



R J BIO-TECH LIMITED

Our Company was incorporated as "R J Bio-Tech Private Limited" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 28, 2005 bearing registration no. 158420, in Aurangabad, Maharashtra. Subsequently, Our Company was converted into a public limited company vide fresh certificate of incorporation dated March 5, 2012 and consequently the name of our Company was changed to "R J Bio-Tech Limited". The Corporate Identification Number of Our Company is U24234MH2005PLC158420. For further details please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page 145 of this Draft Prospectus.

Registered Office: Siddharth Arcade, Opp.MTDC, Railway Station Road, Aurangabad 431005, Maharashtra, India.

Tel No: +91 240 2354912; **Fax No:** +91 240 2332111; **E-mail:** mitesh@rjbiotech.com; **Website:** www.rjbiotech.com

Contact Person: Mr.Mitesh Gadhiya, Company Secretary and Compliance Officer.

PROMOTERS OF OUR COMPANY: Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri

THE ISSUE	
<p>PUBLIC ISSUE OF 25,02,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 20 PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. 10 PER EQUITY SHARE AGGREGATING Rs. 500.40 LACS (THE "ISSUE") BY OUR COMPANY, OF WHICH 1,26,000 EQUITY SHARES OF RS. 10 FULLY PAID EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 23,76,000 EQUITY SHARES OF RS. 10 EACH FULLY PAID IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.43% AND 25.10%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.</p>	
<p>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS RS. 20. THE ISSUE PRICE IS 2 TIMES THE FACE VALUE.</p>	
<p>THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (AS AMENDED FROM TIME TO TIME) <i>For further details please refer to "Section VII - Issue Information" beginning on Page 243 of this Draft Prospectus.</i></p>	
<p>All potential investors may participate in the Issue through Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 249 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 2 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 90 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 17 of this Draft Prospectus.</p>	
COMPANY'S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the BSE SME Platform. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated [•] from BSE for using its name in this offer document for listing of our Equity Shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>SARTHI CAPITAL ADVISORS PRIVATE LIMITED 159/11, Amar Brass Compound, Vidya Nagari Marg, Kalina, Santacruz (East), Mumbai - 400 098. Tel.: +91 22 2652 8671/ 72 Fax: +91 22 2652 8673 Investor Grievance Email: rjbiotechipo@sarthiwm.in Website: www.sarthi.in Contact Person: Mr. Mahavir Lunawat SEBI Registration Number: INM000012011</p>	 <p>BIGSHARE SERVICES PRIVATE LIMITED E/2, Ansa Industrial Estate Saki Vihar Road, Saki Naka Andheri (East), Mumbai 400 072 Tel: +91-22-40430200 Fax: +91-22-28475207 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Raphael SEBI Regn. Number: INR000001385</p>
ISSUE PROGRAMME	
ISSUE OPENS ON: [•]	ISSUE CLOSES ON: [•]

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION 1- GENERAL

DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Term	Description
“We” or “us” or “our” or “our Company” or “the Issuer” or “the Company” or “RJBL” or “R J Bio-Tech”	Unless the context otherwise requires, refers to R J Biotech Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at Siddharth Arcade, Opp. Holiday Camp, Station Road, Aurangabad –431005, Maharashtra, India
AOA/ Articles /Articles of Association	Articles of Association of our Company as amended from time to time, unless the context otherwise specifies
Auditors/Statutory Auditors	The statutory auditors of our Company, M/s Ashok Patil & Co., Chartered Accountants
Banker to our Company	State Bank of India
Board / Board of Directors	Board of Directors of our Company or a committee constituted thereof, unless the context otherwise specifies
Director(s)	Directors of R J Bio-Tech Limited, unless otherwise specified
Group Companies	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act and disclosed in the chapter titled “Our Group Entities” on page 167 of this Draft Prospectus
BSE	BSE Limited
Companies Act	The Companies Act, 1956, as amended from time to time
Company Secretary and Compliance Officer	Mr. Mitesh Gadhiya
Key Managerial Personnel	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 148 of this Draft Prospectus.
Memorandum/ Memorandum of Association	Memorandum of Association of our Company, unless the context otherwise specifies.
Peer Reviewed Auditors	The Peer Reviewed Auditors appointed by of our Company, M/s Sunil Salunke & Associates., Chartered Accountants for the purpose of issuing report on the restated financial statements for inclusion in this Draft Prospectus
Promoter(s)	The promoters of our Company, namely, Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri
Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting our promoter group in terms of Regulation 2 (1)(zb) of the SEBI ICDR Regulations and a list of which is provided in the chapter titled , “Our Promoters and Promoter Group” on page no 161 of this Draft Prospectus
R&D	Research and Development

