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR;**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT**

OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, CERTIFIED BY DEEPAK D. AGRAWAL & ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 126678W) PURSUANT TO ITS CERTIFICATE DATED SEPTEMBER 29, 2015.

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE) – NOT APPLICABLE.

In compliance with the proviso to Regulation 21A(1) of the SEBI (Merchant Bankers) Regulations, 1992, read with proviso to Regulation 5(3) of the SEBI Regulations, IDFC Securities Limited and Motilal Oswal Investment Advisors Private Limited would be involved only in marketing of the Issue.

The filing of this Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Red Herring Prospectus and the Prospectus.

The filing of this Red Herring Prospectus does not absolve any of the Selling Shareholders from any liabilities to the extent of the statements made by each of them in respect of their proportion of the Equity Shares offered by such Selling Shareholders, as part of the Offer for Sale, under Section 34 or Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Issue have been complied with by the respective parties at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with by the respective parties at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, our Directors and our BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.paragmilkfoods.com, would be doing so at his or her own risk. Each of the Selling Shareholders, their respective directors and officers accept/ undertake no responsibility for any statements made by any other Selling Shareholder other than those made in relation to them and to the Equity Shares offered by them respectively, by way of the Offer for Sale in the issue.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders (in respect of themselves and the Equity Shares offered by such Selling Shareholders in the Offer for Sale) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services

for, our Company, the Promoter, Promoter Group and the Selling Shareholders and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter, Promoter Group and the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Price information of past issues handled by the BRLMs

A. Kotak Mahindra Capital Company Limited

1. Price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Kotak Mahindra Capital Company Limited:

Sr. No.	Issue Name	Issue Size (Rs. Crore)	Issue Price (Rs.)	Listing Date	Opening Price on listing date (Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-	-	-
2.	Dr. Lal PathLabs Limited	631.91	550	December 23, 2015	720.00	+32.54%[-7.49%]	+66.95% [-2.06%]	-
3.	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69%[-1.35%]	+20.78%[-10.58%]	-
4.	Interglobe Aviation Limited	3,008.50	765	November 10, 2015	855.80	+32.39%[-2.20%]	+7.76%[-5.09%]	-
5.	Coffee Day Enterprises Limited	1,150.00	328	November 2, 2015	317.00	-21.42%[-1.19%]	-19.73%[-6.05%]	-
6.	Sadbhav Infrastructure Project Limited	491.66	103	September 16, 2015	111.00	-2.28% [+3.55%]	-5.63%[-3.15%]	-12.67% [-4.92%]
7.	Power Mech Projects Limited	273.22	640	August 26, 2015	600.00	-9.36% [+0.98%]	-4.63%[+0.74%]	-10.65% [-7.15%]
8.	Manpasand Beverages Limited	400.00	320	July 9, 2015	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
9.	Adlabs Entertainment Limited	374.59	180	April 6, 2015	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]
10.	Ortel Communications Limited	173.65	181	March 19, 2015	160.05	-3.67% [-0.33%]	-5.91% [-6.80%]	+12.21% [-8.83%]

Source: www.nseindia.com

Notes:

1. *In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹535 per equity share after a discount of ₹15 per equity share. The Anchor Investor Issue price was ₹550 per equity share.*
2. *In Interglobe Aviation Limited, the issue price to employees was ₹688.50 per equity share after a discount of ₹76.5 per equity share. The Anchor Investor Issue price was ₹765 per equity share.*
3. *In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹221 per equity share.*
4. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
5. *Nifty is considered as the benchmark index.*

2. Summary statement of price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Kotak Mahindra Capital Company Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Crore)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	9	7487.69	-	-	4	-	2	2	-	1	2	1	-	-
2014-2015	1	173.65	-	-	1	-	-	-	-	-	-	-	-	1

**The information is as on the date of this Red Herring Prospectus*

B. JM Financial Institutional Securities Limited

1. Price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Institutional Securities Limited:

Sr. No.	Issue Name	Issue Size (₹Crores)	Issue Price (₹	Listing Date	Opening Price on Listing Date	+/- % change in closing price[(2)], [+/- % change in closing benchmark][(3)] - 30th calendar days from listing	+/- % change in closing price[(2)], [+/- % change in closing benchmark][(3)] - 90th calendar days from listing	+/- % change in closing price[(2)], [+/- % change in closing benchmark][(3)] - 180th calendar days from listing
1	Initial Public Offer - S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69% [-1.35%]	+26.53%[-8.24%]	NA

Notes:

1. *Source: Website of NSE for price information and prospectus/ basis of allotment for issue details*
2. *Change in closing price over the issue price*
3. *Change in closing price over the closing price as on the listing date for benchmark index which is Nifty 50*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately following the trading holiday have been considered*

2. Summary statement of price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Institutional Securities Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Crores)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	1	508.17	-	-	-	-	-	1	-	-	-	-	-	-
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C. IDFC Securities Limited

1. Price information of past issues during current financial year and two financial years preceding the current financial year handled by IDFC Securities Limited:

Sr. No.	Issuer Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar day from listing
1.	HealthCare Global Enterprises Limited	649.64	218.00	March 30, 2016	210.20	Not available	Not available	Not available
2.	TeamLease Services Limited	423.68	850.00	February 12, 2016	860.00	+15.34% [+7.99%]	Not available	Not available
3.	Narayana Hrudayalaya Limited	613.08	250.00	January 6, 2016	291.00	+27.28% [-4.20%]	+15.16% [-0.03%]	Not available
4.	PNC Infratech Limited	488.44	378.00	May 26, 2015	387.00	+0.32% [+0.26%]	+14.66% [-6.36%]	+42.72% [-5.88%]
5.	MEP Infrastructure Developers Limited	324.00	63.00	May 6, 2015	65.00	-15.71% [+0.42%]	-8.57% [+5.51%]	-13.49% [-0.57%]
6.	Sharda Cropchem Limited	351.86	156.00	September 23, 2014	260.00	+61.06% [-0.27%]	+63.56% [+3.82%]	+91.35% [+6.65%]

Notes:

i. *Source: www.nseindia.com and www.bseindia.com for the price information and prospectus/basis of allotment for issue details.*
ii. *In case of reporting dates falling on a trading holiday, values for the trading day immediately following the trading holiday have been considered.*
iii. *BSE was the designated stock exchange for the issue listed as item 3 in the above table therefore price information and benchmark index values have been/will be shown only for designated stock exchange. SENSEX has been used as the benchmark index.*
iv. *NSE was the designated stock exchange for the issues listed as item 1, 2, 4, 5 and 6 in the above table therefore price information and benchmark index values have been shown only for designated stock exchange. NIFTY has been used as the benchmark index.*
v. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for HealthCare Global Enterprises Limited, data for the same is not available.*
vi. *Since 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for TeamLease Services Limited, data for the same is not available.*
vii. *Since 180 calendar days, as applicable, from listing date has not elapsed for Narayana Hrudayalaya Limited, data for the same is not available.*

2. Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by IDFC Securities Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2016-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	5	2498.84	-	-	1	-	1	2	-	-	1	-	1	-
2014-2015	1	351.86	-	-	-	1	-	-	-	-	-	1	-	-

Notes:

i. *Date of listing of equity shares has been considered for calculating total no. of IPOs in a particular financial year.*
ii. *The discount/premium has been calculated based on the closing stock price.*
iii. *Since 30 calendar days and 180 calendar days from listing date has not elapsed for HealthCare Global Enterprises Limited, data for the same is not available. Hence the same is not considered while calculating no. of IPOs trading at discount/premium at 30th and 180th calendar days from listing.*
iv. *Since 180 calendar days from listing date has not elapsed for TeamLease Services Limited, data for the same is not available. Hence the same is not considered while calculating no. of IPOs trading at discount/premium at 180th calendar days from listing.*
v. *Since 180 calendar days from listing date has not elapsed for Narayana Hrudayalaya Limited, data for the same is not available. Hence the same is not considered while calculating no. of IPOs trading at discount/premium at 180th calendar days from listing.*

D. Motilal Oswal Investment Advisors Private Limited

1. Price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Motilal Oswal Investment Advisors Private Limited:

Sr. No.	Issue Name	Issue Size (₹ Crores)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Pennar Engineered Building Systems Limited	156.19	178.00	September 10, 2015	177.95	-5.93% [5.16%]	-10.65% [-2.25%]	-15.73% [-5.25%]
2.	Power Mech Projects Limited	273.22	640.00	August 26, 2015	600.00	-9.36% [0.98%]	-0.82% [1.18%]	-12.41% [-7.15%]

Source: www.nseindia.com

Notes:

i. The S&P CNX NIFTY is considered as the Benchmark Index.

ii. Price on NSE is considered for all of the above calculations.

