



ESTEEM BIO ORGANIC FOOD PROCESSING LIMITED

Our Company was originally incorporated in New Delhi as “Esteem Constructions Private Limited” on 27th July, 1995 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The name of the Company was changed to Esteem Bio Organic Food Processing Private Limited and a fresh certificate of incorporation consequent to the change of name was granted by the National Capital Territory of Delhi & Haryana on 15th December, 2008. Our Company was subsequently converted in to a public limited company and consequently name was changed to “Esteem Bio Organic Food Processing Limited” vide fresh certificate of incorporation dated 28th January, 2009 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. For further details in relation to the changes to the name of our Company, please refer to the section titled “Our History and Corporate Structure” beginning on page 64 of this Draft Letter of Offer.

Registered Office & Corporate Office: 49, Gujrawala Town, Part-II, New Delhi-110009;

Tel: Tel: 91-11-32961926, Fax: 91-11-32961926

E-Mail: info@esteembioorganic.com; **Website:** www.esteembioorganic.com

Contact Person & Compliance Officer: Ms. Saroj Sherawat, Company Secretary & Compliance Officer;

PROMOTERS OF THE COMPANY: BRIJ KISHORE SABHARWAL & AMAR SINGH BISHT

ISSUE OF 99,45,333 EQUITY SHARES WITH A FACE VALUE OF RS. 10/- EACH (“RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF RS. [•] AGGREGATING UPTO RS [•] LACS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY ON RIGHTS BASIS IN THE RATIO OF TWO(2) RIGHTS EQUITY SHARE FOR EVERY THREE (3) EQUITY SHARE HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE I.E. [•] (“ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [•] TIMES THE FACE VALUE OF THE RIGHTS EQUITY SHARES.

GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the BSE SME Platform nor BSE SME Platform guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 8 of this Draft Letter of Offer.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on the SME Platform of BSE Limited (“BSE”). Our Company has received an “in-principle” approval from BSE for listing the Rights Equity Shares arising from this Issue vide letter dated [•]. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited (“BSE”).

LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>UNICON CAPITAL SERVICES PRIVATE LIMITED 2nd & 3rd Floor, ‘A’ wing, Vilco Center, 8, Subhash Road, Vile Parle (East), Mumbai - 400 057. Tel: +91-22-4359 1628 Email: mb@unicon.in Website: www.uniconindia.in SEBI Regn. No: INM 000001609</p>	 <p>MAS SERVICES LIMITED T-34, 2nd Floor, Okhla Industrial Area Phase - II, New Delhi - 110020 Tel No.: +91-11-26387281/82/83 Fax No.: +91-11-26387384 Website: www.masserv.com E-mail ID: info@masserv.com Contact Person: Mr. Sharwan Mangla SEBI Registration No: INR000000049</p>

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSSES ON
•	•	•

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

TERMS	DESCRIPTION
"our Company", "the Company", "EBOFPL", Esteem "we", "us" or "the Issuer"	Esteem Bio Organic Food Processing Limited, a public limited company incorporated under the Companies Act, 1956

CONVENTIONAL/GENERAL TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Esteem Bio Organic Food Processing Limited
Board of Directors / Board/Director(s)	The Board of Directors of Esteem Bio Organic Food Processing Limited
BSE / Exchange	BSE Limited (the designated stock exchange)
Companies Act	The Companies Act, 1956, as amended from time to time and Companies Act, 2013 to the extent applicable
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Director(s)	Director(s) of Esteem Bio Organic Food Processing Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share
GIR Number	General Index Registry Number
GoI/ Government	Government of India
Statutory Auditor / Auditor	M/s Rupesh Mangal & Associates, Chartered Accountants the statutory auditors of our Company.
Peer Review Auditors	M/s. Pawan Shubham & Co., Chartered Accountants the Peer Review auditors of our Company.
Promoters	Promoters of the Company being Mr. Brij Kishore Sabharwal & Mr. Amar Singh Bisht
Promoter Group Companies /Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 80 of this Draft Letter of Offer.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Key Managerial Personnel / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 75 of this Draft Letter of Offer.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Esteem Bio Organic Food Processing Limited
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	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

TERMS	DESCRIPTION
	not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Registered office of our Company	49, Gujrawala Town, Part-II, New Delhi-110009
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of BSE/Stock Exchange	The SME platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
SWOT	Analysis of strengths, weaknesses, opportunities and threats
RoC	Registrar of Companies, National Capital Territory of Delhi & Haryana
TFT	Trade for Trade

ISSUE RELATED TERMS

TERMS	DESCRIPTION
Abridged Letter of Offer	The abridged letter of offer to be sent to Eligible Equity Shareholders of our Company with respect to this Issue in accordance with SEBI (ICDR) Regulations, 2009
Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allottee	An Investor to whom Rights Equity Shares are allotted.
Application	Unless the context otherwise requires, refers to an application for Allotment of the Rights Equity Shares in the Issue.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by the Investors to make a Bid authorizing the SCSB to block the Application Amount in their specified bank account maintained with the SCSB
ASBA Investor	An applicant who: (a) holds the Equity Shares of our Company in dematerialized form as on the record date and has applied for Entitlements and / or additional shares in dematerialized form; (b) has not renounced his / her Entitlements in full or in part; (c) is not a Renouncee; (d) is applying through a bank account maintained with SCSBs. QIB applicants, Non-Institutional Investors and other applicants whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process.
Bankers to the Issue	[•]
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in “Basis of Allotment” on page 128 of the Draft Letter of Offer
Business Day	Any day, other than a Saturday or a Sunday, on which commercial banks in Mumbai are open for business.
Composite Application Form / CAF	The form used by an Investor to make an application for allotment of the Rights Equity Shares in the Issue.
Designated Stock Exchange	BSE
Collection Centre	As defined in SEBI (ICDR) Regulations, 2009, and mentioned in the CAF.
Controlling Branches	Such Branches of SCSB which co-ordinates applications under the Issue by the ASBA Investor with the Registrar to the Issue and the Stock Exchanges and the list of

TERMS	DESCRIPTION
	which is available at http://www.sebi.gov.in/pmd/scsb.pdf .
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depositories Regulations	The SEBI (Depository and Participant) Regulations, 1996, as amended from time to time
Designated Branches	Such branches of the SCSBs which shall collect CAF from ASBA investor and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Market Maker	Guinness Securities Limited having registered office at 216, 2 nd Floor, P.J. Towers, Dalal Street, Mumbai- 400 001 and correspondence office at Guinness House, 18, Deshapriya Park Road, Kolkata-700 026
Eligible Equity Shareholders	The Equity Shareholders of our Company as on the Record Date.
Equity Shares	Equity Shares of our Company having a face value of Rs. 10/- each.
Equity Shareholders	The Equity Shareholders of our Company.
Investors	The Eligible Equity Shareholders of our Company as on the Record Date and the Renouncees.
Issue	Issue of 99,45,333 Rights Equity Shares of face value Rs. 10/- each at a price of Rs. [●] aggregating upto Rs. [●] lacs to the Eligible Equity Shareholders of our Company on rights basis in the ratio of 2 (Two) Rights Equity Share for every 3 (Three) Equity Share held on the Record Date [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	Rs. [●] per Rights Equity Share.
Issue Proceeds	The proceeds of this Issue that are available to our Company.
Lead Manager/LM	Unicon Capital Services Private Limited
Underwriter	[●]
Record Date	[●]
Registrar to the Issue	Mas Services Limited
Renouncee (s)	Any person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date.
Rights Equity Shares	The Equity Shares being offered to the Eligible Equity Shareholders of our Company in this Issue.
SAF	Split Application Form
Stock Exchange	SME platform of BSE Limited
SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf .
SEBI (ICDR) Regulations,2009	Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 as amended from time to time

COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

TERM/ABBREVIATION	DESCRIPTION/FULL FORM
Acre	This article is about unit of area measure.
Bio Agri Inputs	Bio Agri Inputs are standardized extracts / concentrates from natural resources that help in better nutrient management and plant growth.
Bio-agri	The study of plant nutrition and growth in relation to soil conditions, especially to determine ways to increase crop yields.
Bio-fertilizer	A bio-fertilizer is a substance which contains living microorganisms which, when applied to seed, plant surfaces, or soil, colonizes the rhizosphere or the interior of the plant and promotes growth by increasing the supply or availability of primary nutrients to the host plant.
Bio-pesticides	Bio-pesticides include naturally occurring substances that control pests (biochemical pesticides), microorganisms that control pests (microbial pesticides), and pesticidal substances produced by plants containing added genetic material (plant-incorporated protectants) or PIPs.

TERM/ABBREVIATION	DESCRIPTION/FULL FORM
Share cropping	A system of agriculture in which a landowner allows a tenant to use the land in return for a share of the crop produced on the land
FCO	Fertilizer Control Order, 1985
Group Company/(ies)	Eco Friendly Food Processing Park Limited
KL	Kilo Liters
KVA	Kilo Volts Ampere
MSP	Minimum Support Price
Project	Development of farm land for transition to Organic Farming, Construction of internal road etc.
RCC	Reinforced Cement Concrete
TPD or T/Day	Tonnes Per Day
TPH	Tonnes Per Hour

ABBREVIATIONS

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AMBI	Association of Merchant Bankers of India
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.E.	Bachelor of Engineering
B.Sc.	Bachelor of Science
B.Tech.	Bachelor of Technology
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CAIIB	Certified Associate of the Indian Institute of Bankers
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
C.S.	Company Secretary
Cum	Cubic meter
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family

ABBREVIATION	FULL FORM
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
M. A.	Master of Arts
M.B.A.	Master of Business Administration
SME	Small And Medium Enterprises
M. Com.	Master of Commerce
M.E.	Master of Engineering
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi & Haryana
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is extracted from the financial statements of our Company for the fiscal years 2014, 2013, 2012, 2011 and 2010 and the restated financial statements of our Company for Fiscal Years 2014, 2013, 2012, 2011 and 2010 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled – Financial Information on page 87. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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

CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Draft Letter of Offer contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Draft Letter of Offer, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

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

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Draft Letter of Offer has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this Draft Letter of Offer.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Letter of Offer regarding matters that are not historical fact. These forward-looking statements contained in this Draft Letter of Offer (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others General economic conditions, political conditions, conditions in the agriculture sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our 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 foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in agri sector;
- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 8 of this Draft Letter of Offer. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

SECTION II

RISK FACTORS

An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Letter of Offer before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Letter of Offer, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Draft Letter of Offer beginning on pages 54, 101 & 87 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

INTERNAL RISK FACTORS

1. The Registered Office of our Company is on lease basis.

The Registered Office of our Company situated at 49, Gujrawala Town, Part-II, New Delhi-110009 has been leased from our Promoter i.e. Brij Kishore Sabharwal.

2. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Net Cash flow from Operative activities	512.52	511.28	100.32	124.19	61.69
Net Cash Flow from investing activities	600.89	1747.67	(84.90)	(109.26)	-
Net Cash Flow from Financing activities	122.00	1,185.01	(41.00)	(9.40)	-
Net Cash Flow for the Year	33.62	(51.39)	(25.58)	5.53	61.69

3. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

4. Shortfall in the Promise V/S Performance in the Initial Public Issue made by our Company

Our Company came out with its maiden public Issue in the year 2013 and issued 45,18,000 Equity Shares of the face value Rs. 10 each at a price of Rs. 25 per share aggregating to Rs. 1129.50 Lacs. The objects of the issue and the respective utilizations as on 31st March, 2014 are as follows:-

Particulars	Proposed Objects	Actual Utilizations
Setting up of Shade Net Cultivation facility	380.00	375.00
Development of farm land for transition to organic farming	565.00	564.49
Procurement of farm tools & equipments	30.00	29.06
Brand Building and General Corporate Purposes	80.00	30.00
Issue Expenses	70.00	31.28
Unutilized Portion: Investment in Short Term Advances	NA	99.67

5. We have entered into certain related party transactions and may continue to do so.

We have entered into related party transactions with our Promoters, Group Company, Directors. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 85 of this Draft Letter of Offer.

6. Our Company does not have any long term supply contracts with our customers which may adversely affect our results of operations.

Our Company does not have any long term commitments with our customers for purchases of our crops. As a result, we may be dependent on the recurring purchase orders received from time to time. There is no assurance that our Company will continue to receive purchase orders for our products either on substantially the same terms or at all, which could have an adverse effect on our Company's operations and profitability. Further, any change in the buying pattern of our end users can adversely affect the business and results of operations of our Company.

7. Crops being perishable in nature, any inability on our part to deliver our crops at the right time in the markets could have a material adverse effect on our business, results of operation and financial condition.

The crops which we produce are perishable in nature. Hence, we have to ensure that right quantity and quality of our crops reach the markets in a timely manner. Any interruption in supply of our crops to the various markets, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition.

8. Monsoons and climate conditions may adversely affect our business, as agriculture business involves cultivation of crops and for watering the crops we are dependent on the monsoon, also extreme weather conditions may spoil the crops.

Our business operations may be materially and adversely affected by uneven monsoon and erratic climatic, which may affect our agriculture produce. Meteorologically, our country has diversified and different weather conditions at different places. Sometimes, one region receives very heavy rainfall whereas other region receives scant rainfall. Any vagaries of weather and abnormal monsoon across the northern region may ruin crops and will also affect the business of the Company.

9. Use of defective seeds could adversely affect our business and results of operation.

Quality defects in seeds would directly affect the quality of our products. If defective or contaminated seeds are used by farmers at our farms, it may lead to a large-scale crop failure thus substantially increasing our potential liability. Further, in order to attain the desired levels of crop yield, certain precautions like utilization of the soil application, proper application of fertilizers, timely application of pesticides, timely supply of water etc. have to be followed. Moreover, weather conditions must be favorable. In the event of any failure on the part of the farmers, or adverse weather conditions, it may lead to loss of crops. Any of the aforesaid factors would have a material adverse effect on business, financial condition and results of operations.

- 10. We have not entered into any agreement with the suppliers for supply of soil bed, construction of internal roads etc. for the Project. Any delay in entering into such agreements may delay the implementation schedule, which may also lead to increase in prices affecting our costs, revenue and profitability.**

We are yet to place orders and / or enter contracts for proposed soil, construction of internal roads etc for the Project, as specified in the "Objects of the Issue" on page 34 of this Draft Letter of Offer. Any delay in procurement of soil bed may delay the implementation schedule. We may also be subject to risks on account of inflation in the price. Hence our Project could face time and cost over-run which could have an adverse effect on the operations of our Company. Negotiations in respect of specification with suppliers have been commenced and the agreements will be entered in due course once the negotiations are completed and Issue proceeds are procured.

- 11. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

- 12. Delay in raising funds from the Rights Issue could adversely impact the implementation schedule.**

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be largely funded from the proceeds of this Rights Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

- 13. The Company has not appointed any independent agency for the appraisal of the proposed Project.**

The Project, for which we intend to use our Issue proceeds as mentioned in the objects of the Issue, has not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our internal estimates and which may exceed which may require us to reschedule our Project expenditure and may have an adverse impact on our business, financial condition and results of operations.

- 14. There are potential conflicts of interest with our Group Company. Such conflicts of interest may have an adverse effect on our business, financial condition, results of operations and prospects.**

Our Promoters are majority shareholder and director on the board of Eco Friendly Food Processing Limited whose Main object enables them to conduct similar business to that of our Company's business. For further details, see the section "Our Promoter Group / Group Companies / Entities" on page 80 of this Draft Letter of Offer. As a result, a conflict of interest may occur between our business and the businesses of our Group Company which could have an adverse effect on our business, financial condition, results of operations and prospects.

- 15. We face competition in our business from both domestic and international competitors. Such competition would have an adverse impact on our business and financial performance.**


We operate in a highly competitive environment. Principal products of our Company include wheat, pulses, paddy, sugar cane, fruits, vegetables; flowers and wood plantation are produced by a number of agriculturists. Players in this market generally compete with each other on key attributes such as

technical competence, quality of products, pricing and track record. We compete against our competitors on quality, technical competence, distribution channels and customer relationships. There is no assurance that we will continue to compete successfully in future. Some of our competitors may be able to price their products more attractively or may be able to distribute their products more effectively through establishing better distribution networks, or may have greater access to capital, superior research and development, marketing and other resources. Our inability to remain sufficiently competitive will adversely and materially affect our business and operating results. In addition, should there be any significant increase in global competition or if we are unable to meet the requirements of the changing market conditions, our business and operating results could be adversely affected. The occurrence of any of those events could have a material adverse effect on our ability to compete against our competitors, which would have an adverse impact on our business and financial performance.

16. We have not protected our assets through insurance coverage and our assets are certain operating risks and this may have a material adverse impact on our business.

We have not maintained any insurance policy to provide adequate coverage to our assets. Any damage or loss of our assets would have a material and adverse impact on our business operations and profitability.

17. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. Our Company has made application for registration of logo "  ". We cannot guarantee that all the pending application will be decided in the favor of the Company. If our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

18. The new Companies Act, 2013 is recently being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Letter of Offer as well as other rules and formalities for completing the Issue.

The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Draft Letter of Offer, any further notifications by the MCA after our filing of this Prospectus may be material with respect to the disclosures to be made in the Prospectus as well as other rules and formalities for completing the Issue. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, and the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Rights Issue, and on the business, prospects and results of operations of the Company.

EXTERNAL RISK FACTORS

19. Political, economic and social changes in India could adversely affect our business.

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the

private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

- 20. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.**

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws 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. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

- 21. Natural calamities and force majeure events may have an adverse impact on our business.**

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

- 22. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

- 23. Restrictions on foreign investment limit our ability to raise debt or capital outside India.**

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

- 24. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.**

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

- 25. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In

addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

26. Third party statistical and financial data in this Draft Letter of Offer may be incomplete or unreliable.

We have not independently verified any of the data from industry publications and other sources referenced in this Draft Letter of Offer and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Draft Letter of Offer are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

RISKS RELATING TO THE EQUITY SHARES

27. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

28. Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

29. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

We cannot assure that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the price at which the Equity Shares are offered herein will correspond to the prices at which they will trade in the market subsequent to this Issue. Further, the prices of the Equity Shares may fluctuate after this Issue due to a wide variety of factors, including:

- Volatility in the Indian and global securities markets;
- Our operational performance and financial results and conditions;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Developments in India's economic liberalization and deregulation policies;
- Changes in India's laws and regulations impacting our business

PROMINENT NOTES:

- 1) This is a Rights Issue of 99,45,333 Rights Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Rights Equity Share aggregating upto Rs. [●] lacs to the existing Equity Shareholders of our Company on rights basis in the ratio of 2 (Two) Equity Share for every 3 (Three) Equity Share held as on the Record Date. For further details please refer to the section titled "Terms and Procedure of the Issue" beginning on page 118 of this Draft Letter of Offer.
- 2) Our Net worth as on 31st March, 2014 is Rs. 2683.48 Lacs as per Restated Financial Statements.
- 3) The Book -Value per share as on 31st March, 2014 is Rs. 17.99 as per Restated Financial Statements.
- 4) There was no change in the name of the Company at any time during last three years.
- 5) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to "Basis of Allotment" on page 128 of the Draft Letter of Offer. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 6) Pertaining to our related party transactions, see the chapter titled "Related Party Transactions" beginning on page 85 of this Draft Letter of Offer;
- 7) For details of transactions in the securities of our Company by our Promoter and Promoter group in the last six months, refer to the chapter titled "Capital Structure" on page 26 of this Draft Letter of Offer;
- 8) Trading in the Rights Equity Shares of our Company for all Investors shall be in dematerialized form only. For further details, see the section titled "Terms and Procedure of the Issue" beginning on page 118 of this Draft Letter of Offer;
- 9) Before making any investment decision in this Issue, Investors are advised to refer to the section titled "Basis for Issue Price" beginning on page 39 of this Draft Letter of Offer;
- 10) Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever;
- 11) Investors may contact our Compliance Officer or the Lead Manager for any complaints pertaining to this Issue;
- 12) The Lead Manager and our Company shall keep the shareholders / public informed of any material changes till the listing and trading commences as per the terms of the listing agreement and the SEBI (ICDR) Regulations, 2009.

SECTION III: INTRODUCTION

SUMMARY

This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Draft Letter of Offer, including the information on “Risk Factors” and related notes on page 8 of this Draft Letter of Offer before deciding to invest in Equity Shares.

INDUSTRY OVERVIEW

The Indian Economy

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Factbook). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

AGRICULTURAL INDUSTRY IN INDIA:

Agriculture in India has a significant history. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like forestry and logging accounted for 16.6% of the GDP in 2007, about 50% of the total workforce and despite a steady decline of its share in the GDP, is still demographically the broadest economic sector and plays a significant role in the overall social-economic development of India.

India is the largest producer in the world of fresh fruit, anise, fennel, badian, coriander, tropical fresh fruit, jute, pigeon peas, pulses, spices, millets, castor oil seed, sesame seeds, safflower seeds, lemons, limes, cow's milk, dry chillies and peppers, chick peas, cashew nuts, okra, ginger, turmeric guavas, mangoes, goat milk and buffalo milk and meat. India is also the largest producer of millets like Jowar Bajra and Ragi. It is second only to China in the production of rice. India is the 6th largest coffee producer in the world. It also has the world's largest cattle population (281 million). It is the second largest producer of cashews, cabbages, cotton seed and lint, fresh vegetables, garlic, egg plant, goat meat, silk, nutmeg, mace, cardamom, onions, wheat, rice, sugarcane, lentil, dry beans, groundnut, tea, green peas, cauliflowers, potatoes, pumpkins, squashes, gourds and inland fish. It is the third largest producer of tobacco, sorghum, rapeseed, coconuts, hen's eggs and tomatoes. India accounts for 10% of the world fruit production with first rank in the production of mangoes, papaya, banana and sapota.

HORTICULTURE

The horticulture sector covers a wide range of crops such as fruits, vegetables, root and tuber crops, flowers, aromatic and medicinal plants, spices and plantation crops, which facilitate diversification in agriculture. There is a growing realization that horticulture crops is now an option to improve livelihood security, enhance employment generation, attain food and nutritional security and increase income through value addition. As of 2010-11, horticultural crops occupied an area of 21.3 million hectares producing 231.14 Million tonnes of horticultural produce.

Fruits and vegetables together constitute about 92.4% of the total horticultural production in the country. (Source: Annual Report 2011-12, Department of Agriculture & Cooperation, Ministry of Agriculture)

AGRICULTURE IN UTTARAKHAND:

Uttarakhand is primarily an agricultural state although its share in the country's total area and production is very small. Uttarakhand has a land area of 55845 km² of which 80 per cent is hilly and the remaining 20 per cent is plain land. Total cropped area accounts for around 23.5 per cent. The contribution of agriculture to the state's domestic product is about 22.4 per cent and the population dependent on agriculture for their livelihood is about 75-85 per cent. The development of the hills is primarily linked to the development of agriculture and its allied activities. Since the hills are constrained in the development of large-scale industrialization, and due to infrastructure constraints the development of the service sector is also constrained, the growth and development of the agriculture sector remains the prime focus.

ORGANIC FARMING:

Organic farming is the form of agriculture that relies on techniques such as crop rotation, green manure, compost and biological pest control to maintain soil productivity and control pests on a farm. Organic farming uses fertilizers and pesticides but excludes or strictly limits the use of manufactured (synthetic) fertilizers, pesticides (which include herbicides, insecticides and fungicides), plant growth regulators such as hormones, livestock antibiotics, food additives, genetically modified organisms and nanomaterials. Organic agricultural methods are internationally regulated and legally enforced by many nations, based in large part on the standards set by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations established in 1972. IFOAM defines the overarching goal of organic farming as:

"Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved."

–International Federation of Organic Agriculture Movements

Since 1990, the market for organic products has grown from nothing, reaching \$55 billion in 2009 according to Organic Monitor (www.organicmonitor.com). This demand has driven a similar increase in organically managed farmland which has grown over the past decade at a compounding rate of 8.9% per annum. Approximately 37,000,000 hectares (91,000,000 acres) worldwide are now farmed organically, representing approximately 0.9 percent of total world farmland (2009)

BUSINESS OVERVIEW

Our Company was originally incorporated in New Delhi as "Esteem Constructions Private Limited" on 27th July, 1995 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The name of the Company was changed to Esteem Bio Organic Food Processing Private Limited and a fresh certificate of incorporation consequent to the change of name was granted by the National Capital Territory of Delhi & Haryana on 15th December, 2008. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Esteem Bio Organic Food Processing Limited" vide fresh certificate of incorporation dated 28th January, 2009 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are engaged in to agriculture operations, wherein we cultivate wheat, paddy, sugar cane, fruits, vegetables and flowers. We are also engaged in the operations of wood plantation. We have an integrated facility of cultivation, processing and distribution of agriculture commodities. We focus organic farming for our horticulture segment of farming, wherein we use bio-agri inputs such as Bio-Pesticides and Bio-Fertilizers.

An awareness of the health benefits of organically produced food, and knowledge of the damage done to the environment by conventional, intensive farming methods, has created the platform for demand of organic produce globally. Considering this fact and with a vision to grow in the organic food arena, we have also ventured ourselves into the cultivation of organic fruits and vegetables on some of the areas of our farms.

We have laid down the foundation of our agriculture operations by acquisition of farms situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand in the month of June, 2008. Our farms are spread over 295.80 Acres of land.

We have adopted share cropping model of farming, wherein we contract cropper/ farmers and workers in the vicinity of our farms. Our Farm manager with the assistance of cropper /farmers / field assistants formulates a strategy and decides the crops to be grown. Subsequently, the contracted farmers and workers are being assigned with their respective crops to be grown and demarcated area. This model of share cropping encourages the cropper to work harder and employ better techniques as compared to slave plantation methods. After the harvesting, cropper gets the pre determined share of crops and he has a liberty to distribute the same. The sharing ratio of crops ranges between 10% to 25 % to croppers and remaining proportion to us. Our thrust is to provide technical assistance to croppers. We also engage ourselves in to supervision of croppers to constantly monitor the quantity and quality of crops.

SWOT

Strengths

- Extensive array of agri products
- Integrated business model
- Location advantage of farm.
- Experienced management team
- Organic Farming

Weaknesses

- Dependent upon monsoon for agriculture operations
- Limited geographical coverage
- Dependent on external croppers

Opportunities

- Growing awareness among consumers about the organic food.
- Availability of uncontaminated land
- Penetration to food processing sector to complete the entire value chain.