Registered Office of our Company/Registered Office	Siddharth Arcade, Opp. Holiday Camp, Station Road, Aurangabad – 431005, Maharashtra, India
ROC / RoC	Registrar of Companies, Maharashtra, Mumbai, located at 100, Everest, Marine Lines, Mumbai- 400002.
SBI	State Bank of India

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to this Issue to successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are/ have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	Means an application (whether physical or electronic) used by an applicant to make an application for subscribing to an issue containing an authorization to the SCSBs to block the application money in the specified bank account maintained with SCSB
ASBA Account	ASBA Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
ASBA Application Location(s)/Specified Cities	Location(s) at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat.
ASBA Public Issue Account	An Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors.
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened and in this case being ICICI Bank Limited and HDFC Bank Ltd
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in chapter titled 'Issue Procedure' under the head 'Basis of Allotment' on page 257 of this Draft Prospectus
Controlling Branches	Such branches of the SCSB which coordinate with the LM, the Registrar to the Issue and the Stock Exchanges
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form used by the ASBA applicants and a list of which is available on

Term	Description
	http://www.sebi.gov.in/pmd/scsb.html
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Applicant to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants
Designated Stock Exchange	SME Platform of BSE
Designated Market Maker	Choice Equity Broking Private Limited
Depository Act	The Depositories Act, 1996
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, being NSDL and CDSL
Depository Participant	A depository participant as defined under the Depositories Act, 1956
DP ID	Depository Participant's Identity
ECS	Electronic Clearing Service
Equity Shares / Equity	Equity shares of our Company of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being ICICI Bank Limited and HDFC Bank Limited
Fresh Issue	The fresh issue of 25,02,000 Equity Shares at the Issue Price by our Company
Issue/Issue size/ Initial Public Issue/Initial Public Offer/Initial Public Offering	Public Issue of 25,02,000 Equity Shares of Rs. 10/- each of R J Bio-Tech Limited for cash at a price of Rs. 20/- per share, aggregating to Rs. 500.40 Lacs.
Issue Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date.
Issue Closing Date	The date on which the Issue closes for subscription
Issue Opening Date	The date on which the Issue opens for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
Issue Price	The price at which the Equity Shares are being issued

Term	Description
	by our Company under this Draft Prospectus being Rs. 20/-
IPO	Initial Public Offering
Lead Manager/LM	Lead Manager to the Issue being Sarthi Capital Advisors Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker	Market maker means Choice Equity Broking Private Limited, the market maker appointed for the purpose of this Issue.
Market Maker Reservation Portion	The Reserved portion of 1,26,000 Equity shares of Rs. 10/- each at Rs. 20 per Equity Share aggregating to Rs. 15,60,000/- (Rupees Fifteen Lakhs Sixty Thousand Only) for Designated Market Maker in the Initial Public Issue of R J Bio-Tech Limited.
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 23,76,000 Equity Shares at Rs 20/- per Equity Share aggregating to Rs. 2,84,40,000/- (Rupees Two Crores Eighty Lakhs Forty Thousand Only) by R J Bio-Tech 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
Offer Document	Draft Prospectus / Prospectus
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 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.
Public Issue Agreement	The agreement entered into on [●] between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue.
Prospectus	The Prospectus, filed with the RoC containing, inter alia, issue size, the Issue opening and closing dates and other information.
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
Qualified Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a