2. Summary statement of price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Motilal Oswal Investment Advisors Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ crore)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Between 25%-50%	Less than 25%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2016 – date of filing of this RHP	Nil	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2015-2014	2	429.41	NA	NA	2	NA	NA	NA	NA	NA	2	NA	NA	NA
2014-2015	Nil	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLMs	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	JM Financial Institutional Securities Limited	www.jmfl.com
3.	IDFC Securities Limited	www.idfc.com/capital/investment-banking/track-record.aspx
4.	Motilal Oswal Investment Advisors Private Limited	www.motilaloswalgroup.com

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 competent to contract under the Indian Contract Act, 1872, 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 applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to eligible non-residents including FIIs, Eligible NRIs and FPIs. This Red Herring Prospectus does not, however, constitute an invitation to purchase Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this 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 Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, its Subsidiary or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, 1933 ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A ("**Rule 144A**") under the Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. 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.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated October 16, 2015, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document 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:-

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this 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 NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/46436 dated October 14, 2015 permission to the Issuer to use the Exchange's name in this Offer Document 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 inconnection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus was filed with SEBI at Corporate Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 has been delivered for registration to the RoC and a copy of the Prospectus to be filed under section 26 of the Companies Act, 2013 would be delivered for registration with the RoC at the Office of the Registrar of Companies, PMT Building, Pune Stock Exchange, 3rd Floor, Deccan Gymkhana, Pune 411 004.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders may forthwith repay (in proportion to the Equity Shares offered by each of them respectively, in the Issue), all monies received from the applicants in pursuance of this Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time after our Company and the Selling Shareholders become liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from the expiry of such period, be liable to repay the money, with interest as prescribed under the applicable laws. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely by such Selling Shareholder.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/ Issue Closing Date. Further, the Selling Shareholders confirm that they shall

provide assistance to our Company, the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Issue Closing Date.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, Bankers/Lenders to our Company; (b) Selling shareholders; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks, Refund Bank and the Registrar to the Issue to act in their respective capacities, have been obtained prior to filing of this Red Herring Prospectus with the RoC and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus and the Prospectus for registration with RoC.

Our Company has received written consent from our statutory auditor, namely, Haribhakti & Co., LLP, Chartered Accountants dated March 21, 2016. They have given their written consent for inclusion of their reports dated March 21, 2016 on the Restated Standalone Financial Statements, the Restated Consolidated Financial Statements in this Red Herring Prospectus and to include their name as required under section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the statement of tax benefits dated March 21, 2016 in the form and context in which it appears in this Red Herring Prospectus. Such consent has not been withdrawn as of the date of this Red Herring Prospectus.

Experts

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

Our Company has received written consent from our statutory auditor, namely, Haribhakti & Co., LLP, Chartered Accountants, to include its name as required under section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination reports, dated March 21, 2016 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements and the Statement of Tax Benefits dated March 21, 2016 and such consent has not been withdrawn as of the date of this Red Herring Prospectus. The term Expert and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing, auditor's fees and listing fees. For further details of Issue expenses, see "Objects of the Issue" on page 103.

Other than the listing fees which shall be solely borne by our Company, the Issue expenses will be shared between our Company and the Selling Shareholders on a pro-rata basis in proportion of the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholders in the Offer for Sale.

Fees Payable to Syndicate

The total fees payable to Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement, a copy of which will be available for inspection at the Registered Office. For details, see "Objects of the Issue" on page 103.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "Objects of the Issue" on page 103.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholders to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 29, 2015, as amended by an amendment agreement dated March 22, 2016, entered into amongst our Company, the Selling Shareholders and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to Registrar to the Issue to enable it to send refund in any of the modes described in this Red Herring Prospectus or Allotment advice by registered post/speed post. For details, see "Objects of the Issue" on page 103.

Each Selling Shareholders will reimburse our Company for the expenses incurred in proportion to the Equity Shares sold by such Selling Shareholders in the Offer for Sale.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any Equity Shares since inception of our Company.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous issues of the Equity Shares otherwise than for cash

Except as disclosed in the section "Capital Structure", on page 81 our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by listed group companies and subsidiary of our Company

Our Subsidiary is not listed on any Stock Exchange.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed group companies and associates of our Company

Our Company has not undertaken any previous public or rights issue. Our Subsidiary has not undertaken any

public or rights issue in the last ten years preceding the date of this Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of this Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Redressal of Investor Grievances

The agreement amongst the Registrar to the Issue, our Company and the Selling Shareholders provides for the retention of records with Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach Registrar to the Issue for redressal of their grievances.

All grievances other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations or the relevant Registered Broker if the Bid was submitted through Registered Brokers, as the case may be, giving full details such as name and address of the sole or the First Bidder, the Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of the Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Registered Broker or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

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

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs, Syndicate Members, RTA, CDPs including any defaults in complying with its obligations under applicable SEBI Regulations.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Anchor Investor, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Our Company estimates that the average time required by our Company or Registrar to the Issue or SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

For details of the Stakeholder Relationship Committee, see "Our Management" on page 179.

Our Company has also appointed Rachana Sanganeria, the Company Secretary of our Company, as the

Compliance Officer for this Issue and she may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Parag Milk Foods Limited
20th Floor Nirmal Building
Nariman Point
Mumbai 400 021
Tel: (91 22) 4300 5555
Fax: (91 22) 4300 5580
Email: cs@paragmilkfoods.com

Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus.

Changes in auditors

Except as stated below, there have been no changes in the auditors of our Company during the three years preceding the date of this Red Herring Prospectus:

Name	Date of Change	Nature of Change	Reason
Haribhakti & Co., LLP	September 5, 2013	Appointment as statutory auditors of our Company	Appointed as statutory auditors due to removal of other joint auditors
SPCM & Associates	September 5, 2013	Discontinuance as one of the joint auditors of our Company and retention of Haribhakti & Co., LLP as the sole statutory auditors of our Company	As per the shareholders agreements executed by our Company with its investors

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not re-valued its assets at any time in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, the SEBI Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, the SEBI Listing Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "Main Provisions of Articles of Association" on page 415.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations. For further details in relation to dividends, see "Dividend Policy" and "Main Provisions of the Articles of Association" on pages 190 and 421, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹10 and the Issue Price is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Price Band, Employee Discount, Retail Discount and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs and will be advertised in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta and the Pune edition of the Marathi newspaper Loksatta (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "Main Provisions of Articles of Association" on page 417.

Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated September 7, 2012 between NSDL, our Company and Registrar to the Issue;
- Tripartite Agreement dated March 12, 2013 between CDSL, our Company and Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Period of operation of subscription list

See "Issue Structure – Bid/ Issue Programme" on page 366.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of 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, in accordance with Section 72 of the Companies Act, 2013. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect

of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Employee Discount

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion, at the time of making the Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount does not exceed ₹200,000.

Retail Discount

Retail discount, if any, up to ₹[●] per Equity Share on the Floor Price will be offered to Retail Individual Bidders. The rupee amount of the Retail Discount will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. 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. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a fresh issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Issue Programme

BID/ISSUE OPENS ON	May 4, 2016[(1)]
BID/ISSUE CLOSES ON	May 6, 2016

(1) Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI Regulations.

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

Event	Indicative Date
Bid/Issue Closing Date	May 6, 2016
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about May 11, 2016
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about May 12, 2016
Credit of Equity Shares to demat accounts of Allottees	On or about May 13, 2016
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about May 16, 2016

The above timetable, other than the Bid/Issue Closing Date is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

While our Company and the Selling Shareholders (each, in respect of themselves and the Offer for Sale by them respectively) shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all support and co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Offer for Sale) at all Stock Exchanges within six Working Days from the Bid/Issue Closing Date.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, 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 this Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Investor Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) for at least such percentage of the post-Issue Equity Share capital of our Company that will be at least ₹4,000 million calculated at the Issue Price, in terms of Rule 19(2)(b)(ii) of the SCRR , including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

Further, in case of non-receipt of minimum subscription, application money of Anchor Investors to be refunded shall be credited only to the bank account from which the subscription was remitted. Further, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b)(ii) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares in the Fresh Issue followed by Allotment of Equity Shares offered by the Promoter Group Selling Shareholders, followed by Allotment of Equity Shares offered by Investor Selling Shareholders and then Allotment of Equity Shares offered by the Remaining Selling Shareholders. In case of any reduction in the size of the Offer for Sale by the Investor Selling Shareholders on account of under-subscription, the Equity Shares offered by IDFC PE on the one hand and IBEF I and IBEF on the other hand, will be reduced pro rata, however, as between IBEF I and IBEF, Equity Shares offered by IBEF I shall be in preference over and in priority to the Equity Shares offered by IBEF. The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Red Herring Prospectus and SEBI Regulations.

If at least 75% of the Net Issue is not Allotted to QIBs, the entire application money shall be refunded forthwith.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution and the Anchor Investor lock-in of Equity Shares as provided in "Capital Structure" on pages 84 and 85, respectively and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of the Equity Shares / debentures of our Company and on their consolidation/ or splitting, except as provided in the Articles of Association. For details, see "Main Provisions of the Articles of Association" on page 417.