Threats

- There are no entry barriers in our industry which puts us to the threat of competition from new entrants
- Any change or shift of focus of government from agriculture industry may adversely impact our financials

SUMMARY OF FINANCIAL DATA

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Equity & Liabilities					
Shareholders' Funds					
Share Capital	1491.80	1491.80	30.00	5.00	5.00
Reserve & Surplus	1239.88	1055.98	826.28	494.43	280.19
Total (A)	2731.68	2547.78	856.28	499.43	285.19
Non Current Liabilities					
Share Application Money	-	-	-	90.00	90.00
Long Term Borrowings	160.00	-	-	-	-
Deferred Tax Liabilities (Net)	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
Total (B)	160.00	-	-	90.00	90.00
Current Liabilities					
Short Term Borrowings	39.00	72.75	324.10	337.60	347.00
Trade Payables	-	-	-	-	-
Other Current Liabilities	37.84	2.90	0.10	0.10	0.10
Short Term Provisions	3.45	2.34	-	-	-
Total (C)	80.29	77.99	324.20	337.70	347.10
Total (D=A+B+C)	2971.97	2625.77	1180.48	927.13	722.29
Assets					
Fixed Assets	1221.52	1207.12	618.16	533.26	424.00
Non Current Investments	315.27	273.27	24.27	24.27	24.27
Long Term Loans & Advances	21.25	21.25	-	-	-
Other Non Current Assets	48.20	25.02	-	-	-
Total (E)	1606.24	1526.66	642.43	557.53	448.27
Current Assets					
Current Investments	-	-	-	-	-
Inventories	16.25	37.50	312.78	275.31	198.89
Trade Receivables	32.09	244.78	170.21	13.63	-
Cash & Bank Balances	37.31	3.69	55.07	80.66	75.13
Short Term Loans & Advances	1280.07	813.14	-	-	-
Other Current Assets	-	-	-	-	-
Total (F)	1365.73	1099.11	538.06	369.60	274.02
Total (G=E+F)	2971.97	2625.77	1180.49	927.13	722.29

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Income:					
Income from Agriculture Operations	319.76	643.47	304.30	173.10	89.93
Other Income	11.15	7.58	-	-	-
Increase / (Decrease) in Stock in Trade	(21.25)	(275.28)	37.47	76.42	106.99
Total	309.66	375.77	341.77	249.52	196.92
Expenditure:					
Plantation and Cultivation Expenses	15.84	16.65	17.52	12.69	9.52
Employees Cost	7.92	16.43	20.31	15.18	12.52
Other Administrative & Selling Expenses	39.95	33.58	9.57	7.41	6.20
Total	63.71	66.66	47.40	35.28	28.24
Profit before Depreciation, Interest & Tax	245.95	309.11	294.37	214.24	168.68
Depreciation	58.60	51.62	-	-	-
Profit before Interest & Tax	187.35	257.49	294.37	214.24	168.68
Interest & Finance charges	-	-	-	-	-
Profit before Taxes	187.35	257.49	294.37	214.24	168.68
Provision for Taxes	3.45	2.34	-	-	-
Net Profit After Tax & Before Extraordinary Items	183.90	255.15	294.37	214.24	168.68
Extra Ordinary Items (Net of Tax)	-	-	-	-	-
Net Profit	183.90	255.15	294.37	214.24	168.68

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	187.35	257.49	294.37	214.24	168.68
Adjustment for:					
Add: Depreciation	58.60	57.87	-	-	-
Add: Preliminary Expenses	11.17		-	-	-
Less: Interest Received	(11.15)	(7.58)	-	-	-
Operating Profit before Working capital changes	245.98	307.77	294.37	214.24	168.68
Adjustments for:					
Decrease/(Increase) in Trade & Other Receivables	212.68	(74.56)	(156.58)	(13.63)	-
Decrease/(Increase) in Current Assets	-	-	-	-	-
Decrease/(Increase) in Inventories	21.25	275.28	(37.47)	(76.42)	(106.99)
Increase/(Decrease) in Current Liabilities	34.95	5.13	-	-	-
Net Changes in Working Capital	268.88	205.85	(194.05)	(90.05)	(106.99)
Cash Generated from Operations	514.86	513.62	100.32	124.19	61.69
Taxes	2.34	2.34	-	-	-
Net Cash Flow from Operating Activities (A)	512.52	511.28	100.32	124.19	61.69
CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Fixed Assets	73.00	640.58	(84.90)	(109.26)	-
Interest Received	(11.15)	(7.58)	-	-	-
Sale / (Purchase) of Investments	42.00	249.00	-	-	-
(Decrease)/ Increase in Other Loans & Advances	-	21.25			
(Decrease) /Increase in Short Terms Loans & Advances	466.93	813.14			
Decrease (Increase) in Non Current Assets	30.11	31.28	-	-	-
Net Cash Flow from Investing Activities (B)	600.89	1747.67	(84.90)	(109.26)	-
CASH FLOW FROM FINANCING ACTIVITIES					
Issue of share capital and Proceeds from Share Application Money	-	1436.36	(27.50)	-	-
Increase / (Repayment) of Other Long Term Liabilities	160.00	-	-	-	-
Increase / (Repayment) of Secured/unsecured loans	(33.75)	(251.35)	(13.50)	(9.40)	-
Preliminary Expenses incurred	(4.25)	-	-	-	-
Net Cash Flow from Financing Activities (C)	122.00	1,185.01	(41.00)	(9.40)	-
Net Increase / (Decrease) in Cash & Cash Equivalents	33.62	-51.39	(25.58)	5.53	61.69
Cash and cash equivalents at the beginning of the year / Period	3.69	55.08	80.65	75.13	13.44
Cash and cash equivalents at the end of the year/ Period	37.31	3.69	55.07	80.66	75.13

Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) - 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.

ISSUE DETAILS IN BRIEF

Pursuant to the resolutions passed by the Board of Directors of our Company at the meeting held on 30th August, 2013, it has been decided to make the offer mentioned below to the Eligible Equity Shareholders of our Company, with a right to renounce.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled “Terms and Procedure of the Issue” beginning on page 118 of this Draft Letter of Offer.

Rights Equity Shares proposed to be issued by our Company	99,45,333 Rights Equity Shares
Rights Entitlement for Equity Shares	Two (2) Rights Equity Share for every 3 (Three) Equity Share held by existing shareholders as on the Record Date
Record Date	[●]
Issue Price per Rights Equity Share	Rs. [●]
Face Value per Rights Equity Share	Rs. 10.00
Equity Shares outstanding prior the Issue	1,49,18,000 Equity Shares
Equity Shares outstanding after the Issue	2,48,63,333 Equity Shares
Use of Issue Proceeds	Please refer to the chapter titled “Objects of the Issue” beginning on page 34 of this Draft Letter of Offer.

Payment terms

Due Date	Amount
On Rights Issue Application	100% of the Issue Price i.e. Rs. [●] per Equity Share.

GENERAL INFORMATION

ESTEEM BIO ORGANIC FOOD PROCESSING LIMITED

Our Company was originally incorporated in New Delhi as "Esteem Constructions Private Limited" on 27th July, 1995 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The name of the Company was changed to Esteem Bio Organic Food Processing Private Limited and a fresh certificate of incorporation consequent to the change of name was granted by the National Capital Territory of Delhi & Haryana on 15th December, 2008. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Esteem Bio Organic Food Processing Limited" vide fresh certificate of incorporation dated 28th January, 2009 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana

REGISTERED OFFICE & CORPORATE OFFICE:

49, Gujrawala Town, Part-II,
New Delhi-110009;
Tel: 91-11-32961926,
Fax: 91-11-32961926
Website: www.esteembioorganic.com
E-Mail: info@esteembioorganic.com;

COMPANY REGISTRATION NUMBER: 071220

COMPANY IDENTIFICATION NUMBER: L74899DL1995PLC071220

ADDRESS OF REGISTRAR OF COMPANIES

4th Floor, IFCI Tower,
61, Nehru Palace,
New Delhi- 110019
Tel: 011-26235707, 26235708, 26235709
Fax: 011-26235702,
Email: roc.delhi@mca.gov.in

DESIGNATED STOCK EXCHANGE: BSE Limited

LISTING OF SHARES OFFERED IN THIS ISSUE: SME platform of BSE

For details in relation to the changes to the name of our Company, please refer to the section titled "Our *History and Corporate Structure*" beginning on page 64 of this Draft Letter of Offer.

CONTACT PERSON: Ms. Saroj Sherawat, Company Secretary & Compliance Officer, 49, Gujrawala Town, Part-II, New Delhi-110009; Tel: 91-11-32961926; Fax: 91-11-32961926; E-Mail: info@esteembioorganic.com

BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Brij Kishore Sabharwal	Director	01303907	49, Gujrawala Town, Part-II, New Delhi, 110009, Delhi, India
Mr. Jai Kumar	Executive Director	06416683	13, Khilona Bagh, Birla Line, Model Town, Delhi, 110009, Delhi, India
Mr. Vinod Kumar Garg	Independent Director	00504829	A-160, Gujranwala Town, Part-I, Delhi, 110033, Delhi, India
Mr. Sujit Gupta	Independent Director	06642102	I-79, Shiv Ram Park, Gali No.14, Ramesh Taolor Gali, Nangoli, New Delhi-110041, Delhi, India

For further details of Management of our Company, please refer to section titled "*Our Management*" on page 68 of this Draft Letter of Offer.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Saroj Sherawat,
Company Secretary & Compliance Officer,
49, Gujrawala Town, Part-II,
New Delhi-110009;
Tel: 91-11-32961926,
Fax: 91-11-32961926

Website: www.esteembioorganic.com

E-Mail: info@esteembioorganic.com;

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

STATUTORY AUDITORS

Rupesh Mangal & Associates
S-502, 3rd Floor, School Block,
Near Prachin Shiv Mandeer
Shakarpur, Delhi-110092
Tel : +91 955947236
Contact Person: Mr. Rupesh Mangal
Firm Registration No.- 025449N

PEER REVIEW AUDITORS

PAWAN SHUBHAM & CO.
Chartered Accountants
609, Laxmi Deep Building,
9, District Centre, Laxmi Nagar,
Delhi-110 092
Tel: +91-11-45108755
E-mail: pawan@pawanshubham.com
Contact Person: Mr. Krishna Kumar
Firm Registration No.-011573C

LEGAL ADVISORS TO THE ISSUE

SUNIL SHUKLA
4, Shanti Sadan,
Opp. Haweli Poddar Road,
Malad (East),
Mumbai- 400 097

REGISTRAR TO THE ISSUE

MAS SERVICES LIMITED
T-34, 2nd Floor, Okhla Industrial Area
Phase - II, New Delhi - 110020
Tel No.: +91-11-26387281/82/83
Fax No.: +91-11-26387384
Website: www.masserv.com
E-mail ID: info@masserv.com
Contact Person: Mr. Sharwan Mangla
SEBI Registration No: INR000000049

BANKER TO THE ISSUE AND REFUND BANKER

[•]

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING

This being a rights issue of Equity Shares, no credit rating is required.

TRUSTEES

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

APPRAISAL AND MONITORING AGENCY

The project under the Issue is not appraised.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Unicon Capital Services Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager’s is not required.

EXPERT OPINION

Except the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in the Draft Letter of Offer, our Company has not obtained any other expert opinion.

UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriters	Number of Equity shares Underwritten	Amount Underwritten (Rupees In Lacs)
UNICON CAPITAL SERVICES PRIVATE LIMITED. 2 nd & 3 rd Floor, ‘A’ wing, Vilco Center, 8, Subhash Road, Vile Parle (East), Mumbai - 400 057. Tel: +91-22-4359 1628 Email: mb@unicon.in Website: www.uniconindia.in SEBI Regn. No: INM 000001609	99,45,333	[•]
Total	99,45,333	[•]

MINIMUM SUBSCRIPTION

This Rights Issue is fully underwritten and not subject to any level of minimum subscription.

Our Promoter and Promoter Group have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. Our Promoters and Promoter Group reserve their right to apply for additional Rights Equity Shares, either by themselves, their relatives or a combination of entities controlled by them, including by subscribing for renunciation if any, made within the Promoter Group to another person forming part of the Promoter Group.

In addition to the subscription to the Rights Equity Shares as stated above, in case of Issue is undersubscribed, our Promoter and Promoter Group reserve their right to subscribe to additional Rights Equity Shares in the Issue up to 100% of the Issue subject to the condition that any circumstances the post issue public shareholding in our Company shall not fall below the specified limit of 25% as stipulated in the Listing Agreement.

As a result of this subscription and consequent allotment, the Promoter & Promoter Group may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding being above the current shareholding but will certainly not exceed 75% of the post issue paid share capital of our Company. This subscription and acquisition of additional Equity Shares by the Promoter and Promoter Group through this Issue, if any, will not result in change of control of the management of our Company and shall be exempt in terms of provision under Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

As such, other than meeting the requirements indicated in this section on “Objects of the Issue”, there is no other intention / purpose for this Issue, including any intention to delist the Company, even if, as a result of allotment to the Promoter & Promoter Group, in this Issue, the Promoter’s & Promoter Groups’ shareholding in our Company exceeds their current shareholding. The Promoter & Promoter Group shall subscribe to such unsubscribed portion as per the relevant provisions of the law.

Allotment to the Promoter & Promoter Group of any unsubscribed portion, over and above their entitlement shall be done in compliance with clause 42 of the Listing Agreement and other applicable laws prevailing at that time relating to continuous listing requirements.

Our Promoter and Promoter Group hold 20.58% of the paid up equity share capital of our Company and even if they were to subscribe to the entire rights issue their post Issue shareholding would not exceed 75% of post Issue equity share capital. Moreover our Promoter & Promoter Group have given an undertaking that in case the due to the subscription by them to the unsubscribed portion, the post issue public shareholding in any circumstances in our Company would not fall below the specified limit of 25 % as stipulated in clause 42 of the Listing Agreement.

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Draft Letter of Offer, before and after the Issue, is set forth below.

(Rs. in Lacs, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	2,50,00,000 Equity Shares of face value of Rs.10 each	2500.00	
B.	Issued, subscribed and paid-up Equity Share Capital before the Issue		
	1,49,18,000 Equity Shares of face value of Rs. 10 each	1491.80	---
C.	Present Issue in terms of the Draft Letter of Offer		
	Issue of 99,45,333 Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share.	994.53	[●]
D.	Equity capital after the Issue		
	2,48,63,333 Equity Shares of Rs. 10 each	2486.33	---
E.	Securities Premium Account		
	Before the Issue		
	After the Issue		802.56 [●]

Note: Post issue shareholding is based on the assumption that all shareholders (including Promoter and Promoter Group) will subscribe in full to their entire Rights Entitlement.

**This Issue has been authorized by the Board of Directors pursuant to a board resolution 30th August, 2013 under section 81 (1) of the Companies Act, 1956.*

Our Company has no outstanding convertible instruments as on the date of the Draft Letter of Offer.

CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	50,000 Equity Shares of Rs. 10 each	-	Incorporation
2	50,000 Equity Shares of Rs. 10 each	1,65,00,000 Equity Shares of Rs. 10 each	28/03/2012	EGM
3	1,65,00,000 Equity Shares of Rs. 10 each	2,50,00,000 Equity Shares of Rs. 10 each	16/08/2013	AGM

NOTES FORMING PART OF CAPITAL STRUCTURE

1. Equity Share capital history of our Company

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration on other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
27/07/1995	200	10	10	Cash	Subscription to MOA	200	2000	NIL

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Fac e valu e (Rs)	Issu e pric e (Rs.)	Considerat ion (cash, bonus, considerati on other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
15/12/2002	30,000	10	45	Cash	Further Allotment	30,200	3,02,000	10,50,000
15/09/2008	19,800	10	10	Cash	Further Allotment	50,000	5,00,000	10,50,000
29/03/2012	2,50,000	10	10	Cash	Preferential Allotment	3,00,000	30,00,000	48,00,000
18/05/2012	3,02,600	10	10	Cash	Preferential Allotment	6,02,600	60,26,000	48,00,000
27/06/2012	5,12,400	10	25	Cash	Preferential Allotment	11,15,000	1,15,00,000	1,24,86,000
13/10/2012	14,85,000	10	10	Cash	Preferential Allotment	26,00,000	2,60,00,000	1,24,86,000
15/10/2012	78,00,000	10	Nil	Considerati on other than cash	Bonus issue (in the ratio of 3:1)	1,04,00,000	10,40,00,000	1,24,86,000
02/02/2013	45,18,000	10	25	Cash	Initial Public Offerings	1,49,18,000	14,91,80,000	8,02,56,000

2. We have not issued any Equity Shares for consideration other than cash except bonus issue in the ratio of 3:1 on 15th October, 2012.

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956.

4. Present Rights Issue:

Type of Instrument	Ratio	Face Value	No. of Shares	Issue Price	Consideration
Equity Shares	2:3	Rs. 10/-	99,45,333	Rs. [●]	Cash

5. No Shares has been acquired by Promoter Group through open market during last one year.

6. Promoter of our Company, Promoter Group, Promoter Group Entities and the directors of our Company and their immediate relatives have not purchased or sold directly or indirectly, any Equity Shares during a period of six (6) months preceding the date on which this Draft Letter of Offer is filed Stock Exchange.

7. All Equity Shares issued since the date of incorporation of our Company are fully paid up.

8. Equity Shares offered under this Issue shall be fully paid-up at the date of allotment of the Equity Shares.

9. Our Company has not issued any securities in the preceding two years from the date of filing of this Draft Letter of Offer except detailed as below:

Date of Allotment	Number of Equity Shares	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
27/06/2012	5,12,400	Promoters	Preferential allotment to infuse funds in to the Company.	10	25

Date of Allotment	Number of Equity Shares	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
13/10/2012	14,85,000	None	Preferential allotment to infuse funds in to the Company.	10	10
15/10/2012	78,00,000	Promoter and Non Promoters	Bonus issue (in the ratio of 3:1)	10	Nil
02/02/2013	45,18,000	Non Promoters	Initial Public Offerings	10	25

10. The Promoter, Promoter Group, Directors and Lead Manager to the Issue have not entered into any buy-back, stand by or similar arrangements for any of the securities being issued through this Letter of Offer.

11. Our Company presently does not intend to alter its capital structure for a period of six months from the date of the opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly into Equity Shares) whether preferential or otherwise except that if our Company enters into acquisitions or joint ventures or if the business needs arise, it may, subject to necessary approvals, consider raising additional capital to fund such activity.

12. Shareholding of our Promoters:

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

1. MR. BRIJ KISHORE SABHARWAL					
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions
29/03/2012	Cash	250000	10	25	Allotment
27/06/2012	Cash	495400	10	25	Allotment
15/10/2012	Consideration other than cash	2236200	10	Nil	Bonus issue (in the ratio of 3:1)
Total		2981600			

2. MR. AMAR SINGH BISHT					
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions
30/12/2011	Cash	5000	10	25	Acquisition from Mr. Rakesh C Agarwal
27/06/2012	Cash	17000	10	25	Allotment
15/10/2012	Consideration other than cash	66000	10	Nil	Bonus issue (in the ratio of 3:1)
Total		88000			

Our Promoter and Promoter Group have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. Our Promoters and Promoter Group reserve their right to apply for additional Rights Equity Shares, either by themselves, their relatives or a combination of entities controlled by them, including by subscribing for renunciation if any, made within the Promoter Group to another person forming part of the Promoter Group.

In addition to the subscription to the Rights Equity Shares as stated above, in case of Issue is undersubscribed, our Promoter and Promoter Group reserve their right to subscribe to additional Rights Equity Shares in the Issue up to the 100% of the Issue subject to the condition that any circumstances the post issue public shareholding in our Company shall not fall below the specified limit of 25% as stipulated in clause 42 of the Listing Agreement.

As a result of this subscription and consequent allotment, the Promoter & Promoter Group may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding being above the current shareholding but will certainly not exceed 75% of the post issue paid share capital of our Company. This subscription and acquisition of additional Equity Shares by the Promoter and Promoter Group through this Issue, if any, will not result in change of control of the management of our Company and shall be exempt in terms of provision under Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

As such, other than meeting the requirements indicated in this section on “Objects of the Issue”, there is no other intention / purpose for this Issue, including any intention to delist the Company, even if, as a result of allotment to the Promoter & Promoter Group, in this Issue, the Promoter’s & Promoter Groups’ shareholding in our Company exceeds their current shareholding. The Promoter & Promoter Group shall subscribe to such unsubscribed portion as per the relevant provisions of the law.

Allotment to the Promoter & Promoter Group of any unsubscribed portion, over and above their entitlement shall be done in compliance with clause 42 of the Listing Agreement and other applicable laws prevailing at that time relating to continuous listing requirements.

Our Promoter and Promoter Group hold 20.58% of the paid up equity share capital of our Company and even if they were to subscribe to the entire rights issue their post Issue shareholding would not exceed 75% of post Issue equity share capital. Moreover our Promoter & Promoter Group have given an undertaking that in case due to the subscription by them to the unsubscribed portion, the post issue public shareholding in any circumstances in our Company would not fall below the specified limit of 25 % as stipulated in clause 42 of the Listing Agreement.

13. Shareholding pattern of our Company:

A: The following table presents the shareholding pattern of Our Company as on 31st March, 2014

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Shareholding of Promoters and Promoter group							
INDIAN							
Individuals/HUFs	2	3069600	20.58	5116000	20.58	---	---
Directors/Relatives							
Central Govt. / State Govts.	-	---	---	---	---	---	---
Bodies Corporate	-	---	---	---	---	---	---
Financial Institutions/Banks	-	---	---	---	---	---	---
Sub Total A (1)	2	3069600	20.58	5116000	20.58	---	---
FOREIGN							
Bodies Corporate	-	---	---	---	---	---	---
Individual	-	---	---	---	---	---	---
Institutions	-	---	---	---	---	---	---

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Any others (specify)	-	---	---	---	---	---	---
Sub Total A (2)	-	---	---	---	---	---	---
Total Shareholding of Promoter group A (1) + A (2)	2	3069600	20.58	5116000	20.58	---	---
PUBLIC SHAREHOLDING							
Institutions							
Central Govt./ State Govts.	-	---	---	---	---	---	---
Financial Institutions/Banks	-	---	---	---	---	---	---
Mutual Funds/UTI	-	---	---	---	---	---	---
Venture Capital Funds	-	---	---	---	---	---	---
Insurance Companies	-	---	---	---	---	---	---
Foreign Institutions Investors	-	---	---	---	---	---	---
Foreign Venture Capital Investors	-	---	---	---	---	---	---
Any Others (Specify)	-	---	---	---	---	---	---
Sub Total B (1)	-	---	---	---	---	---	---
Non Institutions	-						
Bodies Corporate	63	3523000	23.62	5871667	23.62	---	---
Individuals-shareholders holding normal share capital up to Rs. 1 Lac	191	1028400	6.89	1714000	6.89	---	---
Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac	140	7287000	48.85	12145000	48.85	---	---
Trust	-	---	---	-	---	---	---
Any Other -HUF	-	---	---	-	---	---	---
Directors/Relatives	-	---	---	---	---	---	---
Employees	-	---	---	---	---	---	---
Foreign Nationals	-	---	---	---	---	---	---
NRIs	-	---	---	---	---	---	---
OCB'S	-	---	---	---	---	---	---
Person Acting in Concert	-	---	---	---	---	---	---
Sub Total B(2)				---	---	---	---
Total Public Shareholding B(1) + B(2)	394	11838400	79.36	19730667	79.36	---	---
Total A+B	396	14908000	99.94	24846667	99.94	---	---
Shares held by Custodians and against which Depository receipts have been issued (C)	---	---	---	---	---	---	---
Shares held by Market Makers (D)	1	10000	0.06	16666	0.06		
Grand Total A+B+C+D	505	14918000	100	24863333	100	---	---

[B] Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals and companies) as per clause 37 of the SME Listing Agreement.

Sr. No.	Name of the shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
A	Promoters							
1	Brij Kishore Sabharwal	2981600	19.99	4969333	19.99	-	-	-
2	Amar Singh Bisht	88000	0.59	146667	0.59	-	-	-
B	Promoter Group, Relatives and other Associates							
1	---	-	-	-	-	-	-	-
	TOTAL (A+B)	3069600	20.58	5116000	20.58	-	-	-

[C] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

S.No.	Name of shareholder	Pre-Issue		Post-Issue	
		No. of Shares	Shares as % of total no. of shares	No. of Shares	Shares as % of total no. of shares
1	Suarshan Verma	200000	1.34	333333	1.34
2	Sanjeev Verma	200000	1.34	333333	1.34
3	Anish Agrawal	280000	1.88	466667	1.88
4	Scripts Pvt. Ltd. S S	320000	2.15	533333	2.15
11	Asvin Verma	421200	2.82	702000	2.82
6	Accurate Buildwell Pvt. Ltd.	305860	2.05	509767	2.05
7	Sanjay Sachdeva	162800	1.09	271333	1.09
8	DSE Financials Services Pvt. Ltd.	192000	1.29	320000	1.29
9	R K Stockholding Pvt. Ltd.	531600	3.56	886000	3.56
10	Mithun Securites Pvt. Ltd.	168000	1.13	280000	1.13
11	Narayan Securities Limited	159600	1.07	266000	1.07
12	Goldy Gupta	200000	1.34	333333	1.34
13	Integrated Master Securites Pvt. Ltd.	453740	3.04	756233	3.04
14	Vikas Malu	270000	1.81	450000	1.81
15	Prateek Nagpal	200000	1.34	333333	1.34
16	Abheek Nagpal	200000	1.34	333333	1.34
17	Atma Ram	204000	1.37	340000	1.37
18	Hiralal Khatri	182400	1.22	304000	1.22

14. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the shareholder	No. of Equity Shares	Pre-Issue percentage Shareholding
Brij Kishore Sabharwal	2981600	19.99
TOTAL	2981600	19.99

15. Equity Shares held by top ten shareholders

(a) Our top ten shareholders and the number of Equity Shares held by them as on date of the Draft Letter of Offer are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Brij Kishore Sabharwal	2981600	19.99
2	Integrated Master Securities (P) Ltd.	696140	4.67
3	R K Stockholding Pvt. Ltd.	576600	3.87
4	Ashvin Verma	421200	2.82
5	Scripts Private Limited SS	320000	2.15
6	Accurate Buildwell Private Limited	305860	2.05
7	DSE Financial Services Limited	284800	1.91
8	Anish Agrawal	280000	1.88
9	Vikas Mallu	240000	1.61
10	Atma Ram	204000	1.37
	Total	6310200	42.30

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Draft Letter of Offer are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Brij Kishore Sabharwal	2981600	19.99
2	Integrated Master Securities (P) Ltd.	690140	4.63
3	R K Stockholding Pvt. Ltd.	588600	3.95
4	Ashvin Verma	421200	2.82
5	Scripts Private Limited SS	320000	2.15
6	Accurate Buildwell Private Limited	305860	2.05
7	DSE Financial Services Limited	284800	1.91
8	Anish Agrawal	280000	1.88
9	Vikas Mallu	240000	1.61
10	Atma Ram	204000	1.37
	Total	6316200	42.34

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Draft Letter of Offer are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of then pre-Issue capital
1	Goldline International Finvest Ltd.	302600	50.22
2	Brij Kishore Sabharwal	250000	41.49
3	Master Finlease Limited	15300	2.54
4	Avisha Credit Capital Limited	15000	2.49
5	Manoj Narain Agarwal	12000	1.99
6	Rakesh C Agrawal	5000	0.83
7	Vijay Jindal	1000	0.17
8	Subha Jindal	1000	0.17
9	Pawan Kothari	500	0.08
10	Shruti Sharma	200	0.03
	Total	602600	100.00

16. Our Company has not raised any bridge loans against the proceeds of this Issue.
17. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 128 of this Draft Letter of Offer.
18. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
19. Lead Manager to the Issue viz. Unicon Capital Services Private Limited does not hold any Equity Shares of our Company.
20. Our Company has not revalued its assets since incorporation.
21. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
22. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Letter of Offer until the Equity Shares to be issued pursuant to the Issue have been listed.
23. Except as disclosed in the Draft Letter of Offer, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
24. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
25. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
26. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
27. Our Company has Three Hundred Thirty Four (334) members as on 23rd May, 2014.

OBJECTS OF THE ISSUE

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our requirement of funds and means of finance are as under:

Fund Requirement:

The intended use of the proceeds of the Issue is as under: -

(Rs. In Lacs)

No.	Particulars	Amount
I	Development of Farm land for transition to Organic Farming	688.00
II	Construction of internal Road & Leveling Land	140.00
III	Procurement of Vehicles	60.00
IV	General Corporate purposes	[•]
V	Issue Expenses	[•]
	TOTAL	[•]

MEANS OF FINANCE

(Rs. In Lacs)

Particulars	Amount
Rights Issue	[•]
Internal Accruals	Nil
Total	[•]

The entire fund requirement towards the aforesaid Objects of the Issue is proposed to be funded through the proceeds from the Issue.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

DETAILS OF THE OBJECTS OF THE ISSUE

I. DEVELOPMENT OF FARM LAND FOR TRANSITION TO ORGANIC FARMING

Currently we are engaged in to agriculture operations, wherein we cultivate wheat, paddy, sugar cane, fruits, vegetables and flowers. We are also engaged in the operations of wood plantation. We have an integrated facility of cultivation, processing and distribution of agriculture commodities. Due to the engulfing demand of the agro-products which are chemical free and safe for consumption, we have ventured ourselves into the organic farming on small areas of our farms as a trail. Now considering the growth and benefits of organic farming, we plan to transform our cultivation in to organic farming.

Organic farming is the form of agriculture that relies on techniques such as crop rotation, green manure, compost and biological pest control to maintain soil productivity and control pests on a farm. Organic farming uses fertilizers and pesticides but excludes or strictly limits the use of manufactured(synthetic) fertilizers, pesticides

(which include herbicides, insecticides and fungicides), plant growth regulators such as hormones, livestock antibiotics, food additives, genetically modified organisms and nonmaterial's.

Organic farming requires unadulterated soil, completely free of any type of chemical and chemical based fertilizers. The farming method used in the conventional farming is primarily based on uses of chemical and synthetic fertilizers and harmful pesticides, especially post "Green Revolution" era. The world started witnessing the side effects of all these rampant use of chemicals in food grains and other foodstuffs including vegetables and fruits.

To make the land free from chemicals used henceforth in the farm fields, it's imperative to use entirely new level of soil on the existing land. This could be achieved either by the process of putting fresh soil on the existing field or to dig out the field by at least 3 feet. This will involve construction of border wall strong enough to hold up the fresh soil and filling the area with the new soil.

In addition to that switching from conventional to organic farming is more than substituting synthetic materials to organic allowed materials. It is equally essential to amend the soil through composted manure, limestone, rock dust, and supplementary sources of nitrogen, phosphorus, potassium and micro-nutrients.