Term	Description
	Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs. 2500 Lakhs; (ix) a pension fund with minimum corpus of Rs. 2500 lakhs; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue.
Registrar/Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited, having Registered Office at E/2 Ansa Industrial Estate, Saki Vihar road, Saki Naka, Andheri (E), Mumbai 400 072.
Retail Individual Investor(s)	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Refund Account	The account to be opened with Refund Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made.
Refund Banks	ICICI Bank Limited, Capital Market Division, Rajabhadur Mansion, 30, Mumbai Samachar Marg, Fort Mumbai-400 001 and HDFC Bank Limited [●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable
RTGS	Real Time Gross Settlement
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time.
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 from time to time.
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended

Term	Description
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 which was approved by SEBI as an SME Exchange on September 27, 2011.
Underwriters	Sarathi Capital Advisors Private Limited
Underwriting Agreement	The Agreement among the Underwriters and our Company entered into on [●]
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
B.A	Bachelor of Arts
B.E.	Bachelor of Engineering
B.Com	Bachelor of Commerce
B.Sc	Bachelor of Science
BSE	The Bombay Stock Exchange Limited
C.A	Chartered Accountant
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Crore	Cr.
C.S.	Company Secretary
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DIPP	Department of Industrial Policy and Promotion
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
ECS	Electronic Clearing Service
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and amendments thereto
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
GDP	Gross Domestic Product
Gol/Government	Government of India

Term	Description
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Mn / mn	Million
MOU	Memorandum of Understanding
NA	Not Applicable
NOC	No Objection Certificate
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961,
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
RoC	Registrar of Companies
RONW	Return on Net Worth
Rs./INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
S. or Sec.	Section
Stock Exchange(s)	BSE and/ or NSE as the context may refer to

Industry Related Terms

Term	Description
Agricultural Produce (Grading and Marking Act)	The Agricultural Produce (Grading and Marking) Act, 1937
AP Seeds Bill	Andhra Pradesh Seeds Regulation Bill, 2004
APSSDC	Andhra Pradesh State Seed Development Corporation
Biological Diversity Act	The Biological Diversity Act, 2002
Biological Diversity Rules	The Biological Diversity Rules, 2003
Bioproducts	Bio products are eco-friendly products consisting of beneficial microorganisms of agricultural importance like fungus, bacteria, viruses and nematodes which are mainly used to control several crop pests and diseases, to enhance the productivity of soils either by fixing atmospheric nitrogen in soil or converting phosphorus from unavailable form to available form or stimulating plant growth through synthesis of growth promoting substances.
Bt. Cotton	Cotton Genetically Engineered to produce a natural insecticide that comes from the Bt bacterium, <i>Bacillus Thuringiensis</i> ...
Destructive Insects and Pests Act	The Destructive Insects and Pests Act, 1914
DG sets	Diesel Generator sets
DNA	Deoxyribonucleic Acid
DSIR	Department of Scientific and Industrial Research
GEAC	Genetic Engineering Approval Committee
General Grading and Marking Rules	General Grading and Marking Rules, 1988
GM	Genetically Modified
GoT	Grow out Test
Hybrid Seeds	Seeds produced by artificially cross-pollinated plants
MT	Metric Tonne
NPK	Nitrogen, Phosphorous and Potassium
NVT	National Variety Trials
OP seeds	Open Pollinated seeds
Public bred varieties	Varieties / hybrids developed by agricultural universities or government funded organizations.
Patents Act	The Patents Act, 1970
Proprietary hybrids	Varieties / hybrids developed by the private sector
Protection of Plant Varieties and Farmers' Rights Act/PPV&FR Act	The Protection of Plant Varieties and Farmers' Rights Act, 2001
Protection of Plant Varieties and Farmers' Rights Regulations/ PPV&FR regulations	The Protection of Plant Varieties and Farmers' Rights Regulations, 2006
Protection of Plant Varieties and Farmers' Rights Rules/ PPV&FR Rules	The Protection of Plant Varieties and Farmers' Rights Rules, 2003
PVP	Plant Variety Protection
QMS	Standards for Quality Management
RCGM	Review Committee on Genetic Manipulation
Seeds Act	The Seeds Act, 1966
Seeds Bill	The Seeds Bill, 2004
Seeds (Control) Order	The Seeds (Control) Order, 1983
Seeds Rules	The Seeds Rules, 1968