ISSUE STRUCTURE

Issue of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹3,000 million by our Company and the Offer for Sale of up to 20,572,573 Equity Shares aggregating to ₹[●] million by the Selling Shareholders. The Issue comprises a Net Issue of [●] Equity Shares to the Public and a reservation of 300,000 Equity Shares aggregating to ₹[●] for Eligible Employees bidding in the Employee Reservation Portion. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company and the Net Issue will constitute [●]% of the post-Issue paid-up equity share capital, respectively of our Company.

The Issue is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs[(1)]	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment* [(2)]	Not more than [●] Equity Shares available for allocation	At least [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/allocation	Approximately [●]% of the Issue Size	At least 75% of the Net Issue Up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation for mutual funds only	Not more than 15% of the Net Issue	Not more than 10% of the Net Issue
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot ("Maximum RIB Allottees"). The Allotment to Retail Individual Bidders

Particulars	Eligible Employees	QIBs[(1)]	Non Institutional Bidders	Retail Individual Bidders
				will then be made in the following manner: □ In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for less than the Equity Shares Bid by them (*i.e.* who have Bid for more than the minimum Bid Lot). □ In the event the number of Retail Individual Bidders who have submitted valid Bids in

Particulars	Eligible Employees	QIBs[(1)]	Non Institutional Bidders	Retail Individual Bidders
				the Issue is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined on draw of lots basis. For details, see "Issue Procedure" on page 371.
Mode of Bidding	ASBA only	ASBA only	ASBA only	ASBA only
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000 less Employee Discount, if any.	Such number of Equity Shares not exceeding the Net Issue Size, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue Size, subject to applicable limits.	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000 less Retail Discount, if any.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can apply[(3)]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the	Resident Indian individuals, Eligible NRIs, HUFs (in the name	Resident Indian individuals, Eligible NRIs and HUFs (in the name

Particulars	Eligible Employees	QIBs[(1)]	Non Institutional Bidders	Retail Individual Bidders
		Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors.	of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[(4)]			

**Assuming full subscription in the Issue*

(1) *Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Issue Procedure" on page 371.*

(2) *Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b)(ii) of the SCRR, the Equity Shares issued in the Issue shall aggregate to at least such percentage of the post-Issue Equity Share capital of our Company (calculated at the Issue Price) that will be at least ₹4,000 million and the post-Issue capital of our Company at the Issue Price is more than ₹16,000 million but*

less than or equal to ₹40,000 million. The Issue is being made through the Book Building Process wherein at least 75% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the Investor Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulations.5% of the QIB Portion (excluding the Anchor Investor 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 QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, please see section entitled "Section 7: Allotment Procedure and Basis of Allotment" on page 404.*

Under subscription, if any, in any category except in the QIB Portion would be met with spill-over from the other categories at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange.

A total of up to 300,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section "- Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company, the Selling Shareholders and the BRLMs 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 the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to QIBs, provided that our Company and the Investor Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor 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 QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion), at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange. 300,000 Equity Shares aggregating up to ₹[●] shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price net of Employee Discount. However, the value of Allotment to any Eligible Employee shall not exceed ₹200,000. The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the BRLMs, Syndicate Members and sub-syndicate members at the Bidding Centers, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSBs, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the categories of Bidders set forth under "– *General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III Foreign Portfolio Investor;
- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIBs) category;
- Eligible Employees bidding in the Employee Reservation Portion;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

Participation by Promoters, Promoter Group, the BRLMs, the Syndicate Members and persons related to the Promoters/Promoter Group/BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for the Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

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 equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the BRLMs, Syndicate Members and sub-syndicate members at select locations as specified in the Bid cum Application Form. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Our Board and Shareholders have, pursuant to resolutions dated August 27, 2015 and August 28, 2015 respectively, have increased these limits to 40%.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter alia*, prescribe the investment restrictions on

the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which, our Company reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed ₹200,000 less Employee Discount, if any. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* pink colour form).

(b) 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 Eligible Employee does not exceed ₹200,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹200,000 less Employee Discount, if any.

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.

(e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

(f) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of ₹200,000.

(h) Bid by Eligible Employees can be made also in the "Net Issue to the Public" and such Bids shall not be treated as multiple Bids.

(i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting such percentage of the post Issue Equity Share capital of the Company that will be at least ₹4,000 million calculated at the Issue Price, in terms of Rule 19(2)(b)(ii) of the SCRR.

(k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see "Issue Procedure – Allotment Procedure and Basis of Allotment" on pages 404 to 407.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application 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 reasons thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company 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, are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

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 Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

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, rules, regulations, guidelines and approvals;

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 you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. Bids submitted by any other category of persons, who may be exempted from specifying their PAN, by any regulatory authority in India through a notification or order. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;

13. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

15. Ensure that the category and the investor status is indicated;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

18. Ensure that the depository account is active, the correct DP ID, the Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name DP ID, Client ID and PAN available in the Depository database; and

19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account;

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

9. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise; and

10. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the depository).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the Investor Selling Shareholders and the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "Parag Public Issue – Anchor Investor - R"

(b) In case of Non-Resident Anchor Investors: "Parag Public Issue – Anchor Investor – NR"

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) all editions of English national newspaper Financial Express, with wide circulation; (ii) all editions of the Hindi national newspaper Jansatta, with wide circulation; and (iii) the Pune edition of the Marathi newspaper Loksatta, with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is located), 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. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following that:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- if our Company or Selling Shareholders do not proceed with the Issue after the Bid / Issue Closing Date, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- if our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company and/or any Selling Shareholder subsequently decides to proceed with the Issue;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Issue Closing Date will be taken;
- if Allotment is not made application money will be refunded/unblocked in ASBA Account within 15 days from the Bid/Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time; and
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder severally and not jointly undertakes that:

- the Equity Shares being sold by it pursuant to the Offer for Sale, have been held by it (or by its trustee on behalf of such Selling Shareholder, as applicable) in accordance with Regulation 26(6) of the SEBI Regulations, or issued pursuant to a bonus issue or issued pursuant to conversion of preference shares are fully paid-up and are in dematerialised form;
- the Equity Shares proposed to be sold/transferred by each Investor Selling Shareholder pursuant to the Offer for Sale, is held by it or its respective trustee for the benefit of and on behalf of such Investor Selling Shareholder, as the case may be;

- it is the legal and beneficial owner of, and has full title to, the Equity Shares proposed to be sold/transferred by it pursuant to the Offer for Sale;

- the Equity Shares being sold by it pursuant to the Issue are free and clear of any liens or encumbrances and shall be transferred to the investors within the time specified under applicable law;

- it shall provide all reasonable support and co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer for Sale;

- it shall provide all reasonable assistance as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer for Sale. The Selling Shareholders have authorised the Compliance Officer and Registrar to the Issue to redress such investor grievances;

- funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Red Herring Prospectus and Prospectus shall be made available to the Registrar to the Issue by the Selling Shareholders (to the extent of Equity Shares offered by such Selling Shareholder in the Offer for Sale);

- it shall provide such reasonable support and co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- it shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

- if the Selling Shareholders do not proceed with the Offer for Sale after the Bid/ Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by our Company and the BRLMs in this regard;

- it shall not further transfer the Equity Shares offered in the Offer for Sale except in the Issue during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Issue;

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- shall deposit its Equity Shares in an Escrow account opened with the Registrar to the Issue at least two Working Days prior to the Bid/Issue Opening Date;

- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale, are available for transfer in the Issue within the time specified under applicable law; and

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Issue.