We have farms spread over 295.80 acres of land and out of which we have converted 110 Acres of land for transition in to organic farming and same has been funded by Initial Public Offer of Company. Going forward with the increasing awareness and benefits of organic farming, we plan to amend the soil of further 100 Acres (404685 square meters) of farm land to completely transform the same for organic farming. The estimated cost of the same is approximate Rs. 170 per square meter inclusive of labor charges. The total cost would be as under:

Particulars	Area (Sq. Meter)	Rate per Sq. Meter	Total Cost (Rs. Lacs)
Soil bed Installation, treatment the land by composted manure, limestone, rock dust, labor charges.	404685	170	687.96
Total			687.96
Rounded off to			688.00

Total estimated cost of development of land by soil amendment is Rs. 688.00 Lacs as per the quotation of M/s. Neelkanth Trading Company, New Delhi on turn-key basis.

II. CONSTRUCTION OF INTERNAL ROAD & LEVELING LAND

Our farms are situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand and are spread over 295.80 Acres of land. Due to heavy rainfalls in Uttarakhand regions in June, 2013, there has been severe damage to our internal roads, pavements and soils. We plan to allocate Rs. 1300.00 Lacs to refurbish and renovate the same. The same cost has been arrived on the basis of quotation received from M/S Ashoka Buildcon Limited as detailed below:

Particulars	Area (Sq. KM)	Rate per Sq. KM	Total Cost (Rs. Lacs)
Construction of Internal Road	2.50 Sq. Km (Approx)	Rs. 55,00,000	137.50
Contingencies			2.50
Total			140.00

III. PROCUREMENT OF VEHICLES

We are into agriculture operations, whereby the supply chain management plays a vital role for effective management of manpower and materials. To strengthen our supply chain we propose to procure vehicles for movement of material, crops and manpower. We have estimated total costs of Rs. 60 Lacs to be incurred on procurement of vehicles as below:

Particulars	Qty (in Nos.)	Amount (Rs. in Lacs)
Goods Van	3	25.00
Tractors	3	18.00
Bikes & Scooters	15	7.00
Total		60.00

IV. GENERAL CORPORATE PURPOSES

Our Company in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net proceeds of this Issue aggregating [●] Lacs, for general corporate purpose towards, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, funding routine working capital and strengthening our marketing capabilities.

V. TO MEET THE EXPENSES OF THE ISSUE

The total Issue expenses payable by our Company are estimated at Rs. [●] Lacs and the entire costs would be borne out of the Issue proceeds. The Issue expenses consists of fees payable to the Lead Manager to the Issue, Registrars to the Issue, Legal Advisors to the Issue, Bankers, Auditors, Printing and Stationery, Advertising and Marketing, Listing Fees and other expenses.

The break-up of issue expenses as estimated is given below:

Particulars	Rs. in lacs	As a percentage of the Total Issue Expenses	As a percentage of the Total Issue Size
Lead Management Expenses	[●]	[●]	[●]
Advertisement and marketing expenses			
Printing & Stationery (including courier and transportation charges)	[●]	[●]	[●]
Others (Legal fees, Registrar's fees, Listing Charges etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

All the Issue expenses prior to the realization of Issue proceeds will be paid from the internal accruals of our Company and after completion of the issue the internal accruals will be replaced by the issue proceeds.

Proposed year-wise deployment of funds:

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

(Rs. In Lacs)				
Particulars	Already Incurred	FY 2014 - 15	FY 2015 - 16	TOTAL

Particulars	Already Incurred	FY 2014 - 15	FY 2015 - 16	TOTAL
Development of Farm land for transition to Organic Farming	-	688.00	-	688.00
Construction of internal Road & Leveling Land	-	140.00	-	140.00
Procurement of Vehicles	-	40.00	20.00	60.00
General Corporate purposes	-	[•]	[•]	[•]
Issue Expenses	1.00	[•]	[•]	[•]
TOTAL	1.00	[•]	[•]	[•]

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The status of implementation as per our current business plan is as follows:

No.	Activity	Start Date	Completion Date
1. Development of Farm land for transition to Organic Farming			
1	Demarcation of Area	Already Commenced	30.09.2014
2	Placement of Orders for soil bed etc.	Already Commenced	31.10.2014
3	Soil bed Installation, treatment the land by composted manure, limestone, rock dust, labor charges	Already Commenced	30.11.2014
2. Construction of internal Road & Leveling Land			
1	Design and layout	01.08.2014	30.09.2014
3	Construction Activity	01.10.2014	31.12.2014

Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 31st March, 2014 pursuant to the object of this Issue on the Project as certified by the Statutory Auditors of our Company, viz. M/s Rupesh Mangal & Associates, Chartered Accountants pursuant to their certificate dated 28th May, 2014 is given below:

(Rs. in Lacs)

Deployment of Funds	Amount
Project related	Nil
Issue Related Expenses	1.00
Total	1.00

(Rs. in Lacs)

Sources of Funds	Amount
Internal Accruals	Nil
Bank Finance	1.00
Total	1.00

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

SHORTFALL OF FUNDS

Any shortfall in meeting the Project cost will be met by way of internal accruals.

INTERIM USE OF FUNDS

The Company in accordance with compliance of section 27 of the Companies Act, 2013 and with the policies established by the Board, will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

MONITORING OF UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Regulations it is not mandatory for us to appoint a monitoring agency.

The management of the Company will monitor the utilization of funds raised through this Rights Issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

BASIS FOR ISSUE PRICE

Investors should read the following basis with the “Risk Factors” beginning on page 8 and the details about the “Business of our Company” and its “Financial Statements” included in this Draft Letter of Offer on page 54 & 87 respectively to get a more informed view before making any investment decisions.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

Leveraging the experience of our Promoters

Our Promoters Mr. Brij Kishore Sabharwal and Mr. Amar Singh Bisht have an experience of more than two decades in different aspects of industry.

Experienced management team and a motivated and efficient work force

Our Company is managed by a team of experienced and professional personals having knowledge of every aspect of agricultural activities, marketing and finance. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

Suitable farm land

The farm land of our Company is situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand, where water is available in plenty and the climate is conducive for farming. Man power in the form of skilled farmers and unskilled workers are easily available in the proximity of the farm. In addition to that our land is situated near to G. B. Pant University of Agriculture and Technology, which is the first agricultural university of India and had been a significant force in ushering Green Revolution.

Strong Customer base:

Our record of timely supply of right quantity and quality products to our customers has helped us to build strong relationships over a number of years with our customers in India.

Extensive array of Agri Products.

We cultivate wide range of agriculture products which differentiate ourselves from other agriculturist and agriculture companies. We have product portfolio ranging from wheat, paddy, pulses, sugar cane, fruits, vegetables, flowers to wood plantation viz. Poplar, Eucalyptus, Kadam, Mentha and Bamboos.

Transformation to organic farming

We also operate in a segment which has transformed from chemical based fertilizers to cultivation of organic food due to adverse effects of conventional agricultural practices on human diet and environment. We have observed growth and also witnessed a shift in organic agro products in past few years, due to considerable demand of organic food owing to its health and nutritive values.

Growth driven

Our Company has witnessed growth in past few years. Turnover of our Company have increased from Rs. 89.93 Lacs in the fiscal 2009-10 to Rs. 319.76 Lacs in the fiscal 2013-14 resulting in the increase of 255.57 % over the past five years.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

1. Basic Earning Per Equity Share (EPS) (on Face value of Rs. 10 per share)

Year	Earnings per Share (Rs.)	Weight
FY 2011-12	3.75	1
FY 2012-13	2.52	2
FY 2013-14	1.23	3
Weighted Average	2.08	

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. [●]

- Based on fiscal year as on 31st March, 2014; at EPS of Rs. 1.23 as per Restated Financial Statements, the P/E ratio is [●].
- Based on weighted average EPS of Rs. 2.08 as per Restated Financial Statements, the P/E ratio is [●].
- Industry PE:

Industry- Food Processing-Indian	P/E
Highest	395.6
Lowest	1.8
Industry Composite	10.5

**Source: Capital Market Volume XXIX/02 dated May 17-30, 2014; Food Processing-Indian*

3. Return on Net Worth

Year	RONW (%)	Weight
FY 2011-12	34.38	1
FY 2012-13	10.11	2
FY 2013-14	6.85	3
Weighted Average	12.53	

4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS at 31st March, 2014 is [●] %.

5. Net Asset Value per Equity Share

Sr. No.	Particulars	(Rs.)
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Sr. No.	Particulars	(Rs.)
a)	As on 31 st March, 2014	17.99
b)	After Issue	[●]
c)	Issue Price	[●]

6. Peer Group Comparison of Accounting Ratios

We are currently engaged in the business of agriculture operations and the peer group comparison of accounting ratio is as below:

Name of Company	Face Value (Rs.)	EPS (Rs.)	P/E Multiple	NAV (Rs.)	RONW (%)
Esteem Bio Organic Food Processing Limited	10	1.23	[●]	17.99	6.85
Peer Group-					
REI Agro	1	2.1	3.3	26.9	8.3
Usher Agro	10	11.9	2.7	83.3	15.4

**Source: Capital Market Volume XXIX/02 dated May 17-30, 2014; Food Processing-Indian*

- The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. [●] per share is [●] times of the face value.
- The Company in consultation with the Lead Manager believes that the Issue Price of Rs. [●] per share for the Rights Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Esteem Bio Organic Food Processing Limited.
49, Gujrawala Town, Part-II,
New Delhi-110009.

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Rights Issue of Shares under the existing tax laws

We hereby confirm that the enclosed Annexure, prepared by Esteem Bio Organic Food Processing Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

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

Our 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 and the interpretation of the current tax laws in force in India.

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The Conditions prescribed for availing the benefits have been or would be met.

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

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Esteem Bio Organic Food Processing Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Thanking you,
Yours faithfully,
For Rupesh Mangal & Associates.
Chartered Accountants
Firm Registration No.-025449N
Sd/-
Rupesh Mangal
M. No. 521854
Partner
Place: Delhi
Date: 28th May, 2014

ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

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

I. Special Benefits available to our Company

The income from agricultural operations of the Company is exempted from income tax u/s 10 (1) of the income tax Act, 1961.

II. Special Benefits available to the Shareholders of our Company

There are no special tax benefits available to the Equity Shareholders.

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

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

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

I. Benefits available to the Company

1. Depreciation

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

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

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

Income received in respect of units from the specified company.

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

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.

4. Income from Long Term Capital Gain

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund -

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

Book Profit	A.Y.-2013-14	A.Y.-2014-15
If book profit is less than or equal to Rs. 1 Crore	19.055%	19.055%
If book profit is more than Rs. 1 Crore but less than Rs. 10 Crores	20.01%	20.01%
If book profit is more than Rs. 10 Crores	20.96%	20.96%

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.

8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes (“MAT”)

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

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

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

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

4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of

equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head –Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

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

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

2.As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3.Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4.As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.

5.Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6.Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other

than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

(v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

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

2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

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

Nature of income & Rate of tax (%)

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

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

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

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

VI. Mutual Funds

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

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

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

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION IV
ABOUT OUR COMPANY
INDUSTRY OVERVIEW

(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Lead Manager or any of their or our respective 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 titled “Risk Factors” on page 8 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information)

The Indian Economy

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Factbook). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

India is developing into an open-market economy, yet traces of its past autarkic policies remain. Economic liberalization, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and has served to accelerate the country's growth, which has averaged more than 7% per year since 1997. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly more than half of the work force is in agriculture, but services are the major source of economic growth, accounting for more than half of India's output, with only one-third of its labor force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services and software workers. In 2010, the Indian economy rebounded robustly from the global financial crisis - in large part because of strong domestic demand - and growth exceeded 8% year-on-year in real terms. Merchandise exports, which account for about 15% of GDP, returned to pre-financial crisis levels. An industrial expansion and high food prices, resulting from the combined effects of the weak 2009 monsoon and inefficiencies in the government's food distribution system, fueled inflation which peaked at about 11% in the first half of 2010, but has gradually decreased to single digits following a series of central bank interest rate hikes. In 2010 New Delhi reduced subsidies for fuel and fertilizers, sold a small percentage of its shares in some state-owned enterprises and auctioned off rights to radio bandwidth for 3G telecommunications in part to lower the government's deficit. The Indian Government seeks to hold its budget deficit to 5.5% of GDP in FY 2010-11, down from 6.8% in the previous fiscal year. India's long term challenges include widespread poverty, inadequate physical and social infrastructure, limited non-agricultural employment opportunities, insufficient access to quality basic and higher education, and accommodating rural-to-urban migration.

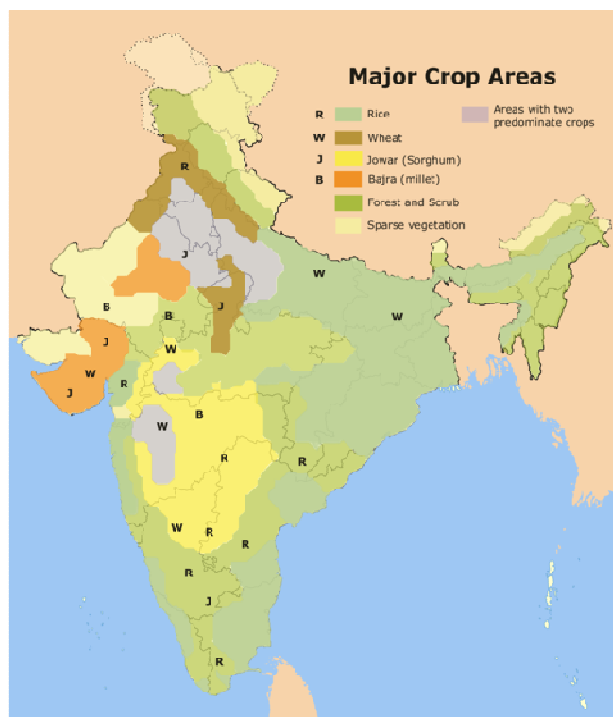
<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

AGRICULTURAL INDUSTRY IN INDIA:

Agriculture in India has a significant history. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like forestry and logging accounted for 16.6% of the GDP in 2007, about 50% of the total workforce and despite a steady decline of its share in the GDP, is still demographically the broadest economic sector and plays a significant role in the overall social-economic development of India.

India is the largest producer in the world of fresh fruit, anise, fennel, badian, coriander, tropical fresh fruit, jute, pigeon peas, pulses, spices, millets, castor oil seed, sesame seeds, safflower seeds, lemons, limes, cow's milk, dry chillies and peppers, chick peas, cashew nuts, okra, ginger, turmeric guavas, mangoes, goat milk and buffalo milk and meat. India is also the largest producer of millets like Jowar Bajra and Ragi. It is second only to China in the production of rice. India is the 6th largest coffee producer in the world. It also has the world's largest cattle population (281 million). It is the second largest producer of cashews, cabbages, cotton seed and lint, fresh vegetables, garlic, egg plant, goat meat, silk, nutmeg, mace, cardamom, onions, wheat, rice, sugarcane, lentil, dry beans, groundnut, tea, green peas, cauliflowers, potatoes, pumpkins, squashes, gourds and inland fish. It is

the third largest producer of tobacco, sorghum, rapeseed, coconuts, hen's eggs and tomatoes. India accounts for 10% of the world fruit production with first rank in the production of mangoes, papaya, banana and sapota.



Agriculture sector has touched a growth rate of 4.4% in the second quarter of 2010-11 thereby achieving an overall growth rate of 3.8% during the first half of 2010-11. The low growth rate of 0.4% recorded by this sector in 2009-10 was mainly due to poor rainfall in 2009.

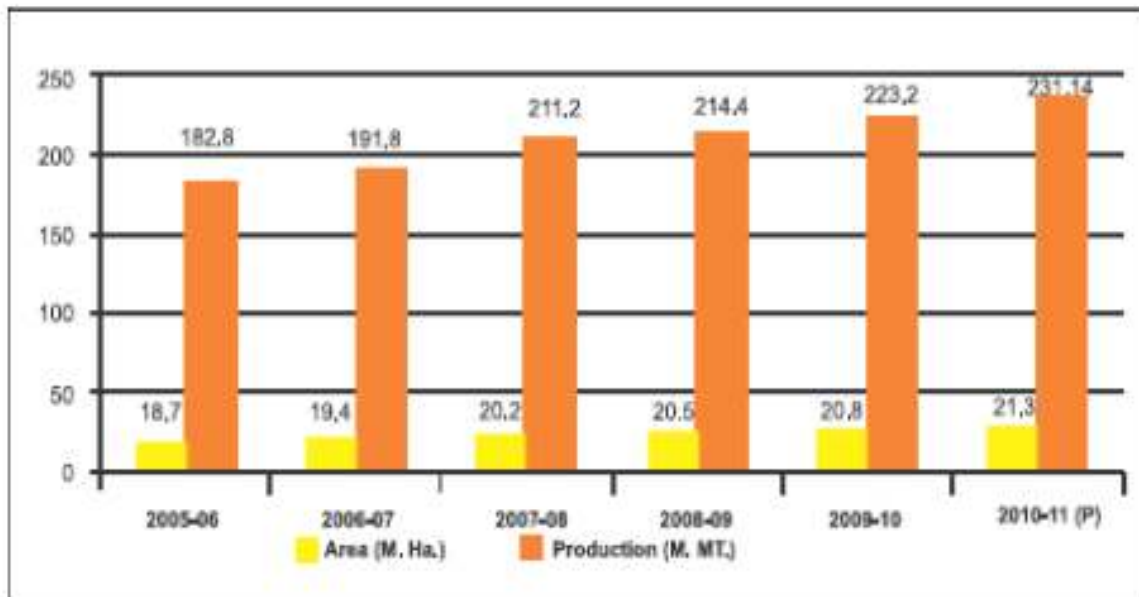
₹ In Crores					
Year	2007-08	2008-09	2009-10	2010-11	2011-12
GDP of Agriculture and Allied Sectors	655080	655689	662509	709103	727161
Per cent to total GDP	16.8	15.8	14.7	14.5	13.9

Horticulture

Overview of the Horticulture Industry in India

The horticulture sector covers a wide range of crops such as fruits, vegetables, root and tuber crops, flowers, aromatic and medicinal plants, spices and plantation crops, which facilitate diversification in agriculture. There is a growing realization that horticulture crops is now an option to improve livelihood security, enhance employment generation, attain food and nutritional security and increase income through value addition. As of 2010-11, horticultural crops occupied an area of 21.3 million hectares producing 231.14 Million tonnes of horticultural produce.

Fruits and vegetables together constitute about 92.4% of the total horticultural production in the country. (Source: Annual Report 2011-12, Department of Agriculture & Cooperation, Ministry of Agriculture)



(Source: Annual Report 2011-12, Department of Agriculture & Cooperation, Ministry of Agriculture)

Fruits

India is the second largest producer of fruits in the world; it is the largest producer of fruits like mango, banana, papaya, sapota, pomegranate and Aonla.

The production of fruits in 1991-92 was 2.86 crores MT which grew to 4.3 crores MT in 2001-02, approximately 50.34% growth over a Decade. In 2010-11, India produced 7.49 crores MT of fruits, approximately 74.19% growth over 2001-02.

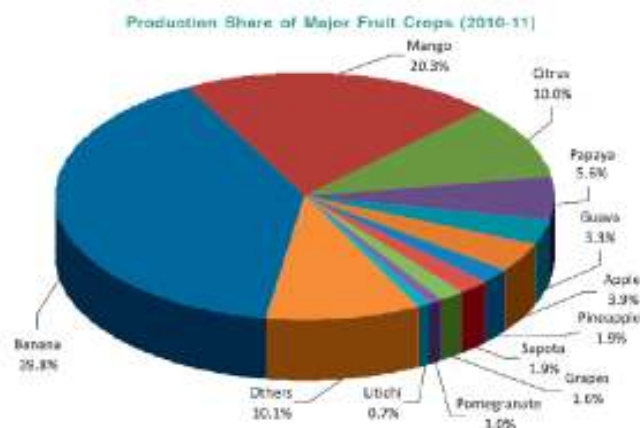
(Source: Indian Horticulture Data base 2011).

India is the largest producer of mango in the world accounting for 52.63% of total mango production. The mango accounts for 22.06% of total area under fruit and 23.93% of total fruit production in the country.

(Source: Indian Horticulture Data base 2010).

India is also a prominent exporter of fresh mangoes to the world. The country has exported 59,220.78 MT (Metric Tonnes) of fresh mangoes to the world for the worth of Rs. 162.92 crores during the year 2010-11

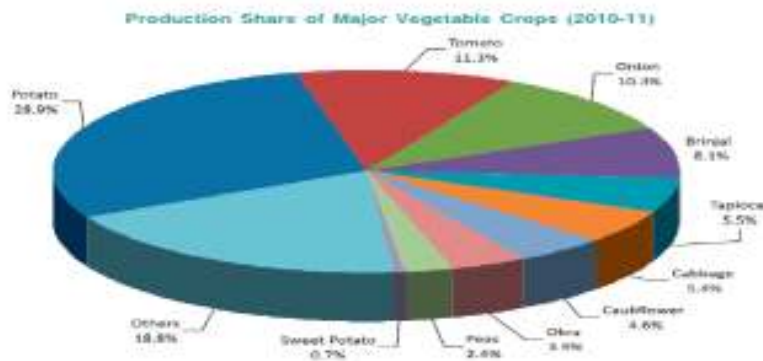
(Source: http://www.apeda.gov.in/apedawebsite/SubHead_Products/Mango.htm)



Vegetables

India is the second largest producer of vegetables after China and is a leader in the production of peas and okra. Besides, India occupies the second position in the production of brinjal, cabbage, cauliflower and onion and third position in potato and tomato in the world. Vegetables are an important crop in the horticulture sector and occupied an area of 8.2 million hectares during 2010-11 with a total production of 137.7 million tonnes and having

an average productivity of 16.8 tonnes/ha. (Source: Annual Report 2011-12, Department of Agriculture & Cooperation, Ministry of Agriculture).



AGRICULTURE IN UTTARAKHAND:

Uttarakhand is primarily an agricultural state although its share in the country's total area and production is very small. Uttarakhand has a land area of 55845 km² of which 80 per cent is hilly and the remaining 20 per cent is plain land. Total cropped area accounts for around 23.5 per cent. The contribution of agriculture to the state's domestic product is about 22.4 per cent and the population dependent on agriculture for their livelihood is about 75-85 per cent. The development of the hills is primarily linked to the development of agriculture and its allied activities. Since the hills are constrained in the development of large-scale industrialization, and due to infrastructure constraints the development of the service sector is also constrained, the growth and development of the agriculture sector remains the prime focus.

ORGANIC FARMING:

Organic farming is the form of agriculture that relies on techniques such as crop rotation, green manure, compost and biological pest control to maintain soil productivity and control pests on a farm. Organic farming uses fertilizers and pesticides but excludes or strictly limits the use of manufactured (synthetic) fertilizers, pesticides (which include herbicides, insecticides and fungicides), plant growth regulators such as hormones, livestock antibiotics, food additives, genetically modified organisms and nanomaterials.

Organic agricultural methods are internationally regulated and legally enforced by many nations, based in large part on the standards set by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations established in 1972. IFOAM defines the overarching goal of organic farming as:

"Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved."

—International Federation of Organic Agriculture Movements

Since 1990, the market for organic products has grown from nothing, reaching \$55 billion in 2009 according to Organic Monitor (www.organicmonitor.com). This demand has driven a similar increase in organically managed farmland which has grown over the past decade at a compounding rate of 8.9% per annum. Approximately 37,000,000 hectares (91,000,000 acres) worldwide are now farmed organically, representing approximately 0.9 percent of total world farmland (2009) (see Willer/Kilcher 2011).

(http://en.wikipedia.org/wiki/Organic_farming)

OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Esteem Bio Organic Food Processing Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 8 and "Industry Overview" on page 50.

Overview

BUSINESS OVERVIEW

Our Company was originally incorporated in New Delhi as "Esteem Constructions Private Limited" on 27th July, 1995 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The name of the Company was changed to Esteem Bio Organic Food Processing Private Limited and a fresh certificate of incorporation consequent to the change of name was granted by the National Capital Territory of Delhi & Haryana on 15th December, 2008. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Esteem Bio Organic Food Processing Limited" vide fresh certificate of incorporation dated 28th January, 2009 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

We are engaged in to agriculture operations, wherein we cultivate wheat, paddy, sugar cane, fruits, vegetables and flowers. We are also engaged in the operations of wood plantation. We have an integrated facility of cultivation, processing and distribution of agriculture commodities. We focus organic farming for our horticulture segment of farming, wherein we use bio-agri inputs such as Bio-Pesticides and Bio-Fertilizers.

An awareness of the health benefits of organically produced food, and knowledge of the damage done to the environment by conventional, intensive farming methods, has created the platform for demand of organic produce globally. Considering this fact and with a vision to grow in the organic food arena, we have also ventured ourselves into the cultivation of organic fruits and vegetables on some of the areas of our farms.

We have laid down the foundation of our agriculture operations by acquisition of farms situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand in the month of June, 2008. Our farms are spread over 295.80 Acres of land.

We have adopted share cropping model of farming, wherein we contract cropper/ farmers and workers in the vicinity of our farms. Our Farm manager with the assistance of cropper /farmers / field assistants formulates a strategy and decides the crops to be grown. Subsequently, the contracted farmers and workers are being assigned with their respective crops to be grown and demarcated area. This model of share cropping encourages the cropper to work harder and employ better techniques as compared to slave plantation methods. After the harvesting, cropper gets the pre determined share of crops and he has a liberty to distribute the same. The sharing ratio of crops ranges between 10% to 25 % to croppers and remaining proportion to us. Our thrust is to provide technical assistance to croppers. We also engage ourselves in to supervision of croppers to constantly monitor the quantity and quality of crops.

Our Farms:

We operate from our 295.80 acres of farm situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand. Our farm is situated near to G. B. Pant University of Agriculture and Technology, which is the first agricultural university of India and had been a significant force in ushering Green Revolution. Our Farms are at foothill of great Himalayan mountains with a high fertile capacity. We cultivate wheat, paddy, pulses, sugar cane and vegetables. We are also equipped with orchard of Mango, Guava, Pomegranate and various kinds of flowers predominantly Roses. We also engage in wood plantation viz. Poplar, Eucalyptus, Kadam, Mentha and Bamboos.



Our Strengths:

We derive our strengths from following factors:

Leveraging the experience of our Promoters

Our Promoters Mr. Brij Kishore Sabharwal and Mr. Amar Singh Bisht have an experience of more than two decades in different aspects of industry.

Experienced management team and a motivated and efficient work force

Our Company is managed by a team of experienced and professional personals having knowledge of every aspect of agricultural activities, marketing and finance. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

Suitable farm land

The farm land of our Company is situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand, where water is available in plenty and the climate is conducive for farming. Man power in the form of skilled farmers and unskilled workers are easily available in the proximity of the farm. In addition to that our land is situated near to G. B. Pant University of Agriculture and Technology, which is the first agricultural university of India and had been a significant force in ushering Green Revolution.

Strong Customer base:

Our record of timely supply of right quantity and quality products to our customers has helped us to build strong relationships over a number of years with our customers in India.

Extensive array of Agri Products.

We cultivate wide range of agriculture products which differentiate ourselves from other agriculturist and agriculture companies. We have product portfolio ranging from wheat, paddy, pulses, sugar cane, fruits, vegetables, flowers to wood plantation viz. Poplar, Eucalyptus, Kadam, Mentha and Bamboos.

Transformation to organic farming

We also operate in a segment which has transformed from chemical based fertilizers to cultivation of organic food due to adverse effects of conventional agricultural practices on human diet and environment. We have observed growth and also witnessed a shift in organic agro products in past few years, due to considerable demand of organic food owing to its health and nutritive values.

Growth driven

Our Company has witnessed growth in past few years. Turnover of our Company have increased from Rs. 89.93 Lacs in the fiscal 2009-10 to Rs. 319.76 Lacs in the fiscal 2013-14 resulting in the increase of 255.57 % over the past five years.

Business Strategy:

The business strategy has been consumer centric to bring them value for money by imbibing best practices and processes aiming at all round innovation through use of technology and resources to deliver and contribute maximum and sustained returns to all stakeholders. We intend to pursue the following strategies in order to consolidate our position and grow further:

Complete transformation to Organic Farming.

Due to the engulfing demand of the agro-products which are chemical free and safe for consumption, we have ventured into the organic farming in to the horticulture segment of our operation on certain area of our farms. We plan to transform entire horticulture segment of our operations to organic.

Forward Integration.

At present we are engaged in to agriculture operations, where we cultivate wheat, paddy, pulses along with fruits, vegetables, flowers among others. We plan to establish a food processing facility at our farm land in order to enable ourselves to process food grains further to deliver the variety of agro products to our customers. This entire set of activities would complete the value chain by providing the synergy of backward as well as forward integration.