Term	Description
SP	Self Pollinated
TL seed	Truthful labelled seed

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled – ‘Financial Statements’ on page 177 this Draft Prospectus. 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 (ICDR) Regulations.

Our fiscal year commences on April 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In this Draft Prospectus, 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, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled – ‘Financial Statements’ on page 177 this Draft Prospectus. 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 (ICDR) Regulations.

CURRENCY OF PRESENTATION

In this Draft Prospectus, 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. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn. / Billions’ means ‘one hundred crores’.

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus has been obtained from internal Company reports and Industry publications including interalia RBI and Ministry of Agriculture. Industry publications generally state that 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 Prospectus 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.

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

FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in these sectors/areas in which we operate;
- Factors affecting Agriculture and Seed Industry;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our capital expenditure requirements;
- Increased R&D requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 17 and 206 respectively of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

SECTION II- RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

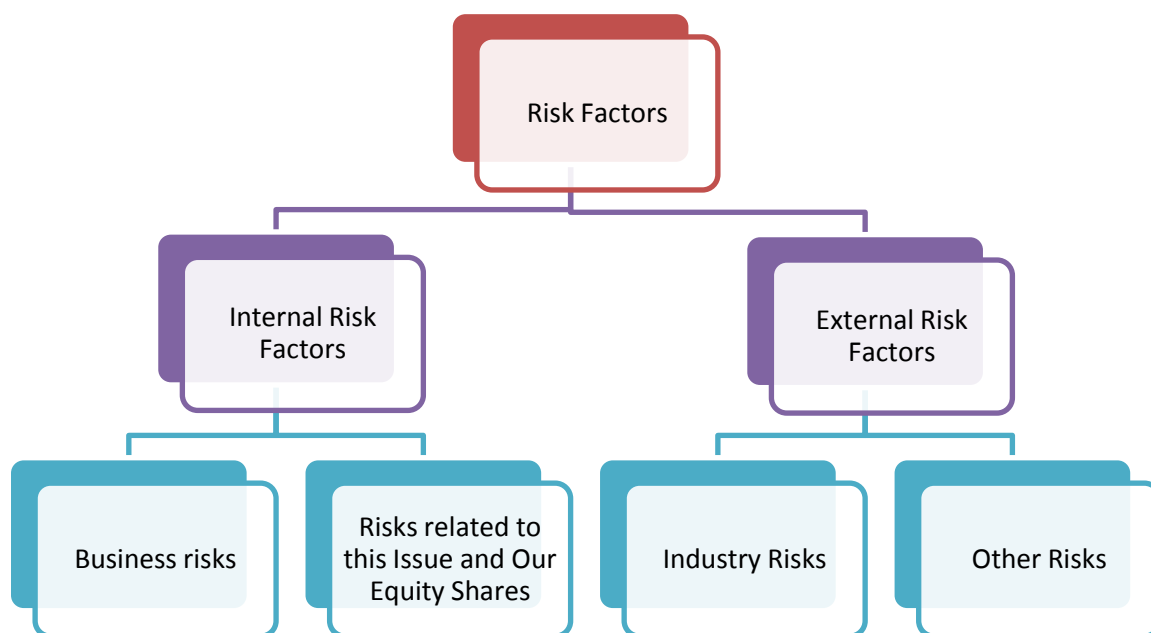
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 117, “Our Industry” beginning on page 102 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 206 respectively, of this Draft Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” on page 4 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as under for the sake of better clarity and increased understanding