Utilisation of Issue proceeds

The Board of Directors certify 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 40 of the Companies Act, 2013;

- details of all monies utilised out of the 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 the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the 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;

- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI Regulations**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may see "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI Regulations, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the

Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI Regulations, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("Fixed Price Issue"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

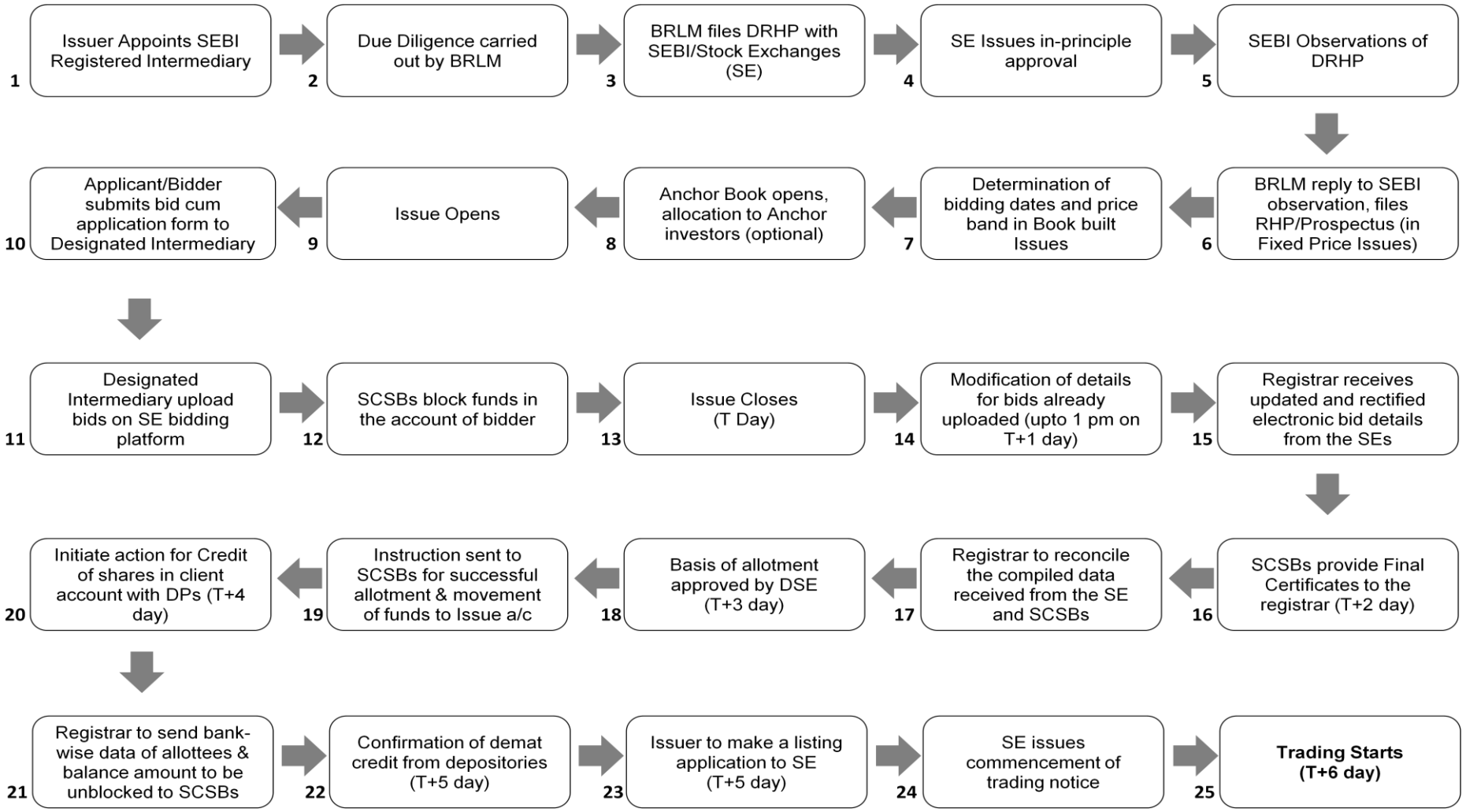
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    i. Step 7: Determination of Issue Date and Price

    ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by DSE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder ("**NIBs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Book Running and Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the

RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : ..... Contact Details: ..... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

TEAR HERE

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

*HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line 1) 2) 3)	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

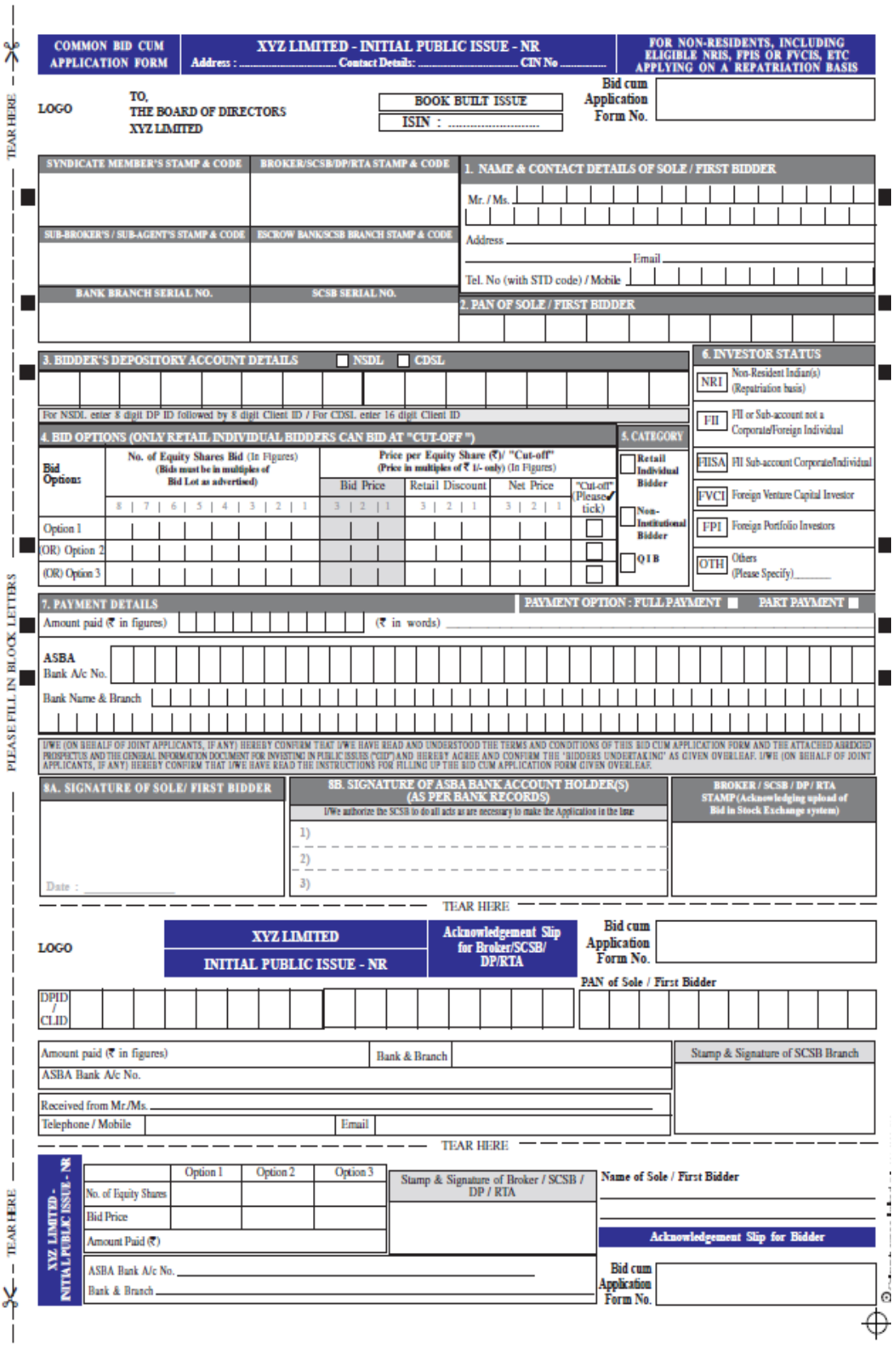
ASBA Bank A/c No.

Bank & Branch

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.



COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : ..... Contact Details: ..... CIN No .....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

NRI Non-Resident Indian(s) (Repatriation basis)

FII FII or Sub-account not a Corporate/Foreign Individual

FIISA FII Sub-account Corporate/Individual

FVCI Foreign Venture Capital Investor

FPI Foreign Portfolio Investors

OTH Others (Please Specify)_____

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)

Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic. Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Issue.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot,

Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(e) For Anchor Investors, if applicable, the Bid Amount shall be least ₹100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.