Setting up cold storage

Agricultural produce is perishable in nature and sometimes we cannot fetch the appropriate price for our products due to perishable nature of the products. We plan to set up a cold storage, whereby we can store the produce without any degradation of the quality and market the produce accordingly.

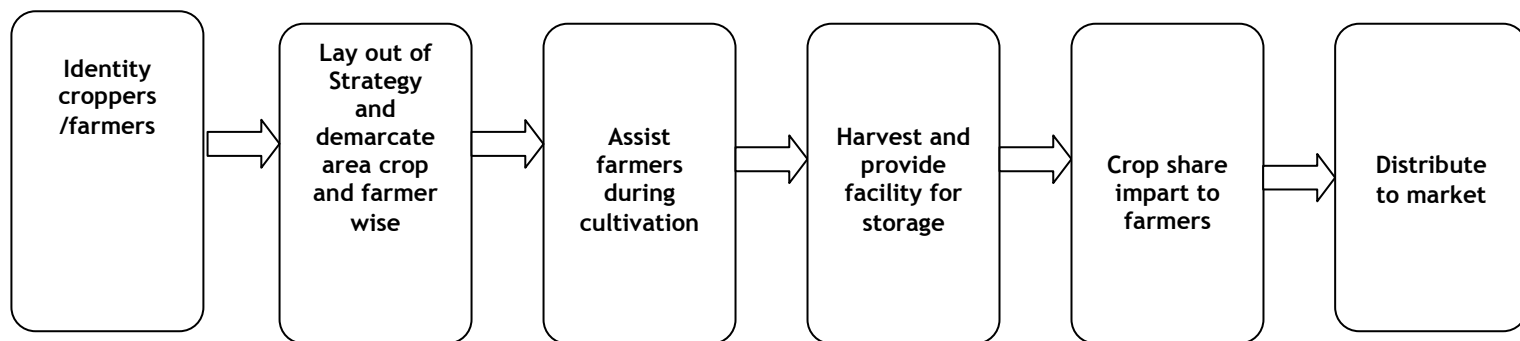
Greenhouse Farming

Going forward, we plan to establish a greenhouse farming of fruits and vegetables to ensure year round supply to our consumers. This would enable over selves to gain competitive edge.

Our Business Model

As described, we adopt the share cropping model, wherein we contract croppers to carry out our agriculture operations. The croppers use their own equipments and incur the cost of fertilisers and acquire seeds under the supervision and guidance of our farm manager. After the harvesting, croppers are entitled to their share of crops which may range from 10 % to 25 % depending upon the pre-determined arrangement. We are entitled for balance share of crops and we engage ourselves in to distribution of the crops.

Flow of Agriculture Operations of Our Company



The broad process of cultivation is as under:

- Preparation & leveling of land
- Fertilizing the land
- Sowing the seeds
- Care after sowing- watering, manuring and plant protection
- Irrigation
- Cropping
- Harvesting
- Sorting and packing

COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

UTILITIES

Power

For our agriculture operations, requirement of power is met with electricity supply of state government electricity board.

Water

For agriculture operations, we are mainly dependent on monsoon and we also procure water from ponds in the vicinity.

Human Resources

The details of manpower employed as on 15th May, 2014 are as under:

Sr. no	Category	No. of employees
1.	Farm Manager	1
2.	Accounts, Administration & Finance	3
3.	Field Assistants, Security Etc.	8
4.	Company Secretary	1
	TOTAL	13

Raw Material:

Generally farmers / croppers procure seeds and fertilizers, hence we do not envisage any need of raw materials.

Major Customers

Our agricultural produce is sold in the open markets and some of our major customers are as under:

1. Greenply Industries Ltd
2. Kichha sugar co. Ltd
3. Asian Door Industries Ltd
4. Vikas Plywood Pvt. Ltd.
5. Nisha Traders
6. Neelkanth Trading Company.

Competition

The Indian agriculture market is largely fragmented comprising of organized and unorganized sectors. Every district may have its own clutch of unorganized agriculturists. The rates vary depending upon the demand supply pattern prevailing in the market. Geographies also play a vital role in deciding the rates. The produce is marketable in the mandies and open market. We face competition from local farmers. Our wide range of products and core competencies provide us an edge in the competition. We propose to create awareness of our produce by conducting and participating seminars, education programs for agriculturists.

Marketing Arrangement

Our Company is primarily focused in North India, predominately in the state of Uttarakhand. The marketing strategy of the company is the combination of direct marketing, using the existing distribution network and sales force. Conversation with customers on an individual basis, educating them, guiding them and campaigning for the company's products all the year round is part of the strategy. We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings. We also participate regularly in exhibition and fairs being conducted at various levels.

Quality

Our driving force has always been the quality of our products, as the same would enable us for long standing relationship with our customers. We ensure that farmers at our farm use good quality of seed and fertilizers. Our farm manger supervises the every process of our operations.

Our Existing Products

Our product portfolio includes range of agriculture products such as wheat, paddy, pulses, sugar cane, fruits, vegetables, flowers, wood plantation.

EXPORT POSSIBILITY AND OBLIGATION

Our Company doesn't have any export obligation as we are not exporting any material.

SWOT**Strengths**

- Extensive array of agri products
- Integrated business model
- Location advantage of farm.
- Experienced management team
- Organic Farming

Weaknesses

- Dependent upon monsoon for agriculture operations
- Limited geographical coverage
- Dependent on external croppers


Opportunities

- Growing awareness among consumers about the organic food.
- Availability of uncontaminated land
- Penetration to food processing sector to complete the entire value chain.

Threats

- There are no entry barriers in our industry which puts us to the threat of competition from new entrants
- Any change or shift of focus of government from agriculture industry may adversely impact our financials

Intellectual Property

We have applied for registration of our corporate logo “” to the Registrar of Trademarks.

Our Properties

Our Registered Office is located at 49, Gujrawala Town, Part-II, New Delhi-110009. Our Farm is situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand. The details of property occupied, leased or owned by the Company are as under:

Sr. No.	Location	Title (Leased /Owned)	Agreement Valid from	Agreement Valid till
1.	49, Gujrawala Town, Part-II, New Delhi-110009	Leased	01/03/2012	28/02/2015
2.	Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand	Leased	04/06/2008	Up to 99 years from 01.03.1933

Note 1: Interest in Property by our Promoters and Promoter Group

Our registered office situated at 49, Gujrawala Town, Part-II, New Delhi-110009 is on lease for three (3) years starting from 01/03/2012. The office is taken on lease from one of our Promoter i.e. Mr. Brij Kishore Sabharwal, for a monthly rental of Rs. 10,000/- who is deemed to be interested to the extent of lease rent received by it from our Company.

Note 2: Purchase of Property

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

Insurance Policies

We have not obtained any insurance policy.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Delhi and the respective bye laws framed by the local bodies in New Delhi, and others incorporated under the laws of India.

The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013 (to the extent notified)

The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014.

Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

Transfer of Property Act, 1882

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly

rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

The Easements Act, 1882

The law relating to easements is governed by the Easements Act, 1882 ("Easements Act"). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the "dominant owner", or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

Prevention of Black Marketing and Maintenance of Supplies Act, 1980

To make matters worse, in 1980 came the "Prevention of Black Marketing and Maintenance of Supplies Act." It is an "Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith".

Agricultural Produce (Grading and Marketing) Act, 1937 (Agmark):

The Directorate of Marketing and Inspection enforces the Agricultural Produce (Grading and Marketing) Act, 1937. Under this Act Grade standards are prescribed for agricultural and allied commodities. These are known as Agmark' standards. Grading under the provisions of this Act is voluntary. The DMI enforces the Agricultural Products (Grading and Marketing) Act, 1937. Under this Act, Grade Standards are prescribed for agricultural and allied commodities. These are known as "Agmark" Standards. Grading under the provisions of this Act is voluntary. Manufacturers who comply with standard laid down by DMI are allowed to use "Agmark" labels on their products.

Prevention of Food Adulteration Act, 1954 :

This Act is the basic statute that is intended to protect the common consumer against the supply of adulterated food. This specifies different standards for various food articles. The standards are in terms of minimum quality levels intended for ensuring safety in the consumption of these food items and for safeguarding against harmful impurities and adulteration. The Central Committee for Food Standards, under the Directorate General of Health Services, Ministry of Health and Family Welfare, is responsible for the operation of this Act. The provisions of the Act are mandatory and contravention of the rules can lead to both fines and imprisonment. Prevention of Food Adulteration Act applies to domestic and imported food commodities, encompassing food color and preservatives, pesticide residues, packaging, labeling and regulation of sales.

Workman Compensation Act, 1923

Workmen's Compensation Act, 1923 aims at providing financial protection to employees (for their dependents in the event of fatal accidents) by means of payment of compensation by the employers, if personal injury is caused to them by accidents arising out of and in the course of their employment. This Act makes it obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments/Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

Payment of Wages Act, 1936 ("Wages Act")

Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

The Minimum Wages Act, 1948 ("Minimum Wages Act")

Minimum Wages Act was enacted to provide for minimum wages in certain employments. Under this Act, the Central and the State Governments are the authorities to stipulate the scheduled employment and to fix minimum wages. The Act contains list of Agricultural and Non Agricultural employment where the prescribed minimum rate of wages is to be paid to the workers. The minimum wages are calculated and fixed based on the basic requirement of food, clothing, housing required by an average Indian adult.

Employees State Insurance Act, 1948

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which

the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

Payment of Gratuity Act, 1972

A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity". The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

The Insecticides Act, 1968

The provisions of the Insecticides Act, 1968 provides that the act shall be applicable on any process or part of a process which is involved in making, altering, finishing, packing, labeling, breaking up or otherwise treating or adopting any insecticide with a view to its sale, distribution or use but it does not include the packing or breaking up of any insecticide in the ordinary course of retail business. The Act provides that any person desiring to import or manufacture any insecticide may apply to the Registration Committee for the registration of such insecticide and there shall be separate application for each such insecticide. This Act also provides that any person desiring to manufacture or to sell, stock or exhibit for sale or distribute any insecticide, [or to undertake commercial pest control operations with the use of any insecticide] may make an application to the licensing officer for the grant of a License.

The Competition Act, 2002

The Competition Act, 2002 (the "Competition Act") prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Indian Stamp Act, 1899

The Indian Stamp Act, 1899 ("Stamp Act") and the relevant State Stamp Acts provide for the imposition of stamp duty at specified rates on instruments listed in Schedule I of the Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are inadmissible in a court of law and have no evidentiary value. Public officials have the power to impound such documents and if the executor wants to rectify them, he may have to pay a penalty of up to 10 times the original stamp value.

State laws governing entry tax

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It is levied at such rate as may be specified by the State Government and different rates may be specified for different goods. The tax leviable under this Act shall be paid by every dealer in scheduled goods or any other person who brings or causes

to be brought into a local area such scheduled goods whether on his own account or on account of his principal or customer or takes delivery or is entitled to take delivery of such goods on such entry.

Approvals from Local Authorities

Setting up of a Factory or Manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Intellectual Property

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

Municipality Laws

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non compliance.

Police Laws

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same including registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non compliance.

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

OUR HISTORY AND CORPORATE STRUCTURE

HISTORY & BACKGROUND

Our Company was originally incorporated in New Delhi as "Esteem Constructions Private Limited" on 27th July, 1995 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The name of the Company was changed to Esteem Bio Organic Food Processing Private Limited and a fresh certificate of incorporation consequent to the change of name was granted by the National Capital Territory of Delhi & Haryana on 15th December, 2008. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Esteem Bio Organic Food Processing Limited" vide fresh certificate of incorporation dated 28th January, 2009 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

Our Company is registered under the Companies Act, 1956 with registration no. U74899DL1995PLC071220

Our Company was originally incorporated by Mr. Manoj Gupta & Hari Krishan Gupta with the intention to venture in to real estate construction operations. However later on in the month of September, 2009 the company has diversified itself in to agriculture and food processing sector with a thrust on organic farming. At present, the company is predominantly engaged in the agricultural operations such as cultivation, processing and distribution of agricultural commodities.

Later on, in the year 2012 Mr. Brij Kishore Sabharwal & Mr. Amar Singh Bisht acquired majority stake in the company and assumed control over the company.

We are engaged in to agriculture operations, wherein we cultivate wheat, paddy, sugar cane, fruits, vegetables and flowers. We are also engaged in the operations of wood plantation. We have an integrated facility of cultivation, processing and distribution of agriculture commodities.

Our Company came out with an initial public offering of 45,00,000 Equity Shares of Rs 10/- each at a price of Rs. 25 obtained listing on SME platform of BSE Limited.

The Registered Office and Corporate office of our Company is situated at 49, Gujrawala Town, Part-II, New Delhi-110009.

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY SINCE INCEPTION

FROM	TO	DATE OF CHANGE	REASON FOR CHANGE
28/6 Chailpuri, Chandni Chowk, New Delhi, Delhi-110006	S-520, Greater Kailash, Part-I, New Delhi, Delhi-110048	1 st March, 2012	Administrative Purpose
S-520, Greater Kailash, Part-I, New Delhi, Delhi-110048	49, Gujrawala Town, Part-II, New Delhi-110009	6 th March, 2012	Administrative Purpose

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To cultivate , grow , produce , deal in all kind of crops/products and to carry on the farming activities by organic method or other methods or to deal in cash crops, corn , hay and straw, vitalisers, manures, repellant , seeds, specials, rice, lentils, pulses etc.

2. To set up farms, agricultural houses, orchards, gardens and deal in import and export of all kinds of agricultural products and to deal in all activities incidental to agricultural activities.
3. To undertake, identify, formulate, design, develop, structure, promote, aid, establish, equip, manage, construct, erect, operate, maintain, improve, control, regulate, modify, restructure, re-organise, participate and/or assist in the designing, development, construction, implementation, commissioning, operation and maintenance of infrastructure projects in Food Processing sector and other sectors, by way of or in special economic zones or otherwise, schemes, facilities, programs or advisory mandates across sectors in India or abroad (including without limitation urban, rural, municipal, social, real estate, industrial infrastructure) and ancillary facilities and services for commercial use by itself, its members, shareholders, through other companies promoted by the Company or promoters identified by the Company or through contractors and operators, on the commercial format by charging, demanding, collecting, auctioning, retaining and appropriating tariffs, charges, tolls, fees, prices, rents and all types of revenues, user fees from users of infrastructure facilities and projects and ancillary services and facilities, accept receivables towards dues, investments, returns, servicing/ and to arrange for financing of the above activities and to develop integrated Food Processing Park inter alia comprising of composite Food Processing units, Food Processing Plant and machinery, effluent treatment plants, drainage, sewerage, waste management, water supply works, transport facilities, marketing facilities, internet facilities, information technology facilities, telecommunication systems, laboratories, roads, bridges, captive power plants, warehouses, yards, parks, parking facilities, training centers and other social infrastructure and social services and associated services of any description and ancillary, facilities including construction of buildings, factory sheds, design centers, warehouses, raw material depot, crèche, canteen, workers hostel, offices of services providers, labour rest and recreation facilities, other commercial premises, real estate development and hoardings and other infrastructure facilities as may be required for the purpose, in public private sector partnership mode or any other formats as may be necessary and for this purpose to enter into all types of contracts with government and private entities.
4. To act as a Special Purpose Vehicle for implementing different schemes of the Central / State Governments, including cluster development schemes of Central Government, and other public authorities and to carry on the business of developing, operating, maintaining and upgrading various infrastructure facilities, Induction and process re-engineering and management consultancy service centers and any other physical infrastructure as may be approved under any of the schemes, present and future and to engage in Food Processing and allied Industrial research, Training and Developmental activities
5. To assist the members to set up the manufacturing units, in marketing and sourcing of raw materials and to provide them with all infrastructure facilities, latest technologies, adequate training to the man power and assist in the over all manufacturing of Food Products of all kinds.
6. To promote the development of Food Processing sector more particularly in the development of Food Processing of all kinds of fruits, vegetables, seeds and agricultural products, herbs, flowers, glasses in their all forms and descriptions including frozen foods, juices, tonics, vitamins food products, deictic products, flavored drink, nectars, aerated waters, carbonated fruit juices fruit and vegetable concentrate powder and paste relating to the Food Processing Industry. It shall act as a resource center and clearing house of information and knowledge concerning all aspects of Food Processing and related development issues in the state.
7. To undertake the work relating to providing facilities and augment the resources required for the modernization of the Food Processing sector to meet international standards and quality matching the requirements of the imminent WTO governed world trade practices and duly approved by the World Health Organization.
8. In the process of continuing education by holding workshops, seminars, and training programs in the concerned fields as enumerated above
9. To undertake the work of agriculture, horticulture and other works to product the raw material from live stocks and animals, food grain and fruits items to use the products in the food park and to create research and development activity for production of new edible goods and Innovating cost saving new machineries, operational systems, management systems etc. in Food Processing for achieving maximization of resources and to obtain maximum cost-benefit ratio.

CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

DATE	AMENDMENT
15 th September, 2008	Insertion of new objects by replacement of clause III(A) of MOA consequent to diversification from construction to agriculture sector.
15 th December, 2008	Change in name of the Company from "Esteem Constructions Private Limited" to "Esteem Bio Organic Food Processing Private Limited"
28 th January, 2009	Conversion of Company from private limited to public limited company and subsequent change of name of company from "Esteem Bio Organic Food Processing Private Limited" to "Esteem Bio Organic Food Processing Limited"
28 th March, 2012	Increase in authorized capital of the Company from Rs. 5 Lacs divided into 50,000 Equity Shares of Rs. 10 each to Rs. 1650 Lacs divided into 1,65,00,000 Equity shares of Rs. 10 each.
16 th August, 2013	Increase in authorized capital of the Company from Rs. 1650 Lacs divided into 1,65,00,000 Equity Shares of Rs. 10 each to Rs. 2500 Lacs divided into 2,50,00,000 Equity shares of Rs. 10 each.

MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
July, 1995	Incorporation of the Company in the name and style of "Esteem Constructions Private Limited"
June, 2008	Acquisition of leasehold rights of 295.80 Acres of land situated at Pargna Rudrapur, Tehsil, Kichha District, Udham Singh Nagar, Uttarakhand
September, 2008	Diversification of Company from construction to agriculture sector.
December, 2008	Change in name of the Company from "Esteem Constructions Private Limited" to "Esteem Bio Organic Food Processing Private Limited"
January, 2009	Conversion of Company from Private Limited to Public Limited
March, 2012	Control of company acquired by Mr. Brij Kishore Sabharwal & Mr. Amar Singh Bisht
February, 2013	Listing on SME platform of BSE Limited

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of the Draft Letter of Offer.

SUBSIDIARY OF OUR COMPANY

There is no subsidiary of our Company as on the date of filing of the Draft Letter of Offer.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the Draft Letter of Offer.

OTHER AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Draft Letter of Offer.

COLLABORATION

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

STRATEGIC PARTNER

Our Company does not have any strategic partner as on the date of filing of the Draft Letter of Offer.

FINANCIAL PARTNER

Our Company does not have any financial partner as on the date of filing of the Draft Letter of Offer.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Letter of Offer.

NUMBER OF SHAREHOLDERS

Our Company has Three Hundred Thirty Four (334) members as on 23rd May, 2014.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
1. Mr. Brij Kishore Sabharwal S/o Mr. Om Prakash 49, Gujrawala Town, Part-II, New Delhi-110009, Delhi, India Occupation: Business Nationality: Indian Tenure: Retire by Rotation DIN: 01303907	60 Yrs	Non-executive non-Independent Director	1. Sopan Infrabuild Private Limited 2. Sarovar Electronics Private Limited 3. HSK Estates & Properties Private Limited 4. Eco Friendly Food Processing Park Limited 5. Alps Motor Finance Limited 6. Heritage Securities Private Limited 7. The Festival Network Limited 8. Kingdom Digital Asia Limited
2. Mr. Jai Kumar S/o Mr. Babu Ram 13, Khilona Bagh, Birla Line, Model Town, Delhi-110009, Delhi, India Occupation: Service Nationality: Indian Tenure: Five years with effect from 1 st April, 2012 DIN: 06416683	39 Yrs	Executive Director	1. Classic Global Finance & Capital Limited
3. Mr. Vinod Kumar Garg S/o Mr. Madan Lal Garg A-160, Gujranwala Town, Part-I, Delhi-110033, Delhi, India Occupation: Business Nationality: Indian Tenure: Retire by rotation DIN: 00504829	48 Yrs	Independent Director	1. A TO Z Comtrade Private Limited 2. Heritage Securities Private Limited 3. Eco Friendly Food Processing Park Limited 4. Classic Global Finance & Capital Limited 5. Argon Marketing Private Limited
4. Mr. Sujit Gupta S/o Mr. Ravindra Prasad Gupta	26 yrs	Independent Director	1. Eco Friendly Food Processing Park

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
I-79, Shiv Ram Park, Gali No.14, Ramesh Taolr Gali, Nangoli, New Delhi-110041, Delhi, India Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN: 06642102			Limited

Note:

As on the date of the Draft Letter of Offer:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Draft Letter of Offer or (b) delisted from the stock exchanges.
3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

DETAILS OF DIRECTORS

Mr. Brij Kishore Sabharwal, aged 60 years, is the Promoter and Director of our Company. He holds bachelor degree in law and possess post graduate diploma. He has 42 years of experience in various field of finance and commodities market. He was the Chairman and Director of ANMI (Association of National Exchanges Members of India). He is a national president of CPAI (Commodities Participants' Association of India). He has also participated in various conferences & seminars, as a speaker, on securities market all over the country. He is responsible for overall planning & management of our Company. He has been on the Board of Directors of our Company since March, 2011.

Mr. Jai Kumar, aged 39 years, is Executive Director of our Company. He has 18 years of experience in agriculture and food processing sector. He is well associated with day to day affairs of this company. He predominantly responsible of agriculture operation & logistics supply chain management division and day to day affairs of Company. He has been on the Board of Directors of our Company since March, 2012.

Mr. Vinod Kumar Garg, aged 48 years, is an Independent Director of our Company. He is a commerce graduate and also member of Institute of Companies Secretary of India. He has 26 years of experience in the field of corporate laws and finance. As an Independent Director of our Company with corporate acumen he brings value addition to our Company. He has been on the Board of our Company since March, 2011.

Mr. Sujit Gupta, aged 26 years is an Independent Director of our Company. He holds masters degree in commerce graduate. He has 3 years of experience in the field of finance, securities market and accounts. He has been on the Board of our Company since March, 2013.

CONFIRMATIONS

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Letter of Offer, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

There is no family relationship among Directors.

BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 19th October, 2012 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 (previously Section 293 (1)(d) of the Companies Act, 1956) for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 25 Crores.

TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

Name	Mr. Jai Kumar
Designation	Executive Director
Period	Five years with effect from 1 st April, 2012
Date of Appointment	Extra Ordinary General Meeting dated 18 th May, 2012
Remuneration	<p>a) Remuneration Rs. 20,000/- p.m. (Rupees Twenty Thousand Only) with such annual increments / increases as may be decided by the Remuneration Committee from time to time.</p> <p>b) Perquisites</p> <ul style="list-style-type: none">• Free use of the Company's car for Company's work along with driver.• Telephone, telefax and other communication facilities at Company's cost for Official purpose.• Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the Remuneration Committee / Board of Directors from time to time may decide. <p>c) Valuation of perquisites Perquisites/allowances shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.</p>
Remuneration paid in FY 31st March, 2014	Rs. 2.40 Lacs

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

NON - EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including

constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has four (4) Directors. We have one (1) executive non independent director, one (1) non-executive non independent director and two (2) independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee
- C) Remuneration Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 292A of the Companies Act, 1956, Section 177 of Companies Act, 2013 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 16th October, 2012. The committee has been reconstituted on 22nd March, 2013.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Sujit Gupta is the Chairman of the Audit Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Sujit Gupta	Chairman	Independent Director
2.	Mr. Vinod Kumar Garg	Member	Independent Director
3.	Mr. Brij Kishore Sabharwal	Member	Non Executive Non Independent Director

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

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.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956 or Section 134 of Companies Act, 2013.
 - (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 listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions
 - (g) Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 12. 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.
 13. Discussion with internal auditors any significant findings and follow up there on.
 14. 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.
 15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
 18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
 20. Mandatorily reviews the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and

- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

21. Review the Financial Statements of its Subsidiary company, if any.

22. Review the composition of the Board of Directors of its Subsidiary company, if any.

23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a shareholder / investors grievance committee ("**Shareholders / Investors Grievance Committee**") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 16th October, 2012. The committee has been reconstituted on 22nd March, 2013. The committee currently comprises of three (3) Directors. Mr. Vinod Kumar Garg is the Chairman of the Shareholders/ Investors Grievance committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Vinod Kumar Garg	Chairman	Independent Director
2.	Mr. Sujit Gupta	Member	Independent Director
3.	Mr. Jai Kumar	Member	Executive Director

Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

REMUNERATION COMMITTEE

Our Company has constituted a remuneration committee ("**Remuneration Committee**"). The Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 16th October, 2012. The committee has been reconstituted on 22nd March, 2013. The committee currently comprises of three (3) Directors. Mr. Vinod Kumar Garg is the Chairman of the remuneration committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Vinod Kumar Garg	Chairman	Independent Director
2.	Mr. Sujit Gupta	Member	Independent Director
3.	Mr. Brij Kishore Sabharwal	Member	Non Executive Non Independent Director

The terms of reference of the remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.

- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Ms. Saroj Sherawat is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Draft Letter of Offer:

Name of Director	Number of Equity Shares	% of Pre-Issue Paid up Share Capital
Brij Kishore Sabharwal	2981600	19.99
Total	2981600	19.99

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

PROPERTY INTEREST

Except as disclosed in the section titled "Our Business" on page 54, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

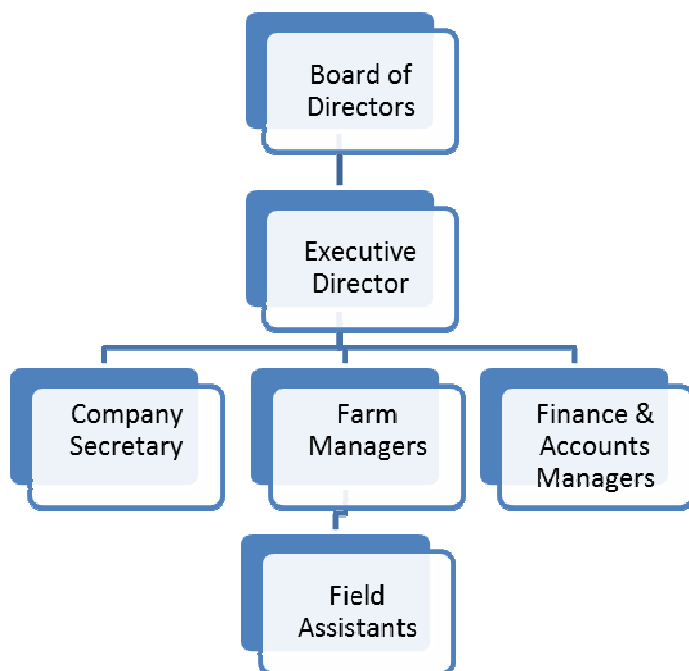
CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of appointment	Date of cessation	Reason
Mr. Neeraj Mittal	06/03/2012		Appointment
Mr. Amar Singh Bisht	06/03/2012	20/09/2012	Appointment &

Name	Date of appointment	Date of cessation	Reason
			Resignation
Mr. Vijay Kumar Jindal	-	01/09/2012	Resignation due to preoccupation
Mr. Tarun Sharma	-	12/03/2012	Resignation due to preoccupation
Mr. Madan Mohan Sharma	-	12/03/2012	Resignation due to preoccupation
Mr. Manoj Narain Agarwal	-	12/03/2012	Resignation due to preoccupation
Mr. Jai Kumar	28/03/2012	-	Appointment
Mr. Neeraj Mittal	-	22/04/2013	Resignation due to preoccupation
Mr. Sujit Gupta	22/04/2013	-	Appointment

ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of production/finance/ distribution/marketing and corporate laws.

The following key personnel assist the management of our Company:

Name	Date of Joining	Designation	Functional Responsibilities	Qualification	Previous Employment
Mr. Jai Kumar	28.03.2012	Executive Director	General planning & Management of day to day affairs	HSC	Agriculturist
Mr. Ravinder	01.04.2008	Manager	Accounting,	B.Com	V & Kaushik &

Name	Date of Joining	Designation	Functional Responsibilities	Qualification	Previous Employment
Kumar		Accounts & Finance	Finance controls and management of cash flows		Co.
Mr. R.S. Chauhan	01.08.2008	Farm Manager	Supervision of farm	HSC	Agriculturist
Ms. Saroj Sherawat	01.10.2013	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act.	ACS	Nil

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. **Mr. Jai Kumar**, is Executive Director of our Company. He has 18 years of experience in agriculture and food processing sector. He is well associated with day to day affairs of this company. He predominantly responsible of agriculture operation & logistics supply chain management division and day to day affairs of Company. He has been on the Board of Directors of our Company since March, 2012.
2. **Mr. Ravinder Kumar**, is the Manager-Accounts & Finance of our Company. He has completed his Bachelor degree in commerce. He is working with our Company since April, 2008. He oversees accounting, financial controls and management of cash flows. Prior to joining our Company he was working with V & Kaushik & Co.
3. **Mr. R.S. Chauhan** is Farm Manager of our Company. He has been an agriculturalist and possesses sound knowledge of every aspect of agriculture operations. He is working with our Company since August, 2008. He is responsible of supervision of acquisition of seeds, fertilizers, sowing of crops and supervision of field assistants.
4. **Ms. Saroj Sherawat** is Company Secretary & Compliance Officer of our Company. She is an associate member of Institute of Companies Secretaries of India. She is associated with our Company from October, 2013. Her scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act.

FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial persons is having family relation with each other.

ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial personnel are holding any Equity Shares of our Company.

BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against Key Managerial Personnel as on 31st March, 2013.

CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

The changes in the Key Managerial Employees of the Issuer during the last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Jai Kumar	05.03.2012	-	Appointment
Ms. Anshul Kumari	01.10.2012	-	Appointment
Ms. Anshul Kumari	-	30.05.2013	Resignation
Ms. Saroj Sherawat	01.10.2013	-	Appointment

EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Letter of Offer.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

OUR PROMOTERS


OUR PROMOTERS

The Promoters of our Company are:

1. Mr. Brij Kishore Sabharwal
2. Mr. Amar Singh Bisht

DETAILS OF OUR PROMOTERS ARE AS UNDER


1. Mr. Brij Kishore Sabharwal

	Mr. Brij Kishore Sabharwal, aged 60 years, is the Promoter and Director of our Company. He holds bachelor degree in law and possess post graduate diploma. He has 41 years of experience in various field of finance and commodities market. He was the Chairman and Director of ANMI (Association of National Exchanges Members of India). He is a national president of CPAI (Commodities Participants' Association of India). He has also participated in various conferences & seminars, as a speaker, on securities market all over the country. He is responsible for overall planning & management of our Company. He has been on the Board of Directors of our Company since March, 2011. For further details relating to Mr. Brij Kishore Sabharwal, including address and other directorships, see the section titled "Our Management" on page 68 of Draft Letter of Offer.
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Identification

Name	Mr. Brij Kishore Sabharwal
Permanent Account Number	AAXPS6830P
Passport No.	F9501043
Voter ID	N.A.
Driving License	N.A.
Bank Account Details	90442010009769 Syndicate Bank

2. Mr. Amar Singh Bisht

	Mr. Amar Singh Bisht, aged 44 years, is the Promoter of our Company. He has 20 years of experience in agriculture and food processing sector.
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Identification

Name	Mr. Amar Singh Bisht
Permanent Account Number	AKOPB4144J
Passport No.	N.A.
Voter ID	AZK0141465
Driving License	N.A.
Bank Account Details	00031050578631 HDFC Bank

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of Draft Letter of Offer.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters are majority shareholders and directors on the board of Eco Friendly Food Processing Park Limited whose Main object enables them to conduct similar business to that of our Company's business. As a result, a conflict of interest may occur between our business and the businesses of our Group Company which could have an adverse effect on our business, financial condition, results of operations and prospects.

INTEREST OF THE PROMOTERS

Interest in the promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoters, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled "*Our Management*" on page 68 of this Draft Letter of Offer.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

Interest as Member of our Company

As on the date of this Draft Letter of Offer, our Promoters together hold 30,69,600 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled '*Terms of appointment and compensation of our Directors*' on page 70, our Promoters does not hold any other interest in our Company.

Also see "Our Management-Interest of Directors" on page 74 of Draft Letter of Offer.

PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Draft Letter of Offer except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Information' and 'Capital Structure' on page nos. 68, 87 and 26 respectively of this Draft Letter of Offer. Further as on the date of the Draft Letter of Offer, there is no bonus or profit sharing plan for our Promoters.

CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled "*Outstanding Litigation and Material Developments*" on page 105 of the Promoters. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled "*Related Party Transactions*" beginning on page 85, our Company has not entered into any related party transactions with our Promoters.

OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES

PROMOTER GROUP INDIVIDUALS

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

Relatives of Promoters:

Relationship	Brij Kishore Sabharwal	Amar Singh Bisht
Spouse	Mrs. Sunila Sabharwal	Mrs. Nandi Devi Bisht
Father	Mr. Om Prakash	Mr. Uday Singh Bisht
Mother	Late Mrs. Nirmal Kanta	Mrs. Dharma Devi Bisht
Brother	Mr. S.S. Sabharwal & Mr. Praveen Sabharwal	Mr. Pran Singh Bisht
Sister	-	Mrs. Devki Devi & Mrs. Kaushila Devi
Son	Mr. Jatin Sabharwal	Mr. Prakash Bisht
Daughter	Mrs. Kirti Sethi	Ms. Ruchi Bisht

PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

LISTED COMPANIES WITHIN OUR PROMOTER GROUP

Eco Friendly Food Processing Park Limited is sole listed company within our promoter group.

ECO FRIENDLY FOOD PROCESSING PARK LIMITED

Date of Incorporation	21/07/2008
CIN	U45209DL2008PLC181131
Registered Office	49, Gujrawala Town, Part-II, New Delhi-110009
PAN No.	AACCE0416B
Address of RoC	Registrar of Companies, National Capital Territory of Delhi & Haryana
Nature of Activities	Engaged in the Agriculture Operations

Board of Directors as on 31st March, 2014

Name	Designation
Brij Kishore Sabharwal	Director
Amar Singh Bisht	Director
Mr. Vinod Kumar Garg	Director
Mr. Sujit Gupta	Director

Financial Performance

The brief financials of Eco Friendly Food Processing Park Limited for the last three (3) years based on audited financial statements are as under:

(Rs. in Lacs except per share data)

Particulars	31 Mar- 14	31 Mar- 13	31-Mar-12
Equity Share Capital	990.60	990.60	30.00
Reserves (excluding revaluation reserves)	845.82	710.75	523.45
Preliminary Expenses (to the extent not written off)	49.82	34.51	0.09
Net Worth	1786.61	1666.84	553.36
Sales & Other Income	292.29	274.31	387.79
Profit After Tax	135.07	177.73	187.25
E.P.S. (Rs.)	1.36	2.51	3.59
N.A.V. (Rs.)	18.03	23.83	11.33
Face Value per share (in Rs.)	10	10	10

Shareholding Pattern as on date of this Draft Letter of Offer

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Number of Shares held in Dematerialized form	Total Shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
A	Shareholding of Promoter and Promoter group							
1	Indian							
a.	Individuals/HUFs Directors/Relatives	2	5045000	5045000	20.37	20.37	-	-
b.	Central Govt./ State Govts.	---	---	---	---	---	---	---
c.	Bodies Corporate	---	---	---	---	---	---	---
d.	Financial Institutions/Banks	---	---	---	---	---	---	---
e.	Group Companies	---	---	---	---	---	---	---
	Sub Total A(1)	2	5045000	5045000	20.37	20.37	-	-
2.	Foreign							
a.	Bodies Corporate	---	---	---	---	---	---	---
b.	Group Companies	---	---	---	---	---	---	---
c.	Individual	---	---	---	---	---	---	---
d.	Institutions	---	---	---	---	---	---	---
	Sub Total A(2)	---	---	---	---	---	---	---
	Total Shareholding of Promoter group A(1)+A(2)	2	5045000	5045000	20.37	20.37	-	-
B	Public Shareholding							

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Number of Shares held in Dematerialized form	Total Shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
1.	Institutions							
a.	Central Govt. / State Govts.	---	---	---	---	---	---	---
b.	Financial Institutions/Banks	---	---	---	---	---	---	---
c.	Mutual Funds/UTI	---	---	---	---	---	---	---
d.	Venture Capital Funds	---	---	---	---	---	---	---
e.	Insurance Companies	---	---	---	---	---	---	---
f.	Foreign Institutions Investors	---	---	---	---	---	---	---
g.	Foreign Venture Capital Investors	---	---	---	---	---	---	---
h.	Trusts	---	---	---	---	---	---	---
i.	Market Maker	1	31200	31200	0.13	0.13		
Sub Total B(1)		1	31200	31200	0.13	0.13	---	---
2.	Non Institutions							
a.	Bodies Corporate	57	2727100	2727100	11.01	11.01	---	---
b1	Individuals-shareholders holding normal share capital up to Rs. 1 lac	787	6002500	5224700	24.24	24.24	---	---
b 2	Individuals-shareholders holding normal Share capital in excess of Rs.1 lac	339	10959200	9791621	44.25	44.25	---	---
c	Trust	---	---	---	---	---	---	---
d	Any Other	-	-	-	-	-	-	-
Sub Total B(2)		1183	19688800	17743421	79.50	79.50	---	---
Total Public Shareholding B(1) + B(2)		1184	19720000	19720000	79.63	79.63	---	---
Total A+B		1186	24765000	24765000	100.00	100.00	----	---
C	Shares held by Custodians and against which Depository receipts have been issued							
Grand Total A+B+C		1186	24765000	24765000	100.00	100.00	----	---

Stock Market Data:-

<i>Month</i>	<i>High (Rs.)</i>	<i>Date of High</i>	<i>Volume</i>	<i>Low (Rs.)</i>	<i>Date of Low</i>	<i>Volume</i>	<i>Total Volume in the Month</i>
November, 2013	100.00	14/11/2013	1200	100.00	14/11/2013	1200	1200
December, 2013	109.00	09/12/2013	1200	98.15	30/12/2013	2400	3600
January, 2014	258.50	31/01/2014	24000	125.00	08/01/2014	1200	212400
February, 2014	446.15	28/02/2014	153600	265.50	03/02/2014	85200	1636800
March, 2014	580.00	31/03/2014	43200	446.00	03/03/2014	84000	1387200
April, 2014	640.25	15/04/2014	67200	267.05	21/04/2014	1600	313600

Eco Friendly Food Processing Park Limited is a listed Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no unlisted Company in our Promoter Group

COMMON PURSUITS

Our Promoters are majority shareholders and directors on the board of Eco Friendly Food Processing Park Limited whose Main object enables them to conduct similar business to that of our Company's business. As a result, a conflict of interest may occur between our business and the businesses of our Group Company which could have an adverse effect on our business, financial condition, results of operations and prospects.

LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 105 of this Draft Letter of Offer.

DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Our Promoters have not disassociated with any of entity during the preceding three (3) years.

INTEREST OF PROMOTER GROUP COMPANIES

Our Promoter Group companies are interested parties to the extent of their shareholding in the Company, if any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled "*Related Party Transactions*" beginning on page 85 of the Draft Letter of Offer.

RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 85 under section titled as "*Related Party Transactions*".

SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

SICK COMPANIES

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 14 of restated financial statement under the section titled “*Financial Information*” on page 100 of the Draft Letter of Offer.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION V - FINANCIAL INFORMATION

Financial Information of Our Company

Auditors' Report

To,
The Board of Directors,
Esteem Bio Organic Food Processing Limited.
49, Gujrawala Town, Part II,
New Delhi - 110009

Dear Sirs,

We have examined the Financial Information of **Esteem Bio Organic Food Processing Limited** (the Company) described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors and Audit Committee of Board of Directors.

Company proposes to make Rights Issue of 99,45,333 Equity Shares on Rights Basis in the ratio of Two (2) Rights Equity Share for Every Three (3) Equity Share held by the existing equity shareholders.

The Company has been incorporated on 27th July, 1995. Audit for the financial years ended 31st March, 2010, 2011, 2012 and 2013 were conducted by M/s. Anil Bandhu & Co. and for the Financial Year 2013-14 were conducted by Rupesh Mangal & Associates and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Esteem Bio Organic Food Processing Limited, We, M/s Pawan Shubham & Co Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

A. Financial Information:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year ended March 31, 2010, 2011, 2012, 2013 and for the period ended 31st March, 2014 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year ended March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year ended March 31, 2010, 2011, 2012, 2013 and for the period ended 31st March, 2014 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year ended March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements have been made in accordance with the correct accounting policies.
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications in the "Restated Financial Statements".

B. Other Financial Information:

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year ended on March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 6** to this report.
3. Capitalization Statement and as at 31st March, 2014 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2010, 2011, 2012 and 2013 as set out in **Annexure 8** to this report.
5. Statement of Unsecured Loans as at March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 9** to this report.
6. Statement of Details of Sundry Debtors as at March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 10** to this report.
7. Statement of Details of Deposits, Loans and Advances as at March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 11** to this report.
8. Statement of Details of Current Liabilities and Provisions as at March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 12** to this report.

9. Statement of Details of Contingent Liabilities for the year ended March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 13** to this report.
10. Statement of Details of Related Party Transactions of the Company for the year ended on March 31, 2010, 2011, 2012, 2013 and as at 31st March, 2014 as set out in **Annexure 14** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 14 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or re dating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Rights Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

It is to be noted that Statutory Audit up to Financial year 2012-13 has been done by Anil Bandhu & Co., Chartered Accountants and for the Financial year 2013-14 has been done by Rupesh Mangal & Associates.

M/s Pawan Shubham & Co.
Chartered Accountants
FRN: 011573c
Sd/-
Krishna Kumar
Partner
Membership No. 523411

Place: Delhi
Date: 28th May, 2014

ANNEXURE-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Equity & Liabilities					
Shareholders' Funds					
Share Capital	1491.80	1491.80	30.00	5.00	5.00
Reserve & Surplus	1239.88	1055.98	826.28	494.43	280.19
Total (A)	2731.68	2547.78	856.28	499.43	285.19
Non Current Liabilities					
Share Application Money	-	-	-	90.00	90.00
Long Term Borrowings	160.00	-	-	-	-
Deferred Tax Liabilities (Net)	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
Total (B)	160.00	-	-	90.00	90.00
Current Liabilities					
Short Term Borrowings	39.00	72.75	324.10	337.60	347.00
Trade Payables	-	-	-	-	-
Other Current Liabilities	37.84	2.90	0.10	0.10	0.10
Short Term Provisions	3.45	2.34	-	-	-
Total (C)	80.29	77.99	324.20	337.70	347.10
Total (D=A+B+C)	2971.97	2625.77	1180.48	927.13	722.29
Assets					
Fixed Assets	1221.52	1207.12	618.16	533.26	424.00
Non Current Investments	315.27	273.27	24.27	24.27	24.27
Long Term Loans & Advances	21.25	21.25	-	-	-
Other Non Current Assets	48.20	25.02	-	-	-
Total (E)	1606.24	1526.66	642.43	557.53	448.27
Current Assets					
Current Investments	-	-	-	-	-
Inventories	16.25	37.50	312.78	275.31	198.89
Trade Receivables	32.09	244.78	170.21	13.63	-
Cash & Bank Balances	37.31	3.69	55.07	80.66	75.13
Short Term Loans & Advances	1280.07	813.14	-	-	-
Other Current Assets	-	-	-	-	-
Total (F)	1365.73	1099.11	538.06	369.60	274.02
Total (G=E+F)	2971.97	2625.77	1180.49	927.13	722.29

ANNEXURE-02

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Income:					
Income from Agriculture Operations	319.76	643.47	304.30	173.10	89.93
Other Income	11.15	7.58	-	-	-
Increase / (Decrease) in Stock in Trade	(21.25)	(275.28)	37.47	76.42	106.99
Total	309.66	375.77	341.77	249.52	196.92
Expenditure:					
Plantation and Cultivation Expenses	15.84	16.65	17.52	12.69	9.52
Employees Cost	7.92	16.43	20.31	15.18	12.52
Other Administrative & Selling Expenses	39.95	33.58	9.57	7.41	6.20
Total	63.71	66.66	47.40	35.28	28.24
Profit before Depreciation, Interest & Tax	245.95	309.11	294.37	214.24	168.68
Depreciation	58.60	51.62	-	-	-
Profit before Interest & Tax	187.35	257.49	294.37	214.24	168.68
Interest & Finance charges	-	-	-	-	-
Profit before Taxes	187.35	257.49	294.37	214.24	168.68
Provision for Taxes	3.45	2.34	-	-	-
Net Profit After Tax & Before Extraordinary Items	183.90	255.15	294.37	214.24	168.68
Extra Ordinary Items (Net of Tax)	-	-	-	-	-
Net Profit	183.90	255.15	294.37	214.24	168.68

ANNEXURE-03

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	187.35	257.49	294.37	214.24	168.68
Adjustment for:					
Add: Depreciation	58.60	57.87	-	-	-
Add: Preliminary Expenses	11.17	-	-	-	-
Less: Interest Received	(11.15)	(7.58)	-	-	-
Operating Profit before Working capital changes	245.98	307.77	294.37	214.24	168.68
Adjustments for:					
Decrease/(Increase) in Trade & Other Receivables	212.68	(74.56)	(156.58)	(13.63)	-
Decrease/(Increase) in Current Assets	-	-	-	-	-
Decrease/(Increase) in Inventories	21.25	275.28	(37.47)	(76.42)	(106.99)
Increase/(Decrease) in Current Liabilities	34.95	5.13	-	-	-
Net Changes in Working Capital	268.88	205.85	(194.05)	(90.05)	(106.99)
Cash Generated from Operations	514.86	513.62	100.32	124.19	61.69
Taxes	2.34	2.34	-	-	-
Net Cash Flow from Operating Activities (A)	512.52	511.28	100.32	124.19	61.69
CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Fixed Assets	73.00	640.58	(84.90)	(109.26)	-
Interest Received	(11.15)	(7.58)	-	-	-
Sale / (Purchase) of Investments	42.00	249.00	-	-	-
(Decrease)/ Increase in Other Loans & Advances	-	21.25			
(Decrease) /Increase in Short Terms Loans & Advances	466.93	813.14			
Decrease (Increase) in Non Current Assets	30.11	31.28	-	-	-
Net Cash Flow from Investing Activities (B)	600.89	1747.67	(84.90)	(109.26)	-
CASH FLOW FROM FINANCING ACTIVITIES					
Issue of share capital and Proceeds from Share Application Money	-	1436.36	(27.50)	-	-
Increase / (Repayment) of Other Long Term Liabilities	160.00	-	-	-	-
Increase / (Repayment) of Secured/unsecured loans	(33.75)	(251.35)	(13.50)	(9.40)	-
Preliminary Expenses incurred	(4.25)	-	-	-	-
Net Cash Flow from Financing Activities (C)	122.00	1,185.01	(41.00)	(9.40)	-
Net Increase / (Decrease) in Cash & Cash Equivalents	33.62	-51.39	(25.58)	5.53	61.69
Cash and cash equivalents at the beginning of the year / Period	3.69	55.08	80.65	75.13	13.44
Cash and cash equivalents at the end of the year/ Period	37.31	3.69	55.07	80.66	75.13

Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) - 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. Use of Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Fixed Assets

Fixed Assets are capitalized at cost inclusive of erection expenses & other incidental expenses in connection with the acquisition of assets, net of VAT, if any, less accumulated depreciation. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

4. Depreciation / Amortization

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of additions made or asset sold / discarded during the year pro-rata Depreciation has been provided.

5. Inventories

The inventories of finished agriculture produce are valued at 90% of their net realizable value and of semi-finished agriculture produce which includes poplar & other wood trees are valued at 75 % of their net realizable value.

6. Revenue Recognition

Revenue from sales transactions is recognized as and when the property in goods is sold /transferred to the buyer for a definite consideration.

Other Income has been recognized on the basis of Accounting Standard - 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

7. Preliminary and Pre-operative expenses:

Preliminary and pre-operative expenses are amortized over a period of five years in equal installments in accordance with matching concept however the same is contrary to AS-26.

8. Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments". All other Investments are classified as Long Term Investments. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis. Long Term investments are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

9. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

10. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

No Tax whether current or deferred has been charged on exempted incomes.

11. Leases

Finance Lease

Leases which effectively transfer to the Company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

12. Impairment of Assets

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

13. Foreign Exchange Transactions

- i) Transactions in Foreign currency are recorded at the rate of exchange prevailing on the date of the respective transactions.
- ii) Yearend balance of monetary assets and liabilities are translated at the yearend rates. Exchange differences arising on restatement or settlement are charged to Profit and Loss Account.

14. Earnings per Share

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

15. Contingent Liabilities & Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

C. NOTES ON RESTATED FINANCIAL STATEMENTS

1. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Profit after tax before appropriation (as per Audited accounts)	183.90	255.15	294.37	214.24	168.68
Adjustments					
Profit after Tax as per Restated Profit & Loss Account	183.90	255.15	294.37	214.24	168.68

2. Other Notes

1. General

The Company was incorporated during the year 1995 and restated financial statements has been prepared for the fiscal year ended March 31, 2010, 2011, 2012, 2013 and for period ended 31st March, 2014.

2. Segment Reporting

Based on the guidelines of Accounting Standards on segment reporting(AS-17) issued by The Institute of Chartered Accountants of India, the Company was engaged in one business segment, viz., Agriculture Operations in the context of accounting standards 17 on Segment Reporting issued by ICAI . The company is not operating in any of the geographical segment.

3. Earnings per Share

The details of Earnings per Share as per AS-20 are provided in Annexure 6.

4. Related Party Transactions:

The details of Related Party Transactions as per Accounting Standard -18 are provided in Annexure 14.

5. Particulars of Lease

The Company has not made any lease payment during the reporting period.

6. Gratuity:

Since the Payment of Gratuity Act, 1972 is not applicable on the Company as minimum number of employees are lesser than required and hence the provision of gratuity has not been made.

7. The company is not having any earning / Expenditure in Foreign Currency.

8. The company has not given any guarantee to bank or corporate and the company is no having any contingent liability.

9. The figures in the Restated Financial Statements and Other Financial Information are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

Annexure- 05

STATEMENT OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Profit / (Loss) Brought Forward	253.43	778.30	483.92	269.69	101.01
Add: Profit / (Loss) for the Year	183.90	255.13	294.36	214.24	168.68
Less: Capitalized for Bonus Issue	-	780.00	-	-	-
Profit / (Loss) Carried Forward (A)	437.33	253.43	778.28	483.93	269.69
Securities Premium (B)	802.55	802.55	48.00	10.50	10.50
Reserves & Surplus (A+B)	1239.88	1055.98	826.28	494.43	280.19

Annexure-06

STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Net worth (A)	2683.47	2522.76	856.29	499.43	285.19
Net Profit after Tax (B)	183.90	255.15	294.37	214.24	168.68
No. of Shares outstanding at the end [F.V Rs.10] (C)	14,918,000	14,918,000	3,00,000	50,000	50,000
Weighted Average No. of Shares [F.V Rs.10] - Pre Bonus Issue (C)	7,118,000	2,326,340	52,049	50,000	50,000
Bonus Shares (D)	7,800,000	7,800,000	78,00,000	78,00,000	78,00,00
Weighted average number of shares [F.V Rs.10](E=C+D)	14,918,000	10,126,340	78,52,049	78,50,000	78,50,000
Earnings per Share (EPS) (B / E) (Rs.)	1.23	2.52	3.75	2.73	2.15
Return on Net worth (B / A)	6.85%	10.11%	34.38%	42.92%	59.15%
Net Assets Value per Share (A / E)	17.99	24.91	10.90	6.36	3.63

Definitions of key ratios:

- Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings per Share" as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors', the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.
- Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year / period
- Net Asset Value (Rs.):** Net Worth at the end of the year / weighted average number of equity shares.
- Net Profit,** as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

Annexure- 07
CAPITALIZATION STATEMENT
(Rs. In Lacs)

Particulars	Pre-issue as at 31.03.14	Post Issue *
Borrowing		
Short - Term Debt (Including unsecured Loans)	39.00	
Long - Term Debt	160.00	
Total Debt	199.00	
Shareholders' Funds		
Share Capital		
- Equity	1491.80	
Less: Calls - in - arrears	-	
- Preference	-	
Reserves & Surplus	1239.87	
Less: Miscellaneous Expenditure not written off	48.20	
Total Shareholders' Funds	2683.47	
Long - Term Debt / Shareholders Fund	0.06	
Short - Term Debt / Shareholders Fund	0.01	
* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.		

Annexure- 08
STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Profit before tax as per Restated P/L	187.35	257.49	294.37	214.24	168.68
Applicable Corporate Tax Rate	32.45%	32.45%	32.45%	33.22%	33.99%
Tax at Notional Rate (A)	60.80	83.55	95.52	71.17	57.33
Adjustments					
Exempt Incomes	176.20	249.90	294.37	214.24	168.68
Difference been depreciation as per Companies Act and Income Tax Act	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Interest Income	11.15	7.58	-	-	-
Net Adjustments	187.35	257.48	294.37	214.24	168.68
Tax Expenses / (Savings) thereon (B)	(57.36)	(81.21)	(95.52)	(71.17)	(57.33)
Total Tax Payable (C=A+B)	3.44	2.34	-	-	-
Tax Payable as per Minimum Alternate Tax u/s 115 JB of Income Tax Act, 1961 (D)	-	-	-	-	-
Net Tax (Higher of C & D)	3.44	2.34	-	-	-

Annexure - 09

STATEMENT OF UNSECURED LOANS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Inter Corporate Loans	199.00	72.75	324.10	337.60	347.00
Total	199.00	72.75	324.10	337.60	347.00

Terms of Unsecured Loans: Interest Free, Repayable on Demand

Annexure-10

STATEMENT OF SUNDRY DEBTORS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
(A) Unsecured, Considered good outstanding for a period less than six months					
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-
Others	32.09	244.78	170.21		
(B) Unsecured, Considered good outstanding for a period more than six months					
Amount due from Promoter / Group Companies and Directors	-	-	-	-	
Others	-	-	-	13.63	
Total	32.09	244.78	170.21	13.63	

Annexure-11

STATEMENT OF DEPOSITS, LOANS & ADVANCES

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Advances recoverable in cash or kind					
Due from Promoter / Group Companies / Director	-	-	-	-	-
Others	1280.07	813.14	-	-	-
Deposits					
Due from Promoter / Group Companies / Director	-	-	-	-	-
Others	21.25	21.25	-	-	-
Total	1301.32	834.39			-

Annexure-12

STATEMENT OF CURRENT LIABILITIES & PROVISIONS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<u>Current Liabilities</u>					
<u>Sundry Creditors for Goods</u>					
Amount due to Promoter /Group Company / Directors	-	-	-	-	-
Others	-	-	-	-	-
<u>Other Outstanding liabilities:</u>					

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Amount due to Promoter /Group Company / Directors					
Others	37.84	2.90	0.10	0.10	0.10
Sub Total (A)	37.84	2.90	0.10	0.10	0.10
<u>Provisions</u>					
Provisions	3.44	2.34	-	-	-
Sub Total (B)	3.44	2.34	-	-	-
Total (A+B)	41.28	5.24	0.10	0.10	0.10

Annexure-13
STATEMENT OF DETAILS OF CONTINGENT LIABILITIES

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Contingent Liabilities	-	-	-	-	-
Total	-	-	-	-	-

Annexure-14

STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Transactions with Related Parties (Rs. in Lacs)					
REVENUE ITEMS					
Rent Paid					
Group Companies					
Payment of Remuneration					
Promoters and Directors:	2.40				
NON REVENUE ITEMS:					
Parties where control exists:					
Capital Contribution:					
Promoters and Directors:		128.10	62.50		
Other Parties:					
Loan taken:					
Group Companies		42.41	90.00		
Loan Repaid:					
Group Companies		366.51	103.50	9.40	
Loan given:					
Group Companies					
Loan Received back:					
Group Companies					
Assets Purchased:					
Director					

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014 in the chapter titled "Financial Information" on page 87 of the Draft Letter of Offer. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

OVERVIEW OF THE BUSINESS

THE INDUSTRY OVERVIEW

AGRICULTURAL INDUSTRY IN INDIA:

Agriculture in India has a significant history. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like forestry and logging accounted for 16.6% of the GDP in 2007, about 50% of the total workforce and despite a steady decline of its share in the GDP, is still demographically the broadest economic sector and plays a significant role in the overall social-economic development of India.