(b) Up to 60.00% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with the SEBI Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding

investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Issue, the RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS, NECS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted if the SCSB

where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

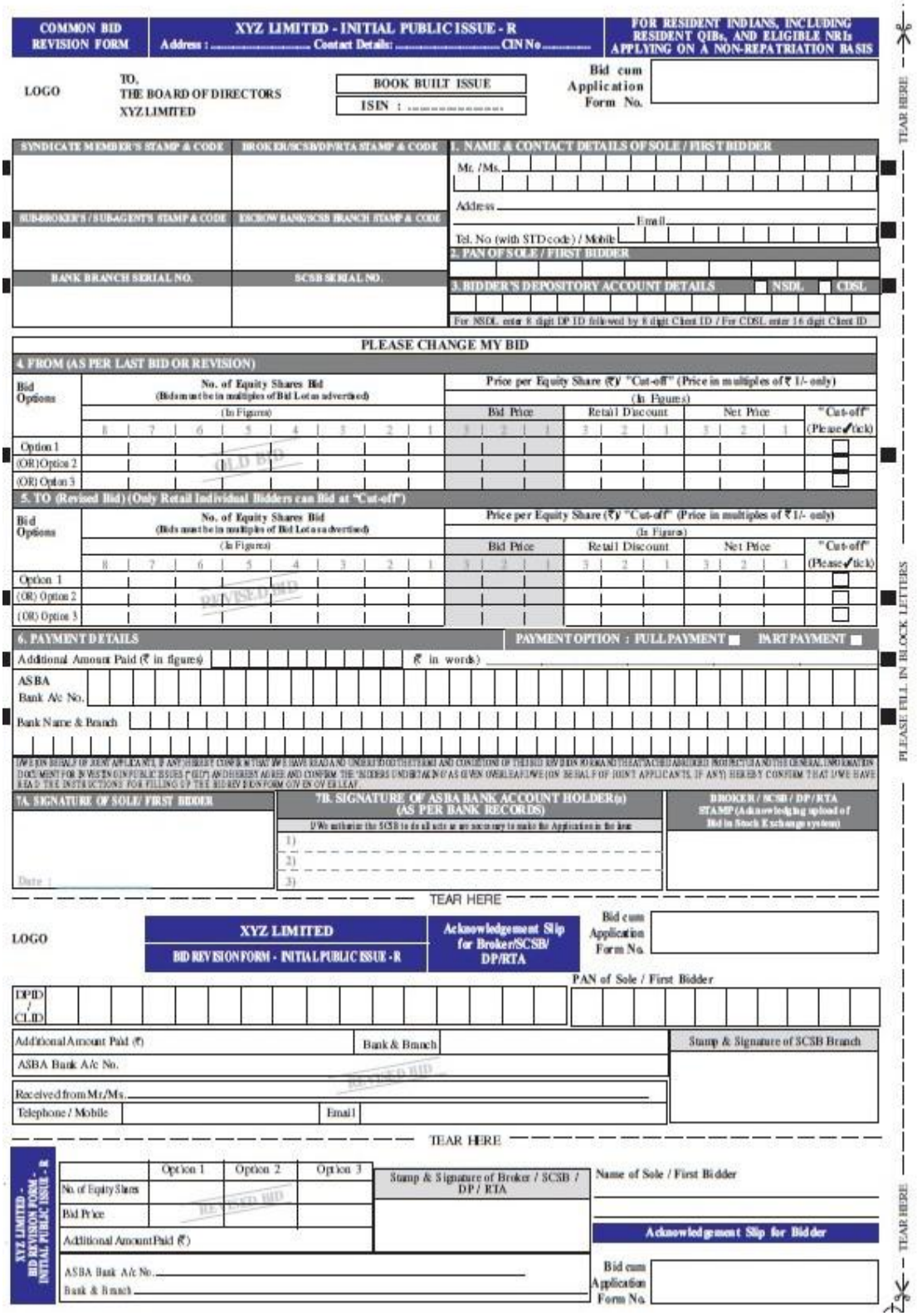
(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid/Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : ..... Contact Details: ..... CIN No .....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUBAGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms.

Address ..... Email .....

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

6. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT ■ PART PAYMENT ■

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (IN BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID REVISION FORM AND THE ACKNOWLEDGEMENT SLIP AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND I/WE AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVERLEAF/OVER (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY**

ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RIB 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, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less discount offered, if any.

(b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (*i.e.*, original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(f) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of

allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue.

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.3 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.4 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ APPLICATION FORM/ REVISION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form

Mode of Application	Submission of Bid cum Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location (b) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1 p.m on next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis.

The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Issue Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust

etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form/Application Forms does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five ASBA Forms/Application Forms as per ASBA Account;

(o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;

(p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(q) Bids not uploaded in the Stock Exchanges bidding system.

(r) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(s) In case of Anchor Investors Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

(t) In case of Bids by ASBA Bidders, where no confirmation is received from SCSB for blocking of Funds;

(u) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(v) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;

(w) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(x) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except QIB portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI Regulations. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidders is will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("Maximum RIB Allottees"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (*i.e.* who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the

aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:

i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹250 crores, and an additional 10 Anchor Investors for every additional ₹250 crores or part thereof, subject to minimum Allotment of ₹5 crores per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms recei ed from Anchor Investors. Based on the physical book and at the discret on of the Issuer in consultation with the BRLMs, selected An hor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may 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 may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Cash Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit of Equity Shares to the beneficiary account with DPs, Depositories and within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹500,000 million but which may extend to ₹5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹300,000, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Biddes/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a Fresh Issue and an Offer for Sale, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b)(ii) of the SCRR, the Company and the BRLMs shall first ensure Allotment of Equity Shares in the Fresh Issue followed by Allotment of Equity Shares offered by the Promoter Group Selling Shareholders, followed by

Allotment of Equity Shares offered by Investor Selling Shareholders and then Allotment of Equity Shares offered by the Remaining Selling Shareholders. In case of any reduction in the size of the Offer for Sale by the Investor Selling Shareholders on account of under-subscription, the Equity Shares offered by IDFC PE on the one hand and IBEF I and IBEF on the other hand, will be reduced pro rata, however, as between IBEF I and IBEF, Equity Shares offered by IBEF I shall be in preference over and in priority to the Equity Shares offered by IBEF. The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Red Herring Prospectus and SEBI Regulations.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI Regulations comes for an Issue under Regulation 26(2) of SEBI Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code

may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**— Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**— Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus

Term	Description
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid /Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM

Term	Description
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated SCSB Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms submitted by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http:// www.sebi.gov.in/ cms/ sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or where instructions which are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue and/or may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Issue

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	BSE Limited
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under the SEBI Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NECS/NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under the SEBI Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer, in consultation with the Book Running Lead Manager(s)
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form

Term	Description
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Bidders or NIBs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the IT Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	A Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made

Term	Description
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in this Red Herring andProspectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI Regulations
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum bid lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	"Working Day", with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Part A of the Articles of Association

Authorised Share Capital

Article 4(b) provides that "the authorised share capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of the Memorandum with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division."

Article 4(c) provides that "the share capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time."

Increase, reduction and alteration in capital

Article 7(i) provides that "the Company, subject to provisions of these Articles and Section 61 of the Act, in general meeting may from time to time, alter the conditions of its Memorandum as follows, that is to say, it may: -

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(c) sub-divide its existing shares of any of them into shares of smaller amount that is fixed by the Memorandum so, however, that in the subdivision 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 case of the share from which the reduced share is derived.

(d) cancel any shares, which at the date of the passing of the resolution have not been taken or agreed to be taken by the person and diminish the amount of its Share Capital by the amount of the shares so cancelled."

Article 9 provides that "pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law."

Article 8 provides that "the Company may, subject to the applicable provisions of the Act and the Companies Act, 1956, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorised by Law."

Payment of commission and brokerage

Article 5 provides that "the Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made there under. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-Section (6) of Section 40.The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other."

Calls

Article 13(1) provides that "subject to the provisions of Section 49 of the Act, the Board may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the Shares (whether on

account of the nominal value of the Shares or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors."

Article 13(2) provides that "a call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The Board making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board making such calls."

Article 13(3) provides that "not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof."

Article 13(4) provides that "if by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the nominal value of the share or by way of premium, every such amount or installments shall be payable as if it were a call duly made by the Board, on which due notice had been given, and all the provisions contained herein, or in the terms of such issue, in respect of calls shall relate and apply to such amount or installments accordingly."

Article 13(5) provides that "if the sum called in respect of a share is not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installments shall fall due, shall pay interest for the same at the rate of 10 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board shall also be at liberty to waive payment of that interest wholly or in part."

Article 13(7) provides that "the Board, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance, the Board may (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not in respect of such advances confer a right to the dividend or participate in profits. The Directors may at any time repay the amount so advanced."

Article 13(8) provides that "The members shall not be entitled to any voting rights in respect of the moneys so paid by them until the same would, but for such payment, become presently payable."

Forfeiture, surrender and lien

Article 15(a) provides that "if a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share."

Article 15(d) provides that "if the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture."

Article 15(f) provides that "a forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit."

Article 15(g) provides that "a person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares."

Article 15(j) provides that "the provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified."

Article 14(a) provides that "the fully paid Shares will be free from all liens, while in the case of partly paid Shares, the Company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such Shares"

Article 14(b) provides that "the Company shall have a first and paramount lien:

(a) on every Share (not being a fully paid-up Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and

(b) on all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article."

Article 14(c) provides that "the Company's lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares."

Article 14(d) provides that "the Company may sell, in such manner as the Board of Directors thinks fit, any Shares on which the Company has a lien.

Provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency."

Article 14(e) provides that "to give effect to any such sale, the Board of Directors may authorise some person to transfer the Shares sold to the purchaser thereof."

Transfer and transmission of shares

Article 17(a) provides that "the Company shall maintain a "Register of Transfers" and shall record therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form."

Article 17(e) provides that "every instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Shareholders in respect thereof."

Article 17(g) provides that "subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Article 17(h) provides that "subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares

or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien."