India is the largest producer in the world of fresh fruit, anise, fennel, badian, coriander, tropical fresh fruit, jute, pigeon peas, pulses, spices, millets, castor oil seed, sesame seeds, safflower seeds, lemons, limes, cow's milk, dry chillies and peppers, chick peas, cashew nuts, okra, ginger, turmeric, guavas, mangoes, goat milk and buffalo milk and meat. India is also the largest producer of millets like Jowar, Bajra and Ragi. It is second only to China in the production of rice. India is the 6th largest coffee producer in the world. It also has the world's largest cattle population (281 million). It is the second largest producer of cashews, cabbages, cotton seed and lint, fresh vegetables, garlic, egg plant, goat meat, silk, nutmeg, mace, cardamom, onions, wheat, rice, sugarcane, lentil, dry beans, groundnut, tea, green peas, cauliflowers, potatoes, pumpkins, squashes, gourds and inland fish. It is the third largest producer of tobacco, sorghum, rapeseed, coconuts, hen's eggs and tomatoes. India accounts for 10% of the world fruit production with first rank in the production of mangoes, papaya, banana and sapota.

BUSINESS OVERVIEW

Our Company was originally incorporated in New Delhi as "Esteem Constructions Private Limited" on 27th July, 1995 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The name of the Company was changed to Esteem Bio Organic Food Processing Private Limited and a fresh certificate of incorporation consequent to the change of name was granted by the National Capital Territory of Delhi & Haryana on 15th December, 2008. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Esteem Bio Organic Food Processing Limited" vide fresh certificate of incorporation dated 28th January, 2009 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Our results of operations could potentially be affected by the following factors amongst others:

- Changes in government policies
- Material changes in the duty or tax structure
- Competition from existing and new entrants
- Monsoon conditions and seasonality
- Consumers' adaptability of our products.

- Quality of seed, fertilizers which we use.
- Efficient Logistics and Supply chain management

DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2009-10, 2010-2011, 2011-2012, 2012-2013 and 2013-2014. The same should be read in conjunction with the restated audited financial results of our Company for the years ended March 31, 2010, 2011, 2012, 2013 and 2014.

Analysis on Results of Operation

Considering the various Key factors affecting our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the periods indicated read together with notes to accounts, accounting policies and auditor's report as appearing in this Draft Letter of Offer.

<i>(Rs. In Lacs)</i>				
Particulars	31.03.14	31.03.13	31.03.12	31.03.11
Income from Agriculture Operations	319.76	643.47	304.30	173.10
Increase/ (Decrease) (%)	(50.31)	111.46	75.79	---
Other Income	11.15	7.58	-	-
Increase in stock in trade	-	-	37.47	76.42
Total	330.91	651.05	341.77	249.52
Expenditure:				
Plantation and Cultivation Expenses	15.84	16.65	17.52	12.69
Increase/ (Decrease) (%)	(4.86)	(4.97)	38.06	---
Decrease in stock in trade	21.25	275.28	-	-
Employees Expenses	7.92	16.43	20.31	15.18
Increase/ (Decrease) (%)	(51.80)	(19.10)	33.79	---
Other Administrative & Selling Expenses	39.95	33.59	9.57	7.41
Increase/ (Decrease) (%)	18.93	250.99	29.15	---
Total	84.96	341.95	47.40	35.28
Profit before Depreciation, Interest and Tax	245.95	309.10	294.37	214.24
Increase/ (Decrease) (%)	(20.43)	5.00	37.40	---
Profit before Interest & Tax	187.35	257.48	294.37	214.24
Increase/ (Decrease) (%)	(27.24)	(12.53)	37.40	---
Net Profit before Tax	187.35	257.48	294.37	214.24
Increase/ (Decrease) (%)	(27.24)	(12.53)	37.40	---
Net Profit After Tax	183.90	255.14	294.37	214.24
Increase/ (Decrease) (%)	(27.92)	(13.33)	37.40	---

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2014 WITH FINANCIAL YEAR ENDED 31st MARCH, 2013

Income: Our turnover for the financial year ended 31st March, 2014 was at Rs. 319.76 Lacs as against the total of Rs. 643.47 Lacs for the fiscal 2012 with decline of 50.31% and such decline was attributed to heavy rainfalls in Uttarakhand in June, 2012.

Expenditure: The plantation & cultivation expenses have registered decline of 4.86% at Rs. 15.84 Lacs in fiscal 2014 as compared to Rs. 16.65 Lacs for the fiscal 2013; Personnel Expenses have registered decline of 51.80% at Rs. 7.92 Lacs in fiscal 2014 as compared to Rs. 16.65 Lacs in fiscal 2013 and administrative & selling expenses have shown an increase of 18.93% at Rs. 39.95 Lacs in fiscal 2014 as compared to Rs. 33.59 Lacs in fiscal 2013.

Profits after Taxes (PAT): PAT of Company has recorded a decline of 27.92 % at Rs. 183.90 Lacs for fiscal 2014 as against Rs. 255.14 Lacs for fiscal 2013 due to decline in volume of operations.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2013 WITH FINANCIAL YEAR ENDED 31st MARCH, 2012

Income: Our turnover for the financial year ended 31st March, 2013 was at Rs. 643.47 Lacs as against the total of Rs. 304.30 Lacs for the fiscal 2012 with an increase of 111.46% and such increase was attributed to rise in sales of our products during fiscal 2013.

Expenditure: The plantation & cultivation expenses have registered an decline of 4.97% at Rs. 16.65 Lacs in fiscal 2013 as compared to Rs. 17.52 Lacs for the fiscal 2012; Personnel Expenses have registered decline of 19.10% at Rs. 16.43 Lacs in fiscal 2013 as compared to Rs. 20.31 Lacs in fiscal 2012 and administrative & selling expenses have shown an increase of 250.99% at Rs. 33.59 Lacs in fiscal 2013 as compared to Rs. 9.57 Lacs in fiscal 2012. The rise in expenses in fiscal 2013 is basically in line with increase in turnover.

Profits after Taxes (PAT): PAT of Company has recorded a decline of 13.33 % at Rs. 255.14 Lacs for fiscal 2013 as against Rs. 294.37 Lacs for fiscal 2012 due to higher base of revenue.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2012 WITH FINANCIAL YEAR ENDED 31st MARCH, 2011

Income: Our turnover for the financial year ended 31st March, 2012 was at Rs. 304.30 Lacs as against the total of Rs. 173.10 Lacs for the fiscal 2011 with an increase of 75.79 % and such increase was attributed to rise in sales of our products during fiscal 2012.

Expenditure: The plantation & cultivation expenses have registered an increase of 38.06 % at Rs. 17.52 Lacs in fiscal 2012 as compared to Rs. 12.69 Lacs for the fiscal 2011; Personnel Expenses have registered increase of 33.79% at Rs. 20.31 Lacs in fiscal 2012 as compared to Rs. 15.18 Lacs in fiscal 2011 and administrative & selling expenses have shown an increase of 29.15% at Rs. 9.57 Lacs in fiscal 2012 as compared to Rs. 7.41 Lacs in fiscal 2011. The rise in expenses in fiscal 2012 is basically in line with increase in turnover.

Profits after Taxes (PAT): PAT of Company has recorded a growth of 37.40 % at Rs. 294.37 Lacs for fiscal 2012 as against Rs. 214.24 Lacs for fiscal 2011 due to higher base of revenue.

Other Information required as per SEBI Regulations

- ***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- **Significant economic changes that materially affected or are likely to affect income from continuing operations**

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the Risks disclosed under the section titled “Risk Factors” no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company’s knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.***

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However Increase in the cost of the products in which the Company deals, will affect the profitability of the Company. Further, the Company may not able to pass on the increase in prices of the product to the customers in full and this can be offset through cost reduction.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of all the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

The Company operates in single segment i.e. Agriculture Activities.

- ***Status of any publicly announced New Products or Business Segment***

The Company has not announced any new products or business segment.

- ***The extent to which our Company’s business is seasonal***

Our business operations relating to agricultural segment are heavily dependent on weather conditions being extreme climatic conditions or disruptive monsoons which might materially and affect our agricultural crops and our cultivated products resulting into adverse effects on our incomes and results of operations.

- ***Any significant dependence on a single or few suppliers or customers***

We are not under threat of dependence from any single supplier or customer.

- ***Competitive conditions***

The Indian agriculture market is largely fragmented comprising of organized and unorganized sectors. Every district may have its own clutch of unorganized agriculturists. The rates vary depending upon the demand supply pattern prevailing in the market. Geographies also play a vital role in deciding the rates. The produce is marketable in the mandies, open market as well as to organized sectors.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

I. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

II. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

IV. LITIGATIONS INVOLVING OUR PROMOTER

(i) Proceedings of Civil nature

(a) By the promoters

NIL

(b) Against the promoters

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(b) Against the promoters

NIL

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

VI. LITIGATIONS INVOLVING OUR GROUP COMPANIES

(i) Proceedings of Civil nature

(a) By our Group Companies

NIL

(b) Against our Group Companies

NIL

(ii) Proceedings of a Criminal nature-

(a) By our Group Companies

NIL

(b) Against our Group Companies

NIL

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Draft Letter of Offer, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

GOVERNMENT & OTHER APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Draft Letter of Offer.

APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 30th August, 2013, authorized the Issue.

INCORPORATION DETAILS

1. Certificate of incorporation 27th July, 1995 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana, in the name of Esteem Constructions Private Limited.

2. Fresh Certificate of Incorporation dated 15th December, 2008 issued by the by the Registrar of Companies, National Capital Territory of Delhi & Haryana, consequent upon change of name from Esteem Constructions Private Limited to Esteem Bio Organic Food Processing Limited.

3. Fresh Certificate of Incorporation dated 18th January, 2009 issued by the by the Registrar of Companies, National Capital Territory of Delhi & Haryana, consequent upon change of name on conversion to Public Limited Company.

4. The Company Identification Number (CIN) is U74899DL1995PLC071220.

CORPORATE APPROVALS OF OUR COMPANY

1. Permanent Account Number (AAACE1925D) under the Income Tax Act, 1961.

2. Tax Deduction Account Number (DELE06591E) under the Income Tax Act, 1961.

3. ISIN Number is INE209O01010.

APPROVALS TO BE OBTAINED FOR THE OBJECTS OF THE ISSUE

No Approvals required to be obtained for the Objects of the Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Pursuant to the resolutions passed by the Board of Directors of our Company at the meetings held on 30th August, 2013, it has been decided to make the following offer to the Eligible Equity Shareholders of our Company, with a right to renounce.

Prohibition by SEBI

Neither our Company, nor its Directors or its Promoter or Promoter Group or Promoter Group Entities, or companies with which our Company's Directors are associated with as directors or promoter or person in control of company, have been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI. Further, none of the directors or person(s) in control of the Promoter has been prohibited from accessing the capital market under any order or direction passed by SEBI. Further the Promoter, their relatives (as per Act), our Company and group companies/group entities are not declared as willful defaulters by the RBI / Government authorities.

PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been detained as willful defaulters by the RBI or any other government authorities.

Eligibility for the Issue

Our Company is an existing company registered under the Companies Act whose Equity Shares are listed on the SME platform of BSE Limited. Our Company is eligible for this Issue in terms of Regulation 4(2) of the SEBI (ICDR) Regulations, 2009.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, UNICON CAPITAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, UNICON CAPITAL SERVICES PRIVATE LIMITED HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED 28th MAY, 2014 WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN**

CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER (PERTAINING TO THE SAID ISSUE);

- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
- (a) THE DRAFT LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH EXCEPT AS OTHERWISE STATED IN THE DRAFT LETTER OF OFFER; AND
 - (c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER 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, COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS
- (5) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- (6) WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE WILL FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- (7) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
- (8) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- (9) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

- (10) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- (11) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.
- (12) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED LETTER OF OFFER CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.-NOTED
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.-MARKET MAKING NOT APPLICABLE BEING RIGHTS ISSUE AND UNDERWRITING NOTED FOR COMPLIANCE
- (7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE DRAFT LETTER OF OFFER WITH THE STOCK EXCHANGE.

Caution

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the

instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

The Lead Manager and our Company shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports *etc.* after filing of this Draft Letter of Offer.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations there under. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

Selling restrictions

The distribution of this Draft Letter of Offer and the Issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Rights Equity Shares to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer / Abridged Letter of Offer and CAFs to the Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Letter of Offer may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the Issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Letter of Offer.

Neither the delivery of this Draft Letter of Offer and / or the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

United States Restrictions

NEITHER THE RIGHTS ENTITLEMENTS NOR THE RIGHTS SECURITIES THAT MAY BE PURCHASED PURSUANT HERETO HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR THE "U.S."), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS SECURITIES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SECURITIES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID RIGHTS SECURITIES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. NEITHER OUR COMPANY NOR ANY PERSON ACTING ON BEHALF OF OUR COMPANY WILL ACCEPT SUBSCRIPTIONS OR RENUNCIATIONS FROM ANY PERSON, OR THE AGENT OF ANY PERSON, WHO APPEARS TO BE, OR WHO THE COMPANY OR ANY PERSON ACTING ON BEHALF OF OUR COMPANY HAS REASON TO BELIEVE IS, A RESIDENT OF THE UNITED STATES AND TO WHOM AN OFFER, IF MADE, WOULD RESULT IN REQUIRING REGISTRATION OF THE LETTER OF OFFER WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

IN ADDITION, UNTIL 40 DAYS AFTER THE FIRST DATE UPON WHICH THE RIGHTS ENTITLEMENTS OR THE RIGHTS SECURITIES WERE BONA FIDE OFFERED TO THE PUBLIC, AN OFFER OF SUCH SECURITIES WITHIN THE UNITED STATES BY A DEALER MAY VIOLATE THE REQUIREMENTS OF THE SECURITIES ACT.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be the BSE.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated [●], permission to this company to use the Exchange's name in the Letter of Offer 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;

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- ii. warrant that this company's securities will be listed or will continue to be listed on the Exchange; or
- iii. take any responsibility for the financial or other soundness of 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 the letter of offer 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.

Filing

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Letter of Offer shall be filed with SEBI at the SEBI Northern Regional Office, 5th Floor, Bank of Baroda Bldg, 16 Sansad Marg, New Delhi- 110001.

A copy of the Letter of the Offer, required to be filed under SEBI (ICDR) Regulations, 2009 would be filed with all the Stock Exchange(s) where the Equity Shares of our Company are listed.

Listing

The existing Equity Shares are listed on the SME platform of BSE Limited. Our Company has made an application to BSE for permission to deal in and for an official quotation in respect of the securities being offered in terms of the Letter of Offer. Our Company has received in-principle approval from the BSE vide letter dated [●]. Our Company will apply to BSE for listing of the securities to be issued pursuant to this Issue.

If the permission to deal in and for an official quotation of the Rights Equity Shares is not granted by any of the Stock Exchange mentioned above, within 15 days from the Issue Closing Date, our Company shall forthwith repay, without interest, all monies received from Investors in pursuance of the Letter of Offer. If such money is not paid within 8 days after our Company becomes liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from expiry of 8 (eight) days, be jointly and severally liable to repay the money with interest as prescribed under the Section 40 of the Companies Act, 2013.

Impersonation

Attention of the Investors is specifically drawn to the provisions of subsection (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for,

any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”

Dematerialised Dealing

Our Company has agreements dated 2nd April, 2014 and 4th April, 2014 with CDSL and NSDL respectively and its Equity Shares bear the ISIN No. INE209O01010.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, and (b) the Lead Manager, Bankers to the Issue, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and such consents shall not be withdrawn.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Pawan Shubham & Co., Chartered Accountants, the Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated 28th May, 2014 on restated financial statements and M/s. Rupesh Mangal & Associates, Chartered Accountants, the Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their report on statement of funds deployed dated 28th May, 2014 and statement of tax benefits dated 28th May, 2014 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Draft Letter of Offer in the form and context in which they appear therein and such consent and reports will not be withdrawn.

Expert Opinion, if any

Except for the Auditors' Report and the Statement of Tax Benefits on page 87 and 42 of the Draft Letter of Offer, no expert opinion have been obtained by our Company in relation to this Draft Letter of Offer.

Fees Payable to the Lead Manager to the Issue

The fee payable to the Lead Manager to the Issue is set out in the engagement letter issued by our Company to the Lead Manager and Memorandum of Understanding entered into by our Company with the Lead Manager, copies of which are available for inspection at the Registered Office of our Company.

Fees Payable to the Registrars to the Issue

The fee payable to the Registrars to the Issue is as set out in the relevant documents, copies of which are kept open for inspection at the Registered Office of our Company.

Fees payable to the SCSBs

The total fees payable to the SCSBs will be as per the memorandum of understanding among the Registrar to the Issue, our Company and the SCSBs, for the services rendered in uploading and processing the ASBA, a copy of which will be made available for inspection at our Registered Office.

Brokerage and selling commission

No brokerage and selling commission will be paid for this Issue.

Expenses of the Issue

The expenses of the Issue payable by our Company including printing and distribution expenses, publicity, listing fees, stamp duty and other expenses are estimated at Rs. [•] lacs (around [•] % of the total Issue size) and will be met out of the proceeds of the Issue. The following table provides a break up of estimated issue expenses:

Particulars	Rs. in lacs	As a percentage of the Total Issue Expenses	As a percentage of the Total Issue Size
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Particulars	Rs. in lacs	As a percentage of the Total Issue Expenses	As a percentage of the Total Issue Size
Lead Management Expenses	[•]	[•]	[•]
Advertisement and marketing expenses			
Printing & Stationery (including courier and transportation charges)	[•]	[•]	[•]
Others (Legal fees, Registrar's fees, Listing Charges etc.)	[•]	[•]	[•]
Total	[•]	[•]	[•]

* Will be incorporated at the time of filing of the Letter of Offer

Previous Issues by our Company during the last five years

Our Company came out with its maiden public Issue in the year 2013 and issued 45,18,000 Equity Shares of the face value Rs. 10 each at a price of Rs. 25 per share aggregating to Rs. 1129.50 Lacs. The details of the IPO are given below:-

1	Closing Date	18/01/2013
2	Date of Allotment	22/01/2013
3	Date of Listing	07/02/2013

Promise vis-à-vis Performance

Our Company came out with its maiden public Issue in the year 2013 and issued 45,18,000 Equity Shares of the face value Rs. 10 each at a price of Rs. 25 per share aggregating to Rs. 1129.50 Lacs. The objects of the issue and the respective utilizations as on 31st March, 2014 are as follows:-

Particulars	Proposed Objects	Actual Utilizations
Setting up of Shade Net Cultivation facility	380.00	375.00
Development of farm land for transition to organic farming	565.00	564.49
Procurement of farm tools & equipments	30.00	29.06
Brand Building and General Corporate Purposes	80.00	30.00
Issue Expenses	70.00	31.28
Unutilized Portion: Investment in Short Term Advances	NA	99.67

Stock Market Data

For details of stock market data of our Company please refer to the chapter titled “Stock Market Data for Equity Shares of our Company” on page 143 of the Draft Letter of Offer.

Listing on the Stock Exchange

The Equity Shares of our Company is listed on SME platform of BSE.

Issues for consideration other than cash

Our Company has not issued Equity Shares for consideration other than cash or out of revaluation reserves.

Outstanding Debentures or Bonds and Preference Shares

As on date of this Draft Letter of Offer there are no outstanding debentures or bonds or redeemable preference shares issued by our Company.

Option to Subscribe

Other than the present Issue, our Company has not given any person any option to subscribe to the securities of our Company.

Changes in Auditors during the last three years

Except as stated below there has been no change in the auditors of our Company for the last three years.

Financial year	Particular of Changes	Reason
2013-14	M/s Rupesh Mangal & Associates, Chartered Accountants have been appointed in the place M/s Anil Bandhu & Co.,	M/s Anil Bandhu & Co. wished to resign due to their pre-occupation.

Capitalization of Reserves or Profits

Our Company has not capitalized any reserve during last five (5) years except the fact that We have allotted 78,00,000 Equity Shares as bonus in the ratio of 3:1 to our existing Equity shareholders pursuant to a Board resolution dated 15th October, 2012 by capitalization of free reserves.

Revaluation of Fixed Assets

There has been no revaluation of our Company's fixed assets for the last five years.

Minimum Subscription

This Rights Issue is fully underwritten and not subject to any level of minimum subscription.

Our Promoter and Promoter Group have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. Our Promoters and Promoter Group reserve their right to apply for additional Rights Equity Shares, either by themselves, their relatives or a combination of entities controlled by them, including by subscribing for renunciation if any, made within the Promoter Group to another person forming part of the Promoter Group.

In addition to the subscription to the Rights Equity Shares as stated above, in case of Issue is undersubscribed, our Promoter and Promoter Group reserve their right to subscribe to additional Rights Equity Shares in the Issue up to the 100% of the Issue subject to the condition that any circumstances the post issue public shareholding in our Company shall not fall below the specified limit of 25% as stipulated in clause 42 of the Listing Agreement.

As a result of this subscription and consequent allotment, the Promoter & Promoter Group may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding being above the current shareholding but will certainly not exceed 75% of the post issue paid share capital of our Company. This subscription and acquisition of additional Equity Shares by the Promoter and Promoter Group through this Issue, if any, will not result in change of control of the management of our Company and shall be exempt in terms of provision under Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

As such, other than meeting the requirements indicated in this section on "Objects of the Issue", there is no other intention / purpose for this Issue, including any intention to delist the Company, even if, as a result of allotment to the Promoter & Promoter Group, in this Issue, the Promoter's & Promoter Groups' shareholding in our Company exceeds their current shareholding. The Promoter & Promoter Group shall subscribe to such unsubscribed portion as per the relevant provisions of the law.

Allotment to the Promoter & Promoter Group of any unsubscribed portion, over and above their entitlement shall be done in compliance with clause 42 of the Listing Agreement and other applicable laws prevailing at that time relating to continuous listing requirements.

Our Promoter and Promoter Group hold 20.58% of the paid up equity share capital of our Company and even if they were to subscribe to the entire rights issue their post Issue shareholding would not exceed 75% of post Issue equity share capital. Moreover our Promoter & Promoter Group have given an undertaking that in case due to the subscription by them to the unsubscribed portion, the post issue public shareholding in any circumstances in our Company would not fall below the specified limit of 25 % as stipulated in clause 42 of the Listing Agreement.

The above is subject to the terms mentioned under the section titled “Terms & Procedure of Issue” beginning on page 118 of this Draft Letter of Offer.

Issue Schedule

Issue Opening Date:	[•]
Last date for receiving requests for split forms:	[•]
Issue Closing Date:	[•]

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Allotment Advices / Refund Orders

Our Company will issue and dispatch allotment advice / share certificates/ demat credit and/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 15 days from the date of closure of the Issue. If such money is not repaid within eight days from the day our Company becomes liable to pay it, our Company shall pay that money with interest as stipulated under the Companies Act.

Investors residing in the 68 cities specified by SEBI pursuant to its circular dated February 1, 2008, will get refunds through ECS only except where Investors are otherwise disclosed as applicable / eligible to get refunds through direct credit and RTGS provided the MICR details are recorded with the Depositories or our Company.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through certificate of posting intimating them about the mode of credit of refund within 15 working days of closure of the Issue.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and the Company issues letter of allotment, the corresponding share certificates will be kept ready within two months from the date of Allotment thereof or such extended time as may be approved by the Company Law Board under Section 56 (4) (b) of the Companies Act, 2013 or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

Refund orders exceeding Rs.1,500 would be sent by registered post / speed post to the sole / first Investors' registered address. Refund orders up to the value of Rs.1,500 would be sent under certificate of posting. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole / first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Investor Grievances and Redressal System

Our Company has adequate arrangements for redressal of Investor complaints as well as a well-arranged correspondence system developed for letters of routine nature. The share transfer and dematerialization for our Company is being handled by our registrar and share transfer agent, Mas Services Limited. Letters are filed category wise after being attended to. The redressal norm for response time for all correspondence including

shareholders complaints is 15 days.

The contact details of our registrar and share transfer agent are as follows:

MAS SERVICES LIMITED

T-34, 2nd Floor, Okhla Industrial Area

Phase - II, New Delhi - 110020

Tel No.: +91-11-26387281/82/83

Fax No.: +91-11-26387384

Website: www.masserv.com

E-mail ID: info@masserv.com

Contact Person: Mr. Sharwan Mangla

SEBI Registration No: INR000000049

Status of Complaints

Total number of complaints received during the last three Financial Years: Nil

Total number of complaints received during Financial Year 2012-13: Nil

As of date, there are NIL investor grievances pending against our Company.

Status of complaints: NIL

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Ms. Saroj Sherawat as Company Secretary and Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. She can be contacted at the following address:

We have appointed Ms. Saroj Sherawat as Company Secretary and Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. She can be contacted at the following address:

Ms. Saroj Sherawat,
Company Secretary & Compliance Officer,
49, Gujrawala Town, Part-II,
New Delhi-110009,
Tel: 91-11-32961926, Fax: 91-11-32961926
E-Mail: info@esteembioorganic.com;
Website: www.esteembioorganic.com

SECTION VII

ISSUE RELATED INFORMATION

TERMS AND PROCEDURE OF THE ISSUE

The Rights Equity Shares, now being issued, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the CAF, the ASBA form, the Memorandum and Articles of Association of our Company, the provisions of the Companies Act, guidelines issued by SEBI, guidelines, notifications and regulations for issue of capital and for listing of securities issued by Government of India and/or other statutory authorities and bodies from time to time, terms and conditions as stipulated in the allotment advice or letter of allotment or security certificate and rules as may be applicable and introduced from time to time.

Authority for the Issue

The Rights Issue has been approved by our Board of Directors in their meetings held on 30th August, 2013 with the right to renounce

Ranking of Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association of our Company. The dividend payable on Equity Shares allotted in this Issue shall rank for dividend in proportion to the amount paid up. The Equity Shares allotted in this Issue, shall be *pari passu* with the existing Equity Shares in all respects including dividend. For more details see section titled “*Articles of Association of our Company*” beginning on page 144 of this Draft Letter of Offer.

Mode of Payment of Dividend

We shall pay dividend to our Equity Shareholders as per the provisions of the Companies Act.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in electronic form and on the Register of Members of our Company in respect of the Equity Shares held in the physical form at the close of business hours on the Record Date i.e. [●], fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in electronic form or appears in the Register of Members as an Equity Shareholder on the Record Date, you are entitled to the number of Rights Equity Shares shown in Block I of Part A of the enclosed CAF.

Principal Terms of the Rights Equity Shares

Face value

Each Rights Equity Share shall have a face value of Rs. 10.

Issue Price

Each Rights Equity Share is being offered at a price of Rs. [●].

Payment terms

Full amount of Rs. [●] per share is payable on application.

Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 2 (Two) Rights Equity Share for every 3 (Three) Equity Share held on the Record Date.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to the existing Equity Shareholders in the ratio of 2 (Two) Rights Equity Share for every 3 (Three) Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Equity Shareholders is less than Three (3) Equity Shares or not in the multiple of Three (3), the fractional entitlement of such Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, Equity Shareholders whose fractional entitlements are being ignored as above would be given preferential consideration for the Allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Those Equity Shareholders holding less than Three (3) Equity Shares and therefore entitled to 'Zero' Equity Shares under this Issue shall be despatched a CAF with 'Zero' entitlement. Such Equity Shareholders are entitled to apply for additional Equity Shares and would be given preference in the allotment of one additional Equity Share if, such Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

Rights of our Equity Shareholders

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividends, forfeiture, lien, transfer and transmission, and / or consolidating / splitting, please refer to the section titled "Main Provisions of the Articles of Association of our Company" beginning on page 144 of this Draft Letter of Offer.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is 300 (Three Hundred) Equity Share. In case of holding of Equity Shares in physical form, the Company would issue to the allottees 1 (one) certificate for the Rights Equity Shares allotted to each folio ("Consolidated Certificate"). In respect of consolidated certificates, the Company will upon receipt of a request from the respective holder of Equity Shares, split such consolidated certificates into smaller denominations within six weeks time from the receipt of the request in respect thereof.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles.

Nomination

In terms of Section 72 of the Companies Act, 2013 the nomination facility is available in case of the Rights Equity Shares. The Investors can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named

Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Rights Equity Shares. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares.

Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Share(s), in the event of death of the said Eligible Equity Shareholder(s), during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed.

When the Equity Share(s) is held by two or more Eligible Equity Shareholders, the nominee shall become entitled to receive the amount only on the demise of all the Eligible Equity Shareholders.

Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investors can make the nomination by filling in the relevant portion of the CAF. Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with the Company, no further nomination needs to be made for Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Rights Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participant ("DP") of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Offer to Non-Resident Equity Shareholders / Applicants

Applications received from NRIs and non-residents for Allotment of Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the Foreign Exchange Management Act, 2000 (FEMA) in the matter of receipt and refund of application moneys, Allotment of Equity Shares, issue of letter of allotment / share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to purchase shares offered on a rights basis by an Indian company in terms of FEMA and regulation 6 of notification No. FEMA 20/2000-RB dated May 3, 2000. However, the general permission referred to in the sentence immediately above is subject to the restrictions described below under "No Offer in the United States". The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment of Equity Shares, payment of dividend etc. to the non-resident Shareholders. The equity shares purchased on a rights basis by non-residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original equity shares against which equity shares are issued on a right basis.

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, overseas corporate bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities. Thus, OCBs desiring to participate in this Issue must obtain prior approval from the RBI. Such approval shall be submitted along with the CAF.

The Letter of Offer and CAF shall only be dispatched to non-resident Equity Shareholders with registered addresses in India. The Letter of Offer and CAF should not be forwarded to or transmitted in or into the United States of America or the territories or possessions thereof at any time or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the United States Securities Act of 1933, as amended), except in a transaction exempt from the registration requirements of the Securities Act.

No Offer in the United States

The offer of Equity Shares pursuant to the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any U.S. state securities laws and will not be offered, sold, resold or otherwise transferred within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred in Letter of Offer are being offered in India but not in the United States of America. The Issue to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States of America, or the territories or possessions thereof, or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Letter of Offer should not be forwarded to or transmitted in or into the United States of America at any time except in a transaction exempt from the registration requirements of the Securities Act. Neither the Company nor any person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company or any person acting on behalf of the Company has reason to believe is, a resident of the United States of America and to whom an offer, if made, would result in requiring registration of the Letter of Offer with the United States Securities and Exchange Commission. The Company is informed that there is no objection to a United States shareholder selling its rights in India. Rights will not be transferred or sold to any U.S. Person (as defined in Regulation S under the Securities Act).

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English national daily with wide circulation and one Hindi national daily with wide circulation, and / or, will be sent by ordinary post / registered post / speed post to the registered holders of the Equity Shares from time to time.

Listing and trading of the Rights Equity Shares proposed to be issued

Our Company’s existing Equity Shares listed on SME Platform of BSE. The Rights Equity Shares proposed to be issued shall be listed on the SME Platform of BSE under the existing ISIN for fully paid up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as practicable but in no case later than 7 working days from the date of allotment. The Company has made an application for “in-principle” approval for listing of the Rights Equity Shares and has received such approval from the BSE through letter No. [●], dated [●].

The distribution of the Letter of Offer and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Our Company is making this Issue of Rights Equity Shares on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer / Abridged Letter of Offer and the CAF to the Eligible Equity Shareholders who have provided an Indian address.

Additional subscription by our Promoters and Promoter Group

Our Promoter and Promoter Group have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. Our Promoters and Promoter Group reserve their right to apply for additional Rights Equity Shares, either by themselves, their relatives or a combination of entities controlled by them, including by subscribing for renunciation if any, made within the Promoter Group to another person forming part of the Promoter Group.

In addition to the subscription to the Rights Equity Shares as stated above, in case of Issue is undersubscribed, our Promoter and Promoter Group reserve their right to subscribe to additional Rights Equity Shares in the Issue up to the 100% of the Issue subject to the condition that any circumstances the post issue public shareholding in our Company shall not fall below the specified limit of 25% as stipulated in clause 42 of the Listing Agreement.

As a result of this subscription and consequent allotment, the Promoter & Promoter Group may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding being above the current shareholding but will certainly not exceed 75% of the post issue paid share capital of our Company. This subscription and acquisition of additional Equity Shares by the Promoter and Promoter Group through this Issue, if any, will not result in change of control of the management of our Company and shall be exempt in terms of provision under Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

As such, other than meeting the requirements indicated in this section on “Objects of the Issue”, there is no other intention / purpose for this Issue, including any intention to delist the Company, even if, as a result of allotment to the Promoter & Promoter Group, in this Issue, the Promoter’s & Promoter Groups’ shareholding in our Company exceeds their current shareholding. The Promoter & Promoter Group shall subscribe to such unsubscribed portion as per the relevant provisions of the law.

Allotment to the Promoter & Promoter Group of any unsubscribed portion, over and above their entitlement shall be done in compliance with clause 42 of the Listing Agreement and other applicable laws prevailing at that time relating to continuous listing requirements.

Our Promoter and Promoter Group hold 20.58% of the paid up equity share capital of our Company and even if they were to subscribe to the entire rights issue their post Issue shareholding would not exceed 75% of post Issue equity share capital. Moreover our Promoter & Promoter Group have given an undertaking that in case due to the subscription by them to the unsubscribed portion, the post issue public shareholding in any circumstances in our Company would not fall below the specified limit of 25 % as stipulated in clause 42 of the Listing Agreement.

Procedure for Application

The CAF would be printed in blue ink for all shareholders. Additional separate advice for Non-resident shareholders will be provided. In case the original CAF is not received by the applicant or is misplaced by the applicant, the applicant may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. Non-resident shareholders can obtain a copy of the CAF from the Registrars to the Issue, by furnishing the registered folio number, DP ID number, Client ID number and their full name and address. Equity Shares offered to you either in full or in part in favour of any other person or persons. Such renounees can only be Indian Nationals/Limited Companies incorporated under and governed by the Act, statutory Corporations /institutions, trusts (unless registered under the Indian Trust Act), minors (through their legal guardians), societies (unless registered under the Societies Registration Act, 1860 or any other applicable laws) provided that such trust/society is authorized under its constitution/bye laws to hold equity shares in a company and cannot be a partnership firm, more than three persons including joint-holders, foreign nationals (unless approved by RBI or other relevant authorities) or to any person situated or having jurisdiction where the offering in terms of the Letter of Offer could be illegal or require compliance with securities laws.

Option to Subscribe

Applicants to the Equity Shares, other than an ASBA Investor, issued through this Issue shall be allotted the securities in dematerialized (electronic) form at the option of the applicant. ASBA Investors shall be allotted the securities only in dematerialized form. Our Company signed a tripartite agreement with National Securities Depository Limited (NSDL) on 4th April, 2014 and with Central Depository Services (India) Limited (CDSL) on 2nd April, 2014, which enables the Investors to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates.

Utilisation of Issue Proceeds

The Board declares that:

- (a) The funds received against this Issue will be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 40 of the Companies Act, 2013.
- (b) Details of all money utilised out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such money has been utilised.

- (c) Details of all such unutilised money out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised money has been invested.

The funds received against this Issue will be kept in a separate bank account and our Company will not have any access to such funds until the finalization of basis of allotment.

Undertakings by the Company

- (a) The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.
- (b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the securities are to be listed will be taken within seven working days of finalization of basis of allotment.
- (c) The funds required for dispatch of refund orders/ allotment letters/ certificates by registered post or any other mode disclosed in the Letter of Offer shall be made available to the Registrar to the Issue.
- (d) The certificate of the securities/ refund orders, letters of allotment/allotment advice/ consolidated certificate to the shareholders including non-resident Indians shall be dispatched within the specified time.
- (e) No further issue of securities affecting equity capital of our Company shall be made till the securities issued/offered through the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
- (f) The Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
- (g) All information shall be made available by the Lead Manager and the Company to the 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 shows, presentations, in research or sales reports etc.
- (h) In accordance with clause 46 of the Listing Agreement, a statement shall be furnished to the Stock Exchange on a half yearly basis indicating material deviations, if any, in the utilization of the proceeds of the Issue.
- (i) In accordance with clause 52 of the Listing Agreement, the Company shall disclose to the Audit Committee, the uses/application of the proceeds of the Issue by major category, on a half yearly basis as a part of its half yearly declaration of financial results. Further, on an annual basis and until the full utilization of the proceeds of the Issue, the Company shall prepare a statement, which shall be certified by the statutory auditors of the Company, of the proceeds of the Issue utilized for purposes other than those specified in this Draft Letter of Offer and place such statement before the Audit Committee.
- (j) Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- (k) In the event that the public shareholding falls below the minimum prescribed in the Listing Agreements, the Company will take such steps as may be necessary to restore the minimum public shareholding in accordance with the SEBI regulations and undertakes to comply with such directions as may be issued by the Stock Exchange.
- (l) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Equity Shareholders within 15 days of the Issue Closing Date specifying details of the refund bank, along with the amount and the expected date of the electronic credit of refund.

How to Apply?

Resident Equity Shareholders

Applications should be made only on the enclosed CAF provided by the Company. The enclosed CAF should be completed in all respects, including number of physical or dematerialized shares, as explained in the instructions indicated in the CAF. Applications will not be accepted by the Lead Manager or by the Registrar to the Issue or by the Company at any offices except in the case of postal applications as per instructions given in the Letter of Offer.

Non-resident Equity Shareholders

Applications received from the Non-Resident Equity Shareholders for the Allotment of Equity Shares shall, inter alia, be subject to the conditions as may be imposed from time to time by the RBI, in the matter of refund of application moneys, Allotment of Equity Shares, issue of letters of allotment/ certificates/ payment of dividends etc.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares and for applying for additional Rights Equity Shares;

Part B: Form for renunciation;

Part C: Form for application for renunciation;

Part D: Form for request for split Application forms.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares offered, either in full or in part, by filling Part A of the enclosed CAF and submit the same along with the application money payable to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard. Investors at centers not covered by the branches of collecting banks can send their CAF together with the cheque drawn at par on a local bank at New Delhi / demand draft payable at New Delhi to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. An ASBA Investor may accept the Issue and apply for the Equity Shares offered, either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.

Options available to the Eligible Equity Shareholders

The CAF will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in Rights Equity Shares, then he can:

- Apply for his Rights Entitlement of Rights Equity Shares in part;
- Apply for his Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- Apply for his Rights Entitlement of Rights Equity Shares in full;
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Renunciation

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot and / or register the Rights Equity Shares in favour of more than 3 persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares).

Any renunciation from Resident Indian Shareholder(s) to Non-resident Indian(s) or from Non-resident Indian Shareholder(s) to Resident Indian(s) or from Non-resident Indian shareholder(s) to other Non-resident Indian(s) is

subject to the Renouncer(s) / Renouncee(s) obtaining the necessary approvals including the permission of the RBI under the FEMA and such permissions should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Accordingly, the Eligible Equity Shareholders of the Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Bankers to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for our Company of the person(s) applying for Rights Equity Shares of the CAF to receive allotment of such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. Part ‘A’ of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment to Renouncee(s) without assigning any reason thereof.

Procedure of renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part ‘A’, in whole, please complete Part ‘B’ of the CAF. In case of joint holding, all joint holders must sign Part ‘B’ of the CAF. The person in whose favour renunciation has been made should complete and sign Part ‘C’ of the CAF. In case of joint renouncees, all joint renouncees must sign this part of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into the requisite number of forms. Please indicate your requirement of split forms in the space provided for this purpose in Part ‘D’ of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for split forms, [●]. On receipt of the required number of split forms from the Registrar, the procedure as mentioned in the paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not agree with the specimen registered with our Company, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part ‘C’ of the CAF and submit the entire CAF to the Bankers to the Issue on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

Change and/ or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three, who is / are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed. However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for options

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholders to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- A request for split forms should be made for a minimum of One (1), Rights Equity Shares or, in multiples thereof.
- A request by the Investor for the split Application form should reach our Company on or before [●], 2014.
- Only the Eligible Equity Shareholders to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for split application forms. Forms once split cannot be split further.
- Split form(s) will be sent to the Investor(s) by post at the Investors' risk.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares you are entitled to, provided that you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed in the paragraph titled "Basis of Allotment" on page 128 of this Draft Letter of Offer.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. The Renouncee applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

You may exercise any of the following options with regard to the Rights Equity Shares offered, using the enclosed CAF:

Sr. No.	Options Available	Action Required
1.	Accept the whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign</i>).
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A including Block III relating to the acceptance of Rights Entitlement and Block IV relating to additional Rights Equity Shares (<i>All joint holders must sign</i>).
3.	Renounce your Rights Entitlement in full to one person (<i>Joint Renouncees are considered as one</i>).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (<i>All joint Renouncees must sign</i>).
4.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s). OR Renounce your Rights Entitlement to all the Rights Equity Shares offered to you to more than one Renouncee.	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for Split Application Forms. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for Split Application Forms. Splitting will be permitted only once. On receipt of the Split Application Form

Sr. No.	Options Available	Action Required
		<p>take action as indicated below.</p> <p>For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A.</p> <p>For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncees should fill in and sign Part C for the Equity Shares accepted by them.</p>
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Investors must provide information in the CAF as to their savings bank / current account number and the name of the bank with whom such account is held, to enable the Registrar to print the said details in the refund orders after the names of the payee(s). Failure to comply with this may lead to rejection of the application. Bank account details furnished by the Depositories will be printed on the refund warrant in case of Equity Shares held in electronic form.

Investors must write their CAF Number at the back of the cheque/demand draft.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Investor, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number / DP and Client ID number and his / her full name and address to the Registrar to the Issue. Please note that the request for a duplicate CAF should reach the Registrar to the Issue within 7 (seven) days from the Issue Opening Date. Please note that those who are making the application in the duplicate CAF should not utilize the original CAF for any purpose including renunciation, even if it is received / found subsequently. If the Investor violates any of these requirements, he / she shall face the risk of rejection of both the CAFs.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with a demand draft, net of bank and postal charges payable at New Delhi which should be drawn in favor of 'EBOFPL- Rights Issue' in case of resident shareholders and non-resident shareholders applying on non-repatriable basis or 'EBOFPL- Rights Issue-NR' in case of non-resident shareholders applying on repatriable basis and the Eligible Equity Shareholders should send the same by registered post directly to the Registrar to the Issue.

The envelope should be superscribed 'EBOFPL - Rights Issue' and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with the Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of the Issuer, being Esteem Bio Organic Food Processing Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number / DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;

- Total amount paid at the rate of Rs. [●] per Rights Equity Share;
- Separate cheques / DDs are to be attached for amounts to be paid for Rights Equity Shares;
- Particulars of cheque / demand draft / Savings / Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order;
- PAN of the Investor, and for each Investor in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Rights Equity Shareholders to appear in the same sequence and order as they appear in the records of the Company.

Please note that those who are making an application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates any of these requirements, he / she shall face the risk of rejection of both the applications. Separate cheque / DDs are to be attached for amounts to be paid for Rights Equity Shares. Our Company shall refund such application amount to the Investor without any interest thereon.

For Applicants residing at places where the Bank collection centres have been opened, application forms duly completed together with cash/ cheque/demand draft for the application money must be submitted before the close of the subscription list to the Bankers to the Issue named herein or to any of its branches mentioned on the reverse of the CAF. The CAF alongwith application money must not be sent to the Company or the Lead Manager to the Issue or the Registrar to the Issue.

For Applicants residing at places other than the cities where the Bank collection centres have been opened, application forms duly completed together with cash/ cheque/demand draft for the application money net of bank charges for demand draft and postal charges must reach Registrar to the Issue before the close of the subscription list.

For ASBA Investors may fill Part A of the respective CAFs, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.

The Applicants are requested to strictly adhere to these instructions. Failure to do so could result in the application being liable to be rejected with the Company, the Lead Manager and the Registrar not having any liabilities to such Applicants.

Last date of Application

The last date for submission of the duly filled in CAF is [●]. The Issue will be kept open for [●] days and our Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Bankers to the Issue / Registrar to the Issue, as the case on or before the closure of banking hours on the aforesaid last date or such date as may be extended by our Board / committee of Directors, the offer contained in the Letter of Offer shall be deemed to have been declined and our Board / committee of Directors shall be at liberty to dispose off the Rights Equity Shares hereby offered, as provided in the paragraph titled "Basis of Allotment" on page 128 of this Draft Letter of Offer.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full allotment to those Rights Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has / have applied for Rights Equity Shares renounced in their

favour, in full or in part.

- (b) Investors whose fractional entitlements are being ignored would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for allotment under this head are more than the number of Equity Shares available after allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue and have also applied for additional Rights Equity Shares. The allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such additional Rights Equity Shares will be at the sole discretion of the Board / committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full allotment under (a), (b) and (c) above. The allotment of such Rights Equity Shares will be on a proportionate basis at the sole discretion of the Board / committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.
- (e) Allotment to any other person as the Board may in its absolute discretion deem fit provided there is surplus available after making full allotment under (a), (b), (c) and (d) above.

After taking into account allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the Takeover Regulations.

After considering the above Allotment, any additional Rights Equity Shares shall be disposed off by the Board, in such manner as they think most beneficial to our Company and the decision of the Board in this regard shall be final and binding. In the event of oversubscription, Allotment will be made within the overall size of the Issue.

Underwriting

In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to "General Information - Underwriting" on page 24 of this Draft Letter of Offer.

Allotment / Refund

The Company will issue and dispatch letters of allotment/ share certificates/ demat credit and/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 15 days from the date of closure of the Issue. If such money is not repaid within eight days from the day the Company becomes liable to pay it, the Company shall pay that money with interest as stipulated under Section 40 of the Companies Act, 2013.

In case of ASBA Investors, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Application Money for withdrawn, rejected or unsuccessful ASBAs within 15 days of the closure of the Issue. In case of a failure in providing instructions to SCSBs to unblock the funds in the relevant ASBA Account, the Company will pay interest on the monies in terms of Section 40 of the Companies Act, 2013.

Applicants residing at 68 centers where clearing houses are managed by the Reserve Bank of India (RBI), will get refunds through ECS only (Electronic Clearing Service) except where Applicants are otherwise disclosed as applicable/eligible to get refunds through direct credit and RTGS.

In case of those Applicants who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and advise regarding their credit of the Equity Shares shall be given separately. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue.

In case of those Applicants who have opted to receive their Rights Entitlement in physical form and the Company issues Letter of Allotment, the corresponding share certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Companies Law Board under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order exceeding Rs. 1,500 would be sent by registered post/speed post to the sole/first Applicant's registered address. Refund orders up to the value of Rs.1,500 would be sent under certificate of posting. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/first Applicant. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. *ECS (Electronic Clearing Service)* - Payment of refund would be done through ECS for Investors having an account at any centre where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for Investors having a bank account at the centers where ECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through ECS), except where the Investor, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. *NEFT (National Electronic Fund Transfer)* - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method. Our Company in consultation with the Lead Manager may decide to use NEFT as a mode of making refunds. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed herein.
3. *Direct Credit* - Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by the Company.
4. *RTGS (Real Time Gross Settlement)* - Investors having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 1 lakh, have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the Investors' bank receiving the credit would be borne by the Investor.
5. For all other Investors, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through speed post / registered post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole / first Investor and payable at par.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates / Demat Credit

Allotment advice / share certificates / demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 (fifteen) days, from the Issue Closing Date. Allottees are requested to preserve such letters of allotment (if any) to be exchanged later for share certificates. Export of letters of allotment (if any)/ share certificates/ demat credit to non-resident allottees will be subject to the approval of RBI.

Option to receive the Rights Equity Shares in Dematerialized Form

Investors shall be allotted the Rights Equity Shares in the dematerialized form at the option of the Investor. Our Company has signed a tripartite agreement dated 4th April, 2014 with NSDL and the Registrar to the Issue and a tripartite agreement dated 2nd April, 2014 with CDSL and the Registrar to the Company, which enables our Equity Shareholders to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the allottees who have opted for the Rights Equity Shares in dematerialized form will receive the Rights Equity Shares in the form of an electronic credit to their beneficiary account with a Depository Participant. The CAF shall contain a space for indicating the number of Rights Equity Shares applied for in demat and physical form or both. Investors will have to give the relevant particulars for this purpose appropriately in the CAF. Applications, which do not accurately contain this information, will be given the Rights Equity Shares in physical form. No separate applications for Rights Equity Shares in physical and / or dematerialized form should be made. If such applications are made, the application for physical Rights Equity Shares will be liable to be rejected. In case of partial allotment, allotment will be done in demat option for the shares sought in demat and balance, if any, may be allotted in physical shares.

The Rights Equity Shares will be listed on the SME platform of BSE.

The procedure for availing of the facility for allotment of the Rights Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is exhibited in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as with our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Investors who have already opened such beneficiary account (s) need not adhere to this step.*
- For the Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the allotment of Rights Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of our Company are not dematerialized. Nonetheless, it should be ensured that the Depository Account is in the name(s) of the Equity Shareholders and the names are in the same order as in the records of our Company.
- Responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in the CAF should be the same as registered with the Investor's Depository Participant.

- Equity Share/ allotted to an Applicant in the electronic account form will be credited directly to the Applicant's respective beneficiary account(s) with depository participant.
- Applicants should ensure that the names of the Applicants and the order in which they appear in the CAF should be the same as registered with the Applicant's depository participant.
- Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- If incomplete / incorrect beneficiary account details are given in the CAF the Investor will get the Rights Equity Shares in physical form.
- The Rights Equity Shares pursuant to this Issue allotted to Investors opting for dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Securities to the Investor's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to the Company as on the date of the book closure.

General instructions for Investors

- (a) Please read the instructions printed on the enclosed CAF carefully.
- (b) Applications should be made on the printed CAF, provided by our Company and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.
- (c) The CAF together with the cheque / demand draft should be sent to the Bankers to the Issue / Collecting Banks or to the Registrar to the Issue, as the case may be, and not to our Company or the Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications, will have to make payment by Demand Draft payable at New Delhi of an amount net of bank and postal charges and send their application forms to the Registrar to the Issue by Registered Post. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.
- (d) Applications for any value made by the Investor, or in the case of joint names, each of the joint Investors, should mention his / her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. **CAFs without PAN will be considered incomplete and are liable to be rejected.**
- (e) Investors are advised that it is mandatory to provide information as to their savings / current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Applications not containing such details are liable to be rejected. For Eligible Equity Shareholders holding Equity Shares in dematerialised form, such bank details will be drawn from the demographic details of the Eligible Equity Shareholder in the records of the Depository.

- (f) All payments should be made by cheque / DD only. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- (g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company or the Depositories.
- (h) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the memorandum and articles of association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference to the serial number of the CAF and folio numbers / DP ID and Client ID Number. In case the above referred documents are already registered with our Company, the same need not be furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.
- (i) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint applicants, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- (j) Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- (k) All communications in connection with applications for the Rights Equity Shares, including any change in addresses of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first / sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of the Eligible Equity Shareholders, after the date of allotment, should be sent to the Registrar and Transfer Agents of the Company Big Shares Services Private Limited, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialized form.
- (l) Split forms cannot be re-split.
- (m) Only the person or persons to whom the Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain split forms.
- (n) Investors must write their CAF number at the back of the cheque / demand draft.
- (o) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub-member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- (p) A separate cheque / demand draft must accompany each CAF. Outstation cheques / demand drafts or postdated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash. (For payment against application in cash please refer point (f) above)
- (q) No receipt will be issued for application money received. The Bankers to the Issue / Collecting Bank /

Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

Grounds for Technical Rejections

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable for;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Age of first Investor not given while completing Part C of the CAFs;
- PAN not mentioned for application of any value;
- In case of application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- If the signature of the existing shareholder on the CAF does not match with the records available with our Company and/or the Depositories and in case of application by Renouncees, if the signature of the Renouncers do not match with the records available with their Depositories;
- If the Investor desires to have Rights Equity Shares in electronic form, but the CAF does not have the Investor's depository account details;
- Application forms are not submitted by the Investors within the time prescribed as per the application form and the Letter of Offer;
- Applications not duly signed by the sole / joint Investors;
- Applications by OCBs unless accompanied by specific approval from RBI permitting the OCBs to participate in the Issue.
- Applications accompanied by stockinvest;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- Applications that do not include the certification set out in the CAFs to the effect that the subscriber is not a US person, and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Securities in compliance with all applicable laws and regulations;
- Applications which have evidence of being dispatched from the US;
- Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided;
- Applications where the Company believes that the CAF is incomplete or acceptance of such CAFs may infringe applicable legal or regulatory requirements;
- Multiple applications
- Applications by renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and
- Duplicate Applications, including cases where an Investor submits CAFs along with a plain paper application.

Mode of payment for Resident Eligible Equity Shareholders / Investors

Applicants who are resident in centers with the bank collection centres shall draw cheques / drafts accompanying the CAF in favour of the Bankers to the Issue, crossed account payee only and marked "EBOFPL-Rights Issue".

Applicants residing at places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their applications together with Demand Draft/Pay Order payable at New Delhi in favour of the Bankers to the Issue, crossed account payee only and marked "EBOFPL-Rights Issue" directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Eligible Equity Shareholders / Investors

As regards the application by non-resident Eligible Equity Shareholders / Investors, the following conditions shall

apply:

Application with repatriation benefits

Payment by NRIs/ FIIs/ foreign investors must be made by demand draft / cheque payable at New Delhi or funds remitted from abroad in any of the following ways:

- By Indian Rupee drafts purchased from abroad and payable at New Delhi or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- By cheque / demand draft on a Non-Resident External Account (NRE) or FCNR Account maintained in New Delhi; or
- By Rupee draft purchased by debit to NRE / FCNR Account maintained elsewhere in India and payable in New Delhi; or
- FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.
- All cheques / demand drafts submitted by non-residents applying on repatriable basis should be drawn in favour of 'EBOFPL-Rights Issue-NR' payable at New Delhi and crossed 'A/c Payee only' for the amount payable.

A separate cheque or bank draft must accompany each application form. Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence of the above the application shall be considered incomplete and is liable to be rejected.

In the case of non-residents who remit their application money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in US Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into US Dollars or for collection charges charged by the Investor's Bankers.

Application without repatriation benefits

As far as non-residents holding shares on non-repatriation basis is concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in New Delhi or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at New Delhi. In such cases, the allotment of Rights Equity Shares will be on non-repatriation basis.

All cheques / demand drafts submitted by non-residents applying on non-repatriation basis should be drawn in favour of 'EBOFPL-Rights Issue' payable at New Delhi and must be crossed 'A/c Payee only' for the amount payable. The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

If the payment is made by a draft purchased from an NRO account, an Account Debit Certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the NRO account, should be enclosed with the CAF. In the absence of the above, the application shall be considered incomplete and is liable to be rejected.

New demat accounts shall be opened for Eligible Equity Shareholders who have had a change in status from resident Indian to NRI.

Note:

- In cases where repatriation benefit is available, interest, dividend, sales proceeds derived from the

investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to Income Tax Act, 1961.

- In case Rights Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

Our Company is not responsible for any postal delay / loss in transit on this account and applications received through mail after closure of the Issue are liable to be rejected. Applications through mail should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager or the Registrar except stated otherwise. The Investors are requested to strictly adhere to these instructions.

Renouncees who are NRIs / FIIs / Non Residents should submit their respective applications either by hand delivery or by registered post with acknowledgement due to the Registrar to the Issue only at the below mentioned address along with the cheque / demand draft payable at New Delhi so that the same are received on or before the closure of the Issue.

Investment by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs:

The issue of Rights Equity Shares under this Issue to a single FII should not exceed 10% of the post-Issue paid up capital of our Company. In respect of an FII investing in the Rights Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up capital of our Company or 5% of the total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with foreign investment limits applicable to the Company, the total FII investment cannot exceed 24% of the total paid-up capital of the Company. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. As of date, the FII investment in the Company is limited to 24% of the total paid-up capital of the Company.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on the Rights Equity Shares allotted, will be refunded to the Investor within 15 days from the close of the Issue.

For further instructions, please read the CAF carefully.

Procedure for Application through the ASBA (“ASBA Process”)

This section is for the information of Equity Shareholders proposing to subscribe to the Issue through the ASBA Process. The Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and ensure that the number of Equity applied for by such Equity Shareholders do not exceed the applicable limits under laws or regulations. Equity Shareholders applying under the ASBA Process are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on application as stated in the CAF will be blocked by the SCSB.

The list of banks which have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Equity Shares in the Issue through the ASBA Process is only available to Equity Shareholders of the Company on the start of the Book Closure Period and who:

- Is holding Equity Shares in dematerialised form and has applied towards his/her rights entitlements or additional Securities in the Issue in dematerialised form;
- Has not renounced his/her entitlements in full or in part;
- Is not a Renouncee;
- Is applying through a bank account maintained with one of the SCSBs.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non-Institutional Investors or other applicants whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI Circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is more than Rs. 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

CAF

The Registrar will despatch the CAF to all Equity Shareholders as per their entitlement on the start of the Book Closure Period for the Issue. Those Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details. Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSB who provides such facility. The Equity Shareholder shall submit the CAF to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares offered, either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.

Mode of payment

The Equity Shareholder applying under the ASBA Process agrees to block the Application Money for the Equity Shares applied for (including for additional Equity Shares, if any) with the submission of the CAF, by authorizing the SCSB to block such amount in the ASBA Account.