Article 17(j) provides that "(i) on the death of a Shareholder, the survivor or survivors where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons."

In addition, Article 17(m) provides that "subject to the provisions of Articles, any person becoming entitled to a share in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency."

Borrowing Powers

Article 23(a) provides that "subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors."

Article 23(d) provides that "any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution."

Conversion of shares into stock

Article 24(a) provides that "the Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa."

Article 24(b) provides that "the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose."

Article 24(b) provides that "the holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Convening General Meeting

Article 25 provides that "in accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be an Extraordinary General Meetings.

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held."

Article 26(a) provides that "every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting."

Article 28(a) provides that "the Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit."

Article 29 provides that "the quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called."

Votes of Members

Article 32(a) provides that "at any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise."

Article 32(b) provides that "in the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder."

Proxies

Article 30(b) provides that "an instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105."

In addition, Article 30(a) provides that "the instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power a authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid."

Article 30(c) provides that "a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used."

Directors

Article 35(a) provides that "until otherwise determined by Special Resolution of the number of Directors of the Company shall not be less than three or more than twelve."

Article 35(b) provides that "whenever the Board enter into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee Director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatever. The nominee Director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee Director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee Director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders."

Article 37 provides that "the Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India."

Article 38 provides that "the Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Clause 49 of the listing agreement."

Article 36 provides that "the Board may appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director, who shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act."

Article 42(a) provides that "subject to the applicable provisions of the Act, the Rules, Law including the provisions of the listing agreement, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day."

Article 42(d) provides that "the remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act."

Key Managerial Personnel/Managing Director/Whole-Time Director

Article 52 provides that "subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time Director or executive Director or manager of the Company. The Managing Director(s) or the whole time Director(s) manager or executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time Director(s) or manager or executive Director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time Director or executive Director or

manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act."

Article 54 provides that "the remuneration of the Managing Director(s) / whole time Director(s) / executive Director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act."

Proceedings of Board of Directors

Article 57(a) provides that "board meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held in Mumbai, or such a place as may be decided by the Board."

Article 57(b) provides that "the participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014."

Article 57(h) provides that "at any Board Meeting, each Director may exercise 1 (one) vote. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting."

Article 58 (a) provides that "subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be at least three Directors the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum."

Dividends

Article 62(a) provides that "the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board."

Article 62(d) provides that "subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares."

Article 62(c) provides that "(i) the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve."

Article 62(b) provides that "subject to the provisions of section 123, the Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company."

Capitalisation of Profits

Article 18(a) provides that "(i) The Company in general meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Shareholders who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to other applicable provisions, either in or towards-

(a) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Shareholders in the proportions aforesaid;

(c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

Article 18(b) provides that "(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power:

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(iii) Any agreement made under such authority shall be effective and binding on such Shareholders."

Winding up

Article 69 provides that "subject to the provisions of Chapter XX of the Act and rules made thereunder:

(a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders."

Indemnity and Insurance

Article 70(a) provides that "subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the assets of the Company to pay all costs, losses, and expenses

(including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee."

Article 70(a) provides that "subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurrable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company."

Part B of the Articles of Association

Part II of these Articles includes the rights and obligations of the parties to the Shareholders Agreement dated September 12, 2012 and its Amendment Agreement dated August 17, 2015 entered into between our Company, and i), India Business Excellence Fund I ii) IL & Fs Trust Company Limited iii) Suneeta Agrawal iv) Vimla Oswal v)Pratik Oswal (As Existing Investors/Sellers), IDFC Private Equity Fund III as Investor, i) Devendra Prakash Shah, ii) Pritam Prakash Shah, iii)Parag Prakash Shah as Promoters and i) Priti Devendra Shah, ii) Netra Pritam Shah, iii)Prakash Babulal Shah and iv)Rajani Prakash Shah v)Iris Business Solutions Private Limited vi)Poojan Shah and vii) Stavan Shah as Confirming Parties and New Investor IDFC S.P.I.C.E Fund.

In the event of any inconsistency between Part I and Part II of the Articles, the provisions of Part II shall prevail over Part I. However, Part II of the Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares on a stock exchange in India, subsequent to an initial public offering of the Equity Shares without any further action by our Company or by the Shareholders.

Definitions

In the interpretation of the Articles, unless repugnant to the subject context:-

(i) "Amendment Agreement" means the amendment agreement to the Shareholders Agreement entered amongst the Promoters, the Investor, the Existing Investor, the Confirming Parties, the New Investor and the Company to be effective from the New Investor Completion Date.

The Amendment Agreement together with the Shareholders Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof

(ii) "Capital Investment" means: (a) in relation to the Investor, the aggregate subscription or purchase price with respect to the Subscription Shares, the Existing Investors Purchase Shares and the Promoters Purchase Shares purchased by the Investor from the Promoters (and will include the Subscription Consideration, the Existing Investors Purchase Consideration and the Promoter Purchase Consideration); and (b) in relation to the Existing Investors, the balance consideration based on a twenty three point six per cent. (23.6%) shareholding in the Company based on a valuation of Rs. 6,500,000,000 (six billion and five hundred million rupees) less the Existing Investors Purchase Consideration.

(iii) "Equity Shares" means equity shares of the Company having a par value of ₹10 (ten rupees);

(iv) "Investor" means IDFC Private Equity Fund III, a unit scheme of the IDFC Infrastructure Fund 3 (being a trust created under the Indian Trusts Act, 1881 and a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations 1996) and whose office is at 201, Naman Chambers, C-32, G-Block, Bandra Kurla Complex, Bandra East Mumbai 400051 India of which IDFC Trustee Company Limited, whose registered office is at 201, Naman Chambers, C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051, India, is a trustee and represented by IDFC Alternatives Limited, a company incorporated in India and whose registered office is at 101, Naman Chambers, C-31, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051, India.

(v) "IPO Cut Off Date" means 31 March 2016;

(vi) "IRR" means, with respect to any Shareholder, that such Shareholder has achieved an internal rate of return of a specified percentage per annum, for all relevant purposes of this Agreement, calculated using the Microsoft Excel XIRR function (or if such program is no longer available, such other software program for calculating Internal Rate of Return as decided by the Investor and the New Investor) and in accordance with the following principles:

(a) any Capital Investment made at any time shall be deemed to have been made on the day of the investment;

(b) any New Investor Subscription Consideration shall be deemed to have been made on the day of the investment;

(c) any Distribution received by a Shareholder at any time shall be deemed to have been received on the day of the Distribution; and

(d) all Distributions shall be based on the amount of the distribution after the application of any Taxes payable by the Company (including pursuant to any dividend distribution tax, withholding or other deduction requirements in the hands of the Company) and after all Taxes payable by the Group Companies;

(vii) "New Investor" means IDFC S.P.I.C.E. Fund, a venture capital Fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, having its office at One India Bulls Centre, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone, Mumbai – 400013, represented through its investment manager, IDFC Asset Management Company Limited;

(viii) "Proportionate Entitlement" means, in the case of each Member, such percentage as equates to the total number of Shares held by such Member on a fully diluted basis as a percentage of the total number of Shares then in issue on a fully diluted basis save that, if the expression ―Proportionate Entitlement is used in the context of some (but not all) of the Members, it shall mean such percentage as equates to the total number of Shares held by such Member on a fully diluted basis as a percentage of the total number of Shares held by the Members to whom the context refers on a fully diluted basis;

(ix) "Seller" has the meaning given to it in Article 15 (a)(i) of the Articles

(x) "Shareholders' Agreement" means the shareholders agreement dated September 12, 2012 among the Investor, the Existing Investors, the Promoters, the Confirming Parties and the Company relating to the operations and management of the Company;

Transfer of Shares

The Investor may transfer legal and beneficial title over all or any portion of the Equity Shares of Company held by it to a third party or create any encumbrance over all or some of the shares owned by it by giving 15 days prior notice in writing to other Members.

Without prior written consent of the Investors, none of the Promoters or Confirming Parties shall transfer shares to a Third Party. Third parties will not be offered terms better than the terms offered to the Investor under Shareholders Agreement without prior written consent of Investors.

In addition, the Investor shareholders shall have the right of first refusal and tag along rights with respect to Equity Shares offered by the shareholders, subject to the restrictions on transfer set forth in the Articles.

Nothwithstanding anything to the contrary contained in the Articles, the shares pledged by Priti Shah and Pritam Shah with Kotak Mahindra Investments Limited ("**KMIL**") and the shares placed by Devendra Shah under non-disposal undertakings cum power of attorney with KMIL shall be free of any and all restriction whatsoever under these Articles, and shall be entitled to free transferability and other benefits as are contained in various writings and agreements executed/to be executed between the promoters/Promoter Group, the Investor, the Existing Investors and KMIL.

Priority Liquidation Rights

The proceeds arising from liquidation, dissolution or winding up of the Company, after discharging the liabilities of the Company, shall be distributed to (i) first, the Investors and Existing Investors in proportion to

their Proportionate Entitlement; (ii) secondly, to the New investor; and (iii) lastly, to the other Shareholders in proportion to their shareholding in the Company. The amount of proceeds to be distributed to the Investor, the Existing Investors and the New Investors shall be in accordance with the Articles.

Funding Procedure

For any further issuance of Shares pursuant to the provisions of Article 11A, the Company shall make a written offer to each Shareholder of such number of Shares as is equal to its pro rata shareholding in the Company.

Each Shareholder shall exercise its right to subscribe, upon written intimation to the other Shareholders(s) and the Company in accordance with the procedure laid down under the provisions of Article 11A.

On occurrence of a shortfall due to non subscription of the offer the Shareholders(s) shall be entitled to subscribe to the shortfall.

Shareholders(s) shall not be entitled to renounce their entitlement in favour of a third party, provided that if as a result of restrictions of law the Investor, Existing Investor and New Investor are restricted from exercising their entitlement they would have the right to nominate a third party to subscribe for all or part of the shortfall entitlement.

Change in Management Control

In the event, the Promoters and the Confirming Parties, propose to Transfer their Shares to any Person in accordance with the provisions of the Shareholders Agreement, such that the shareholding of the Promoters and the Confirming Parties post transfer shall fall below fifty one per cent. (51 %) in the Company, then the Promoters and the Confirming Parties shall intimate the same in writing to the New Investor at least fifteen (15) days before any such proposed Transfer, along with an offer to purchase all the Shares then held by the New Investor as per conditions laid down under Article 15A.

Initial Public Offering

In the event that the Company is conducting an IPO by means of an offer for sale mechanism the Investor, Existing Investors and the New Investor shall have the right (subject to applicable Laws of the Companies Act, 2013 and / or ICDR guidelines issued by Securities Exchange Board of India) to tender their respective Proportionate Entitlement of Shares under such IPO.

All costs and expenses incurred in connection with an offer for sale mechanism by the New Investor, the Investor and the Existing Investors shall be shared by, the Investor, Existing Investors and the New Investor on a pro rata basis.

Any Shares that are subject to a "lock in" as "promoter shares" after the IPO (including a Mandatory IPO) shall be Shares held by the Promoters and the Shares owned by the New Investor, the Investor and the Existing Investors shall not be subject to any "lock in" as "promoter shares".

Notice for Calling Shareholders Meeting

Subject to the provisions of the Articles, a minimum of 21 business days' prior written notice shall be given to all the shareholders of any shareholders meeting, accompanied by the agenda for such meeting.

Quorum at General Meeting

A quorum for a shareholders meeting shall, subject to the requirements of the Act, include the presence of a duly authorised representative of the Investor, the Existing Investor and any Promoter. If such a quorum is not present within one hour from the scheduled commencement time for the meeting, the meeting shall adjourn to the same place and time seven business days later, at which meeting the shareholders present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum. If a quorum is not present within one hour of the time appointed for the second adjourned meeting, the Members present shall form the quorum for such second adjourned meeting and may vote on all matters provided a resolution on a Reserved Matter cannot be passed without the affirmative vote of a duly authorised representative of each of the Investor and Existing Investors.

Number of Directors

The board of directors of our Company shall consist of no more than 12 directors. A Company director shall not be required to hold any qualifying shares.

Corporation Director

Notwithstanding anything to the contrary contained in the Articles, the Investors shall be entitled to appoint one nominee director (or nominate the appointment of one director) on the Board of our Company in accordance with the terms of the Share Purchase Agreement and articles and to remove from such office any person or persons, so appointed.

Proceedings of the Board of Directors

Meeting of Directors

Our Company shall hold regular quarterly meetings of the board to review their respective performance of the previous fiscal quarter and to decide on matters requiring the approval of the board.

Quorum at Board Meeting

A quorum for a board meeting shall be 3 Directors with at least one Director nominated for appointment by Investor, one Director nominated for appointment by the Promoters and one Director nominated for appointment by Existing Investors. If such a quorum is not present within one hour from the scheduled commencement time for the meeting, the meeting shall adjourn to the same place and time seven business days later, at which meeting the Directors present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum. If a quorum is not present within one hour of the time appointed for the second adjourned meeting, the Directors present shall form the quorum for such second adjourned meeting and may vote on all matters except for any Reserved Matters.

Directors may appoint committee

The board shall establish a remuneration committee, an investment and capital expenditure committee, an audit committee and an operational review committee at the meeting of the board, and establish any other such committees as it shall determine. The Directors appointed to the committees shall be in the same proportion as the Directors appointed to the Board. The Investors and Existing Investors shall have the right to nominate and appoint up to one Company director each to each of the committees established by the board including the Remuneration and Audit Committee.

Key Executives

The Key Executives will not be removed from their role other than in accordance with the Shareholders Agreement or without the mutual written agreement between the Investors, Existing Investors and Promoters.

Voting on Reserved Matters

No resolution in relation to a Reserved Matter may be passed at a Board Meeting unless atleast one director appointed by the Investor has voted in its favour. Similarly, no resolution in relation to a Reserved Matter may be passed at a meeting of Members unless the Investor has voted in its favour.

Event of Default

On the occurrence of an Event of Default, the Investor or Existing Investors may jointly serve a notice in writing on the Promoter's Representative and the Company offering to either: (a) sell the Sale Shares to Promoter and/or Company; or (b) purchase the sale shares from the Promoters, at Default Price.

Related Party Transactions

Any related party transactions which are not in the ordinary course of business shall require the prior written approval of the Investor and the Existing Investors.

Liquidity Mechanics

It is the intent of the Company that in the event that the Company has not conducted an IPO by the stipulated date, the Investor and the Existing Investors shall, acting jointly, have the right to sell to the Promoters and/or

the Company the entire Equity Shares then held by the Investor, Existing Investors and the New Investor at a cash price set out in the Shareholders Agreement, provided that the Investor, Existing Investors and the New Investor shall have the right, at their sole and absolute discretion, to defer the sale of their respective proportion of the Equity Shares at the proportionate price to the Promoters and/or the Company until such period as the Investor, Existing Investors and the New Investor may deem fit, at their sole and absolute discretion, by issuance of a notice to the Promoters' Representatives and/or the Company and such right may then be exercised by the Investor, Existing Investors and the New Investor, as applicable, by issuance of notice to the Promoters and the Company, in which event the Promoters and/or the Company, as the case may be, shall be obliged to provide a fixed deposit which shall be irrevocably assigned in favour of the Investor, Existing Investors and the New Investor, as the case may be, for an amount equal to the proportionate price and such fixed deposit shall be for a term until the Investor, Existing Investors and the New Investor, as the case may be, exercises the right to sell its proportion of the Equity Shares to the Promoters and/or the Company, as the case may be, provided that the interest accrued on such fixed deposit shall not be assigned to the Investor, Existing Investors and the New Investor, as the case may be, and shall accrue in favour of and for the benefit of the Promoters and/or the Company, as may be applicable.

Qualified IPO

Our Company shall bear and pay all expenses incurred in connection with a Qualified IPO, including without limitation all registration, filing and qualification fees, and printers, legal, accounting, underwriting and banker's fees and disbursements. No terms and conditions of mandatory IPO shall be decided without due consultation with the Investors and their written consent. The Company shall make best efforts to complete such Mandatory IPO such that the lower band of IPO price band shall provide the Investor with a minimum 18% IRR on its Capital Investment.

Exit Price Adjustment

In the event where the exit price being received by the Exiting Investors and Investor is lesser than the market value or valuation as determined by a valuer, then the Investor and/or the Existing Investors shall have the right to issue a notice in writing to the Promoters' Representative and the Company specifying either: (A) the overall equity ownership percentage and number of additional shares required to be owned for the Investor and/or the Existing Investors, as applicable, to achieve an aggregate exit price return if a transfer of shares was deemed to take place by the Investor and/or the Existing Investors, as applicable, at such point of time; or (B) the quantum of cash required to be paid to the Investor and/or the Existing Investors, as applicable, by the Promoters to achieve an aggregate exit price return if a transfer of shares was deemed to take place by the Investor and/or the Existing Investors, as applicable, at such point of time.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Red Herring Prospectus delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Offer Agreement dated September 30, 2015 amongst our Company, the Selling Shareholders and the BRLMs, as amended by an Agreement dated March 22, 2016.

2. Registrar Agreement dated September 29, 2015 amongst our Company, the Selling Shareholders and the Registrar to the Issue, as amended by an amendment agreement dated March 22, 2016.

3. Cash Escrow Agreement dated April 11, 2016 amongst our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Bank and the Registrar to the Issue.