After verifying that sufficient funds are available in the ASBA Account provided in the CAF, the SCSB shall block an amount equivalent to the Application Money for the Equity Shares applied for until it receives instructions from the Registrar of the Issue. Upon receipt of intimation from the Registrar, the SCSBs shall transfer the Application Money in relation to the Equity Shares which will be allotted to the ASBA Investor. Such amount will be transferred into the separate bank account maintained by the Company. The balance amount remaining after the finalisation of the basis of allotment shall be either unblocked by the SCSBs or refunded to the investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The Equity Shareholders applying under the ASBA Process would have agreed to permit blocking of the Application Money for the Equity Shares applied for at the time of the submission of the CAF. The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account provided in the CAF does not have sufficient funds equivalent to the Application Money for the Equity Shares applied for. Subsequent to the acceptance of the application by the SCSB, the Company would have a right to reject the application only on technical grounds.

Options available to the Equity Shareholders applying under the ASBA Process

The summary of options available to the ASBA Investors is presented below. An ASBA Investor may exercise any of the following options with regard to the Equity Shares offered, using the respective CAFs received from Registrar:

Sr. no	Option Available	Option required
1.	Accept whole or part of your entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (<i>All joint holders must sign</i>)
2.	Accept your entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>).

An ASBA Investor will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSB with the relevant details required under the ASBA process option and SCSB blocks the requisite amount, then that CAF would be treated as if the Equity Shareholder has selected to apply through the ASBA process option.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares (as the case may be) that you are entitled to, provided that (i) you have applied for all the Equity offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “Basis of Allotment” on page 128 of this Draft Letter of Offer.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Securities in Part A of the CAF.

Renunciation under the ASBA Process

Renouncees cannot participate in the ASBA Process.

Last date of Application

The last date for submission of the duly filled in CAF is [●]. The Issue will be kept open for a minimum of [●] days and the Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/Registrar to the Issue or if the CAF is not received by the SCSB on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/Committee of Directors, the offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board/Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under “Basis of Allotment”.

Option to receive Securities in Dematerialised Form

EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES UNDER THE ASBA PROCESS CAN ONLY BE ALLOTTED IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE BEING HELD ON THE START OF THE BOOK CLOSURE PERIOD I.E. [●]

General instructions for Equity Shareholders applying under the ASBA Process

- a) Please read the instructions printed on the respective CAF carefully.
- b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected. The CAF must be filled in English.
- c) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.
- d) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. **CAFs without PAN will be considered incomplete and are liable to be rejected.**
- e) All payments will be made by blocking the Application Money for the Equity Shares applied for in the ASBA Account. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with the Company/or Depositories.
- g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
- h) All communication in connection with application for the Securities, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole applicant Equity Shareholder, folio numbers and CAF number.
- i) Only the Equity Shareholders as on the start of the Book Closure Period and not renouncee(s) shall be eligible to participate under the ASBA process.

Do's:

- a) Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.

- b) Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.
 - c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
 - d) Ensure that the CAFs are submitted at the SCSBs whose details of bank account have been provided in the CAF.
 - e) Ensure that you have mentioned the correct bank account number in the CAF.
 - f) Ensure that there are sufficient funds (equal to {number of Equity Shares applied for} X {Issue Price}) available in the ASBA Account mentioned in the CAF before submitting the CAF.
 - g) Ensure that you have authorised the SCSB for blocking the Application Money for the Equity Shares applied for, in the ASBA Account, of which details are provided in the CAF and have signed the same.
 - h) Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.
- a) Each applicant should mention their Permanent Account Number (“PAN”) allotted under the I. T. Act.
 - j) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
 - k) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

1. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
2. Do not pay the Application Money for the Equity Shares applied for in cash, by money order or by postal order.
3. Do not send CAF to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
4. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
5. Do not instruct your respective banks to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under “Grounds for Technical Rejection” on page 134 of this Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

- a) Application on split form.
- b) Application for entitlements or additional shares in physical form.
- c) Equity Shareholders applying under ASBA Process for additional Equity Shares in CAF of ‘A’ Equity Shares and vice versa.

- d) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- e) Sending CAF to a Lead Manager /Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
- f) Renouncee applying under the ASBA Process.
- g) The application form does not bear the stamp of the syndicate member / SCSBs.
- h) Insufficient funds are available with the SCSB for blocking the Application Money for the Equity Shares applied for.
- i) Funds in the ASBA Account having been frozen pursuant to regulatory orders.
- j) Account holder not signing the CAF or declaration mentioned therein.

Depository account and bank details for ASBA Investors

IT IS MANDATORY FOR ALL THE ASBA INVESTOR TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL ASBA INVESTORS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. THE ASBA INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF.

The ASBA Investors should note that on the basis of name of these Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository demographic details of these Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, ASBA Investors should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants. By signing the CAFs, the Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating allotment and unblocking or refund (if any) would be mailed at the address of the ASBA Investor as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account in the SCSB and which details are provided in the CAF and not the bank account linked to the DP ID. ASBA Investors may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of bank account.

Note that any such delay shall be at the sole risk of the ASBA Investor and none of the Company, the SCSBs or the Lead Manager shall be liable to compensate the ASBA Investor for any losses caused to such Equity Shareholder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Equity Shareholders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such applications are liable to be rejected.

Undertakings by the Company

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where our Rights Equity Shares are to be listed will be taken within seven working days of finalization of basis of allotment.
3. The funds required for dispatch of refund orders / allotment letters / certificates by registered post shall be made available to the Registrar to the Issue.
4. The certificates of the Rights Equity Shares / refund orders to the non-resident Indians shall be dispatched within the specified time.
5. Save as otherwise disclosed in the Letter of Offer, no further issue of securities affecting the Equity Capital of our Company shall be made till the Rights Equity Shares issued / offered through this Issue are listed or till the application moneys are refunded on account of non-listing, under-subscription *etc.*
6. Our Company accepts full responsibility for the accuracy of the information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
7. All information shall be made available by the Lead Manager and our Company to the 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 shows, presentations, in research or sales reports *etc.*
8. Our Company certifies that the Investors shall be given an option to get the Rights Equity Shares in demat or physical format.
9. Our Company undertakes that it shall comply with such disclosure, monitoring of the utilisation of proceeds of the Issue and accounting norms specified by SEBI from time to time.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with the Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed 'EBOFPL -Rights Issue' on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

MAS SERVICES LIMITED

T-34, 2nd Floor, Okhla Industrial Area

Phase - II, New Delhi - 110020

Tel No.: +91-11-26387281/82/83

Fax No.: +91-11-26387384

Website: www.masserv.com

E-mail ID: info@masserv.com

Contact Person: Mr. Sharwan Mangla

SEBI Registration No: INR000000049

It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risks set out in the Section titled "Risk Factors" on page 8 of this Draft Letter of Offer.

The Issue will remain open for at least 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's shares are listed on SME platform of BSE since 7th February, 2013 under Scrip code"534927". The high and low closing prices recorded on BSE since listing and the number of shares traded on the days the high and low prices were recorded are stated below:

Year	High (Rs.)	High Date	Volume	Low (Rs.)	Low Date	Volume	Total Volume for the Year
2013	104.00	13.09.2013	6000	25.25	07.02.2013	858000	2218800

The details of the share prices on the BSE during last 6 months are as follows:

Month	High (Rs.)	Date of High	Volume	Low (Rs.)	Date of Low	Volume	Total Volume in the Month
November, 13	101.00	14/11/2013	1200	101.00	14/11/2013	1200	1200
December, 13	102.00	30/12/2013	2400	80.85	30/12/2013	2400	3600
January, 14	199.00	29/01/2014	1200	82.00	06/01/2014	1200	36000
February, 14	391.15	28/02/2014	122400	202.00	04/02/2014	2400	842400
March, 14	546.50	31/03/2014	13200	391.00	03/03/2014	157200	2743200
April, 14	645.00	22/04/2014	21600	548.70	09/04/2014	33600	753600

The price as on 02.09.2013, the day after resolution of the Board of Directors approving the issue the opening and closing price was Rs. 93.15/- and Rs. 93.15/- respectively, with the volume of only 6000 shares with a value of Rs. 5,58,900/-.

Weekend prices for the last four weeks on BSE is as follows:

Week ended	High (Rs.)	Date of High	Low (Rs.)	Date of Low
24.05.2014	477.20	23.05.2014	431.75	21.05.2014
17.05.2014	503.50	14.05.2014	478.35	15.05.2014
10.05.2014	580.80	05.05.2014	530.00	08.05.2014
03.05.2014	629.55	28.04.2014	592.65	02.05.2014

SECTION VIII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or Debentures and / or on their consolidation /splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized / defined terms herein have the same meaning given to them in the Articles of Association.

Table 'A'

- I. Table A not to apply The regulations contained in Table A, Schedule, to the Companies Act, 1956, shall not apply to the company except so far as the same are reproduced or contained in or expressly made applicable by these Articles or the Act. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the Company's power to modify, alter or add to its regulations, be such as are contained in these articles.
- II. Definitions In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof.

“Beneficial Owner”

“Beneficial Owner” shall have the meaning assigned thereto by Section 2 (1)(a) of the Depositories Act, 1996.

“Depository”

“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

“Depositories Act 1996”

“Depositories Act 1996” shall mean Depositories Act 1996, and include any Statutory modification or re-enactment thereof for the time being in force.

“Member”

“Member” means the duly registered holder from time to time of the Shares of the Company of any class and includes the subscriber(s) of the Memorandum of the Company and every person whose name is entered as the beneficial owner of any share in the records of Depository, but does not include the bearer of a share warrant of the Company, if any, issued in pursuance of Articles of Association of the Company.

“Securities & Exchange Board of India”

“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

“Security”

“Security” means such security as may be specified by SEBI from time to time.

“Singular number”

Words importing the “Singular number” include, where the context admits or requires, the plural number and vice versa.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles. The marginal notes used in these Articles shall not affect the construction thereof.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

CAPITAL

2. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the Company to alter the same in any way it thinks fit.

INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

3. The Company in General Meeting may by Ordinary Resolution, from time to time increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increase capital shall be issued upon such terms and conditions and with such rights and privileges attached thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with section 87 and 88 of the Act, whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

4. The shares in the capital shall be distinguished by its appropriate number, provided that nothing in this section shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

5. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

6. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 & 8 the Company in General Meeting may subject to the Provisions of Section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.

INCREASE OF CAPITAL

7. The Company in General Meeting may from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Board shall determine.

FURTHER ISSUE OF SHARES

8. 1. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- a. Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- d. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.

2. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof in any manner whatsoever.

- a. If a special resolution to that effect is passed by the Company in General Meeting, or
- b. Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposed by members, so entitled and voting and Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

3. Nothing in sub-clause (c) of (1) hereof shall be deemed:

- a. To extend the time within which the Offer should be accepted; or
- b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

- i. To convert such debentures or loans into shares in the Company; or
1. To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;

- b. In the case of debentures or loans or other than debentures issued or loans obtained from Government or any Institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of debentures or raising of the loans.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

9. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

APPLICATION OF PREMIUM RECEIVED ON SHARES

11. 1. Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.

2. The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company.

- a. In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

12. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

(ii) In addition to the powers of the Board under Article 12 (i), the Board may also allot the Shares referred to in Article 12 (i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees (including by way of options, as referred to in Article 12 (i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 12 (i) and (ii) above.

REDEEMABLE PREFERENCE SHARES

13. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

14. On the issue of redeemable preference shares under the provisions of Article 13 hereof, the following provisions shall take effect.

- a. No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- b. No such shares shall be redeemed unless they are fully paid.
- c. The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's share Premium Account, before the shares are redeemed; and
- d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called Capital Redemption Reserve Account, a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided under Section of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

15. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTION OF PURPOSE BUY COMPANY OF ITS OWN SHARES

16. (1) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanction in accordance with Article 18 and in accordance with Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

This Article is not to delegate any power which the Company would have if it were omitted.

- (2) Except to the context permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purchase of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
- (3) Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 80 or other relevant provisions (if any) of the Act.

17. Notwithstanding anything contained in these Articles and in accordance with the provisions of the Sections 77A, 77AA and 77B of the Companies Act, 1956 the Company may, when and if thought fit by the Board of Directors, buy back, acquire or hold its own shares or other specified securities (as may be notified by the Central Government from time to time under section 77A of the Act) whether or not they are redeemable and on such terms and conditions and up to such limits as may be prescribed by law from time to time provided that nothing herein contained shall be deemed to affect the provisions of section 100 to 104 and 402 of the Act, in so far as and to the extent they are applicable.

REDUCTION OF CAPITAL

18. The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

19. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- a. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
- b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
- c. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, a cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

MODIFICATION OF RIGHTS

21. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of the shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles to its general meetings shall *mutatis mutandis* apply to every such meeting. This Article is not to derogate from any power, the Company would have if this Article were omitted.

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

22. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

NO ISSUE WITH DISPROPORTIONATE RIGHTS

23. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

24. a. Power to Company to dematerialize and rematerialize

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any.

b. Dematerialization of Securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the

investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

c. Intimation to Depository

Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities.

d. Option for Investors

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

e. The Company to recognize under Depositories Act, Interest in the Securities other than that of Registered holder.

The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

f. Securities in Depositories and Beneficial Owners

All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

g. Rights of depositories and Beneficial Owners.

a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.”

h. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES

REGISTER AND INDEX OF MEMBERS

25. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

SHARES TO BE NUMBERED PROGRESSIVELY

26. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

27. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

APPLICATION OF PREMIUM

28. 1. Where the Company issue shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called Share Premium Account and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

2. The share premium account may, notwithstanding sub-clause (1) hereof, be applied by the Company;

- a. In paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed on any issue of shares or debenture of the Company or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

INSTALLMENTS OF SHARES

29. If by the terms of issue of any shares or otherwise, the whole or any part of the amount or issue price thereof shall be payable by installments at a fixed time, every such installments shall when due, be paid to the Company by the person who, for the time being and from time to time, is the registered holder of the shares of his legal representatives.

ACCEPTANCE OF SHARES

30. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

33. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

34. Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

35. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

SWEAT EQUITY

42. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

DECLARATIONS BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES

43. 1. Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

2. A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

3. Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

4. Notwithstanding anything contained in the Act and Articles 50, 51 and 52 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Register with regard to such declaration.

FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

44. No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person or for any Share in the Company in its holding Company.

ISSUE OF SHARES WITHOUT VOTING RIGHTS

45. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

UNDERWRITING AND BROKERAGE

COMMISSION MAY BE PAID

49. The Company may, subject to the provisions of Section 76 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

BROKERAGE MAY BE PAID

50. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

COMMISSION TO BE INCLUDED IN THE ANNUAL RETURN

51. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

52. Where any shares are issue for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions contained in Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

CALLS

DIRECTORS MAY MAKE CALLS

53. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

54. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

NOTICE OF CALLS

55. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

CALLS TO DATE FROM RESOLUTION

56. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

DIRECTORS MAY EXTEND TIME

57. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

CALL TO CARRY INTEREST AFTER DUE DATE

58. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

60. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until he same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

FORFEITURE, SURRENDER AND LIEN

IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

61. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the

call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

FORM OF NOTICE

62. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

63. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.

NOTICE OF FORFEITURE

64. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

65. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose off the same in such manner as it thinks fit.

POWER TO ANNUAL FORFEITURE

66. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

67. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

EFFECT OF FORFEITURE

68. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

DECLARATION OF FORFEITURE

70. a. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

- b. The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- c. The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- d. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
- e. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

71. The declaration as mentioned in Article 82 of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

72. The Company may received the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

73. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

74. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

BOARD MAY ACCEPT SURRENDER OF SHARES

75. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

COMPANY'S LIEN ON SHARE/DEBENTURES

76. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be

created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

80. Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

EXECUTION OF TRANSFER

84. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

INSTRUMENT OF TRANSFER

85. The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

86. (i) Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

(ii) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s) in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 86, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

1. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or
2. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by

him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

NO TRANSFER TO A PERSON OF UNSOUND MIND

87. No transfer shall be made to a minor or a person of unsound mind.

TRANSFER OF SHARES

88. 1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

2. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

4. **DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Subject to the Provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

5. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

6. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

7. **NO FEE ON TRANSFER OR TRANSMISSION**

No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

TITLE TO SHARES OF DECEASED HOLDER

93. Subject to Article 93 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to

recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained letters of administration or succession certificate.

THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

99. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

A. NOMINATION

- (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

“OPTION OF NOMINEE

- (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

- (ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

B. TRUST NOT RECOGNISED

Save as herein otherwise provided, the Company shall be entitled to treat the person whose names) appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

C. TRANSFER OF SECURITIES

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

D. NOTICE OF APPLICATION WHEN TO BE GIVEN

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

E. REFUSAL TO REGISTER NOMINEE

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

F. PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

SHARE WARRANTS

102. (i) Power to issue Share Warrants.

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

(ii) Deposit of Share Warrants.

(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

(iii) Privileges and Disabilities of the holders of Share Warrants.

(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
- (iv) **Issue of New Share Warrants Coupons**
The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

MEETING OF MEMBERS

105 (a) Subject to Section 166 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.

(b) Every Annual General Meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

106. The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part II of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part I of the said Schedule V together with three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

Distinction between Annual General Meeting and Extra-ordinary General Meeting

107. The General Meeting referred to in Article 106 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

Calling of Extra-ordinary General Meeting

108. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

Length of notice for calling meeting

109. (1) A General Meeting of the Company may be called giving not less than twenty one days notice in writing.

(2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.

- i. in the case of an Annual General Meeting, by all the members entitled to vote thereat: and
- ii. in the case of any other meeting, by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolution to be moved at the meeting and not on the others, those members shall be taken into the account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the later.

Contents and manner of services of notices and person on whom it is to be served

110. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and
- (iii) To the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act, in the case of any member of members of the Company.
- (iv) Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) The accidental omission to give notice to or non receipt of notice by any member or other person to whom it should be given shall not, invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state in that a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

Special Business

111. All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of the Dividend, (iii) the appointment of Directors in place of those retiring and (iv) the Appointment of and the Remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

Explanatory Statement to be annexed to notice

112. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extend of the interest, if any, therein, of every Director and of the Manager and specifying where any item of business consists of the according of approval to any document by the meeting, the time and place, where the document can be inspected.

Provided that where any such item of special business at the meeting of the Company related to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company, shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

Meeting not competent to discuss or transact any business not mentioned in notice

113. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

Quorum

114. Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present not more than one of them shall be counted for determining the quorum. Several executors or administrators of a deceased person in whose sole name a share stands shall, for the purpose of this Article, be deemed joint holders thereof. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India, or the Governor of a State being member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

Presence of quorum

115. No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business.

If Quorum not present, meeting to be dissolved and when to be adjourned

116. If within half an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon the requisition of members shall stand dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or if that day is a public holiday, or to such other day, time and place as the Board may determine.

117. If at the adjourned meeting, a quorum is not present within 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.

Resolution passed at adjourned meeting

118. Where a resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Power of adjourn General Meeting

119. (1) The Chairman of the General Meeting may adjourn the same from time to time and from place to place, but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

Chairman of General Meeting

120. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman while chair vacant

121. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

Resolution must be proposed and seconded

122. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

Postal Ballot

123. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

How question to be decided at meetings

124. At any General Meeting, a resolution put to the vote of the meeting, shall be, decided on a show of hands unless the poll is demanded as provided in these Articles.

Declaration of Chairman to be conclusive

125. A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

126. (1) Before or on the declaration of the result of the voting on any resolution on a show hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say by any member or members present in person or by proxy and holding shares in the Company:

- I. which confer a power to vote on the resolution not being less than one-tenth to the total voting power in respect of the resolution or
- II. on which an aggregate sum of not less than fifty thousand has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking Poll

127. Any poll duly demanded on the question of adjournment shall be taken forthwith, a poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.

Scrutinizer at Poll

128. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him, the Chairman shall have power, at any time, before the result of the poll is declared to remove a scrutinizer from office and to fill vacancies of the office of scrutinizer arising from such removal or from any other cause of the two scrutinizers so to be appointed, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and is willing to be appointed.

Business may proceed notwithstanding demand for Poll

129. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Chairman's casting vote

130. In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

Manner of taking poll and result thereof

131. (a) Subject to the provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

132. Requisitionists' meeting

(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one Lac in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.

(ii) the case of any other requisition, not less than two weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

Provided That if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

Extra-ordinary General Meeting by Board and by Requisition.

133. (a) The Directors may whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

- (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

Contents of requisition, and number of requisitionists required and the conduct of Meeting

134. (1) In case of requisition the following provisions shall have effect:

- (a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- (b) The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.
- (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clauses are fulfilled.
- (e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for consideration of those matters on a day not later than forty-five days from the date of the date deposit of the requisition, the Meeting may be called:
 - (i) By the requisitionists themselves; or
 - (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) whichever is less, Provided that for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:

- (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but
- (b) shall not be held after the expiration of three months from the date of deposit of the requisition. Provided that nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.

(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

VOTES OF MEMBERS

Votes may be given by proxy or attorney

135. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorized under section 187 of the Act and Article 137.

Votes of members

136. Subject to the provision of the Act and these Articles, every member not disqualified by Article 140 shall be entitled to be present in person and holding any equity share capital therein, shall have one vote and upon a poll the voting right of every such member present in person or by proxy shall be in proportion to his share of paid up equity share capital of the Company.

Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 84 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

Right of member to use his votes differently

137. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Representation of Body Corporate

138. A body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of creditors of the Company.

Restriction on exercise of voting right by members who have not paid calls

139. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

No voting by proxy on show of hands

140. No member not personally present shall be entitled to vote on a show of hands, unless such member is a body corporate present by a representative duly authorized, under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company. A proxy who is present at a meeting shall not be entitled to address the meeting.

How member non-compos mentis and minor may vote

141. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

Instrument of proxy

142. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

Instrument of proxy to be deposited at office

143. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

When vote by proxy valid though authority revoked

144. 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 share in respect of which the vote 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 adjournment meeting at which the proxy is used.

Form of proxy

145. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in Schedule IX of the Act.

Time for objection to vote

146. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any Meeting to be the judge of validity of any vote

147. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Votes of Members of unsound mind

148. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

Member paying money in advance not be entitled to vote in respect thereof.

149. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

Remuneration of Directors

156. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment nor a Managing Director may be paid remuneration.

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or

(ii) by way of commission if the Company by a special resolution authorizes such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 1956 and rules, if any, framed there under.

(4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Travelling Expenses incurred by a Director not a bonafide resident or by Director going out on Company's Business

157. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

Directors may act notwithstanding any vacancy

158. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

Disclosure of interest of Directors

159. (1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

(2) (a) In case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice in the last month of the financial year in which would it otherwise have expired.

(c) No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two per cent of the paid up share capital in the other company.

Interested Director not to participate or vote on Board's proceedings

160. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

Board's sanction to be required for certain contracts in which particular Director is interested

161. A Director of the Company or his relative, a firm in which such Director or relative is partner, any other partner in such firm or a private company of which the Director is a member of Director shall not enter into any contract with the Company, except to the extent and subject to the provisions of Section 297 of the Act.

Directors' sitting fees

165. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such as may be prescribed by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

Directors and Managing Director may contract with Company

166. Subject to the provisions of the Act the Directors (including a Managing Director and Whole Time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any Company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby Established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

Disqualification of the Director

167. A person shall not be capable of being appointed Director of the Company if:-

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;

- (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five months and a period of five years has not elapsed from the date of expiry of the sentences;
- (e) he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

RETIREMENT AND ROTATION OF DIRECTORS

Retirement of Directors by rotation

170. (1) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number to one third shall retire from office. The Debenture Directors and Nominee Directors, if any, shall not be subject to retirement under clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.

(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.

(3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for reappointment or some other person thereto.

(4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless.

- (i) at the meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the vote and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any of the provisions of the Act.

Appointment of Director to be vote individually

171. (1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment shall apply.

(3) For the purpose of this clause, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as motion for his appointment.

172. (1) A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, "along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its member of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Marathi language.

(3) Every person proposed as a Candidate for the office of Director shall sign and file with the Company his consent to act as a Director.

Resignation of Director

173. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company and thereupon his office shall be vacated.

REMOVAL OF DIRECTORS

176. (1) The Company may, by ordinary resolution, remove a Director not being a Nominee Director appointed under Article 154 or a Debenture Director appointed under Article 155 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of this period of office.

(2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and request its notification to members of the Company and shall unless the representations are received by it too late for it to do so.

(a) in any notice of resolution given to the members of the Company, state the fact of the representations having been made; and

(b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting' provided that copies of the representation need not be sent out and the representation need not be read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board under Article 153 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the

intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled up under the clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 153 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(7) Nothing in this Article shall be taken:

- (a) as depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director; or
- (b) as derogating from any power to remove a Director which may exist apart from this Article.

Power to Borrow

190. Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

191. All the provisions applicable to nomination facility available to shareholder(s) and debentureholder(s) enumerated in Article 86 of these Articles shall equally apply to depositholder(s).

The payment or repayment of moneys borrowed

192. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

DIVIDENDS

214. The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares.

Division of profits

215. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if any so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

Dividend to joint holders

216. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Amounts paid in advance of calls not to be treated as paid up capital

217. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of Article 220 as paid up on the share.

Declaration of Dividends

219. The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

Dividend out of profits only and not to carry interest

221. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 205 of the Act.

What is to be deemed net profits?

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

222. The Board of Directors may from time to time pay the members such interim dividends as in its judgement the position of the Company justifies.

Unpaid or Unclaimed Dividend

230. Where the Company has declared a dividend but which has not been paid or claimed within 30 from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within 7 days of the date from expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Esteem Bio Organic Food Processing Limited Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.

Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Capitalisation of reserves

231. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

(1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up in full or any shares then remaining unissued to be issued to such members of

the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

SECTION IX: OTHER INFORMATION

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Draft Letter of Offer), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Draft Letter of Offer and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at 49, Gujrawala Town, Part-II, New Delhi-110009, between 11:00 am to 5:30 pm on any working day from the date of this Draft Letter of Offer until the date of closure of the subscription List.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated 26th May, 2014 between our Company and the Lead Manager to the Issue.
2. Memorandum of Understanding dated 26th May, 2014 entered into with Mas Services Limited to appointing them as the Registrar to the Issue.
3. Copy of tripartite agreement dated 4th April, 2014 between NSDL, our Company and Mas Services Limited.
4. Copy of tripartite agreement dated 2nd April, 2014 between CDSL, our Company and Mas Services Limited.
5. Underwriting Agreement dated [●] between our Company and the Underwriter to the Issue.

DOCUMENTS FOR INSPECTION

6. Memorandum and Articles of Association of our Company as amended from time to time.
7. Copy of the resolution passed at the meeting of the Board of Directors held on 30th August, 2013 approving the issue under section 81 (1) of Companies Act, 1956
8. Copy of members resolution dated 18th May, 2012 appointing Mr. Jai Kumar as the Executive Director of our Company for a period of five years w.e.f. 1st April, 2012 and approving their remuneration and terms.
9. Consents of the Directors, Company Secretary/Compliance Officer, Statutory Auditors, Peer Review Auditors, Lead Manager to the Issue, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Draft Letter of Offer to act in their respective capacities.
10. Copy of the Corporate Governance report for the quarter ended 31st March, 2014 and shareholding pattern for the half year ended 31st March, 2014.
11. Prospectus dated 5th January, 2013 in respect of its initial Public Offerings.
12. Copies of Annual Reports of our Company for the last five (5) financial years viz 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13.
13. Audit report and restated financial information issued by our Peer Review Auditors i.e. M/s. Pawan Shubham & Co., Chartered Accountants, dated 28th May, 2014 included in the Draft Letter of Offer.
14. Letter dated 28th May, 2014 from the statutory Auditors of our Company, M/s. Rupesh Mangal & Associates, Chartered Accountants, detailing the tax benefits.
15. Copy of certificate from the statutory Auditors of our Company, M/s. Rupesh Mangal & Associates, Chartered Accountants, dated 28th May, 2014 regarding the sources and deployment of funds as on 31st March, 2014..
16. Board Resolution dated 28th May, 2014 for approval of Draft Letter of Offer.

17. Due Diligence Certificate dated 28th May, 2014 to be submitted to SEBI from Lead Manager viz. Unicon Capital Services Private Limited along with the filing of the Letter of Offer.
18. Copy of approval from BSE vide letter dated [●] to use the name of BSE in the Letter of Offer for listing of additional Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

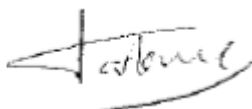
DECLARATION

We hereby the Directors, and the Compliance Officer of the Company, certify that all relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the GOI or the Regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made or Regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS



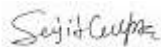
Mr. Brij Kishore Sabharwal



Mr. Jai Kumar



Mr. Vinod Kumar Garg



Mr. Sujit Gupta

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER



Ms. Saroj Sherawat

Date: 28.05.2014

Place: New Delhi