4. Share Escrow Agreement dated January 19, 2016 amongst our Company, the Selling Shareholders, the BRLMs, and the Escrow Agent, as amended by an amendment agreement dated April 8, 2016.

5. Syndicate Agreement dated April 11, 2016 amongst our Company, the Selling Shareholders, the BRLMs and Syndicate Members.

6. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members and the Registrar to the Issue.

B. Material Documents in relation to the Issue

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated December 29, 1992 upon incorporation, fresh certificate of incorporation consequent upon change of name dated April 11, 2008 and fresh certificate of incorporation consequent upon conversion to a public limited company dated July 7, 2015.

3. Resolutions of the Board of Directors dated August 27, 2015 in relation to this Issue and other related matters.

4. Shareholders' resolution dated August 28, 2015 in relation to this Issue and other related matters.

5. Letters from Selling Shareholders approving the Offer for Sale and consenting to include up to 20,572,573 Equity Shares held by them, as part of the Offer for Sale.

6. Agreement dated September 12, 2012 for appointment of Devendra Shah as the Executive Chairman of our Company.

7. Agreement dated September 12, 2012 for appointment of Pritam Shah as the Managing Director of our Company.

8. The examination reports of the Statutory Auditor, on our Company's Restated Standalone Financial Statements, Restated Consolidated Financial Statements, included in this Red Herring Prospectus.

9. Copies of the annual reports of our Company for the Fiscals 2011, 2012, 2013, 2014 and 2015.

10. Statement of Tax Benefits dated March 21, 2016 from our Statutory Auditor.

11. Copies of auditor's reports and director's reports of our Company for Fiscals 2011, 2012, 2013, 2014

and 2015.

12. Consent of Directors, Statutory Auditor, BRLMs, Syndicate Members, Legal Counsel to our Company as to Indian law, Legal Counsel to the Underwriters as to Indian law, International Legal Counsel to the Underwriters, Registrar to the Issue, Escrow Collection Bank, Refund Bank(s), Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

13. Consent of our Statutory Auditors to include their name as experts in relation to their reports on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements and dated March 21, 2016 and the statement of tax benefits dated March 21, 2016 included in this Red Herring Prospectus.

14. Tripartite Agreement dated September 7, 2012 amongst our Company, NSDL and Registrar to the Issue.

15. Tripartite Agreement dated March 12, 2013 amongst our Company, CDSL and Registrar to the Issue.

16. Due Diligence Certificate dated September 30, 2015 addressed to SEBI from the BRLMs.

17. In principle listing approvals dated October 16, 2015 and October 14, 2015 issued by the BSE and the NSE respectively.

18. SEBI observation letter no. CFD/DIL/NR/SK/30426/2015 dated October 27, 2015, SEBI observation letter no. CFD/DIL-III/NR/SK/OW/35712/2015 dated December 29, 2015, SEBI letter no. CFD/DIL-III/NR/SK/OW/1114/2016 dated January 21, 2016 and SEBI letter no. CFD/DIL-III/NR/SK/OW/10661/2016 dated April 7, 2016.

19. Correspondence through e-mails circulated by SEBI on December 3, 2015, and December 18, 2015, in relation to certain observations on the Draft Red Herring Prospectus.

20. Share Purchase and Shareholders' agreement dated September 12, 2012 and Share Subscription Agreement dated September 12, 2012 amongst Devendra Shah, Pritam Shah, Parag Shah, Prakash Shah, Netra Shah, Priti Shah, Rajani Shah, Iris Business Solutions Private limited, Stavan Shah and Poojan Shah, IDFC PE and our Company, as amended, by the amendment agreements dated September 17, 2012, August 17, 2015, September 29, 2015 and March 22, 2016, respectively.

21. Share Purchase and Shareholders' Agreement dated July 31, 2013 amongst Placid Limited, Netra Shah, Devendra Shah, Pritam Shah, Parag Shah and our Company.

Any of the contracts or documents mentioned in this 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 statutes.

DECLARATION

I, Netra Shah (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by me in this Red Herring Prospectus about or in relation to me and the Equity Shares being offered by me in the Issue are true and correct.

_____

Name: Netra Shah

DECLARATION

I, Priti Shah (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by me in this Red Herring Prospectus about or in relation to me and the Equity Shares being offered by me in the Issue are true and correct.

_____

Name: Priti Shah

DECLARATION

I, Vishal Tulsyan, the duly constituted attorney of Vimla Oswal (being one of the Selling Shareholders), hereby declare and certify that all the statements made, and undertakings provided, in this Red Herring Prospectus about or in relation to Vimla Oswal and the Equity Shares being offered by Vimla Oswal in the Issue are true and correct.

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Signatory

Name:

DECLARATION

I, Vishal Tulsyan, the duly constituted attorney of Pratik Oswal (being one of the Selling Shareholders), hereby declare and certify that all the statements made, and undertakings provided, in this Red Herring Prospectus about or in relation to Pratik Oswal and the Equity Shares being offered by Pratik Oswal in the Issue are true and correct.

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Signatory

Name:

DECLARATION

I, Vishal Tulsyan, the duly constituted attorney of Suneeta Agrawal (being one of the Selling Shareholders), hereby declare and certify that all the statements made, and undertakings provided, in this Red Herring Prospectus about or in relation to Suneeta Agrawal and the Equity Shares being offered by Suneeta Agrawal in the Issue are true and correct.

_____

Signatory

Name:

DECLARATION

I, Meet Narayan Pasari (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by me in this Red Herring Prospectus about or in relation to me and the Equity Shares being offered by me in the Issue are true and correct.

_____

Name: Meet Narayan Pasari

DECLARATION

I, Nipa Doshi (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by me in this Red Herring Prospectus about or in relation to me and the Equity Shares being offered by me in the Issue are true and correct.

_____

Name: Nipa Doshi

DECLARATION

I, Parvati Devi Pasari (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by me in this Red Herring Prospectus about or in relation to me and the Equity Shares being offered by me in the Issue are true and correct.

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Name: Parvati Devi Pasari

DECLARATION

We, Seema Narayan Pasari and Narayan Ramgopal Pasari (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Seema Narayan Pasari

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Name: Seema Narayan Pasari

Narayan Ramgopal Pasari

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Name: Narayan Ramgopal Pasari

DECLARATION

I, Satyanarayan Kanhaiya Lal Kabra (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by me in this Red Herring Prospectus about or in relation to me and the Equity Shares being offered by me in the Issue are true and correct.

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Name: Satyanarayan Kanhaiya Lal Kabra

DECLARATION

We, Chetan Narayan Pasari and Seema Narayan Pasari (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Chetan Narayan Pasari

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Name: Chetan Narayan Pasari

Seema Narayan Pasari

_____

Name: Seema Narayan Pasari

DECLARATION

We, Anmol Insurance Consultants Private Limited (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Signed for and on behalf of Anmol Insurance Consultants Private Limited

_____

Authorised Signatory

Name:

Designation:

DECLARATION

We, Ladderup Finance Limited (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Signed for and on behalf of Ladderup Finance Limited

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Authorised Signatory

Name:

Designation:

DECLARATION

We, IDFC Private Equity Fund III (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Signed for and on behalf of IDFC Private Equity Fund III

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Authorised Signatory

Name:

Designation:

DECLARATION

We, India Business Excellence Fund I (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Signed for and on behalf of India Business Excellence Fund I

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Authorised Signatory

Name:

Designation:

DECLARATION

We, India Business Excellence Fund (through its trustee IL&FS Trust Company Limited (being one of the Selling Shareholders)) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Signed for and on behalf of India Business Excellence Fund (through its trustee IL&FS Trust Company Limited

_____
Authorised Signatory

Name:

Designation:

DECLARATION

We, Placid Limited (being one of the Selling Shareholders) hereby declare and certify that all the statements made, and undertakings provided, by us in this Red Herring Prospectus about or in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct.

Signed for and on behalf of Placid Limited

_____

Authorised Signatory

Name:

Designation:

DECLARATION

We hereby declare and certify that all relevant provisions of the Companies Act (including the rules made thereunder) and the rules, regulations, and guidelines issued by the Government or SEBI (as the case may be) have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act, or rules, regulations, and guidelines issued thereunder (as the case may be). We further certify that all the statements and disclosures in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

_____ **Devendra Shah**
(Executive Chairman)

_____ **Pritam Shah**
(Managing Director)

_____ **B.M. Vyas**
(Non-Executive Director)

_____ **Narendra Ambwani**
(Independent Director)

_____ **Radhika Pereira**
(Independent Director)

_____ **Sunil Goyal**
(Independent Director)

_____ **Nitin Dhavalikar**
(Independent Director)

_____ **Ramesh Chandak**
(*Additional and Nominee Director*)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____ **Bharat Kedia**
(Chief Financial Officer)

Date: April 21, 2016
Place: Mumbai