A. Internal Risk Factors

I. Business Risks/ Company specific Risks

- 1. Our Company and Group Entities are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.**

Our Company and Group Entities are involved in certain legal proceedings and claims in relation to certain civil and criminal matters incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations. A classification of these legal and other proceedings are given in the following table:

Entity Involved in the litigation	Civil Cases	Criminal Cases	Consumer Cases	Financial Implications (Rs. in Lakhs)
Our Company				
Litigation against our Company	2	0	2	*4.15
Litigation by our Company	1	8	0	217.72

*Amount involved in criminal litigation is not quantifiable.

Entity Involved in the litigation	Civil Cases	Criminal Cases	Consumer Cases	Tax Cases	Financial Implications (Rs. in Lakhs)
Our Group Entities					
Litigation against our Group Entities	18	4	2	1	46.51

Litigation by our Group Entities	21	0	0	0	25.87
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Financial implications of the litigations against our Company and Our Group Entities could be approximately Rs. 30 Lakhs (considering only those cases, the financial implications of which are quantifiable), out of which the financial implications of cases against Our Company could be approximately Rs. 4 Lakhs only.

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

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources.

(Rs. In Lakhs)


Particulars	For the year or period ended on					
	Sept 12	March 12	March 11	March 10	March 09	March 08
Net Cash Flow from/(used in) Operating Activities:	(126.25)	(331.75)	(367.74)	(30.54)	(455.38)	(6.02)
Net Cash flow from /(Used in) Investing Activities	(127.78)	(393.99)	(164.52)	(314.46)	(339.28)	(9.00)
Net Cash Flow from/(used in) Financing Activities	257.74	746.82	590.22	347.65	828.27	32.08

Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. Compared to the financial years ended March 31, 2011 and March 31, 2012, we have lesser negative cash flows as on the period ended September 30, 2012. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

3. None of the Seed Varieties produced by us through research and development have been registered under PPV&FR Act, 2001

We have developed number of hybrid seed varieties through research and development at a substantial cost. However none of these varieties have, so far, been registered under the PPV&FR Act, 2001. We are in the process of registering the same and it is expected to be completed in next 6-8 months. However we cannot assure that the products will be registered by the authorities concerned and we will be entitled to statutory protection under the PPV&FR Act. Also in the interim period, if anyone infringes on these varieties or produces them by Back-crossing or other means our business will get affected.

4. Our logo/trademark is in the process of getting registered

We have made an application for registration of our Logo/trademark  on February 18, 2013 under the Trademarks Act, 1999 and are in the process of getting the same registered. If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

5. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could harm our business.

Seeds cannot be manufactured and have to be grown naturally. Hence we are required to take production decisions in the season preceding season of the sales and maintain our inventory levels based on our own assessment and projections of future demand. Any inaccurate forecast of demand for any product can result in the shortage/surplus of products. This shortage of products may depress sales volumes and can adversely affect customer relations. Conversely, any inaccurate forecast can also result in an over-supply of products, which may increase the carrying costs of inventory, strain cash flows,, erode margins and ultimately create write-offs of inventory. It is possible that we may make more than one such inaccurate forecasts in one season. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

6. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business is working capital intensive. Major portion of our working capital is utilized towards inventory. Summary of our working capital position is given below:-

Rs. In Lakhs			
Particulars	September 2012	March 2012	March, 2011
Net Working Capital (Excluding WC Loans)	3,111.33	2,602.61	1,671.03
Total Current Assets	3,664.29	3,213.53	2,224.55
Inventory	1,714.94	1,983.88	1,744.02
Inventory as % of Total Current Assets	46.80%	78.40%	61.74%

We have been sanctioned fund based working capital limits of Rs. 1900 lakhs from the existing bankers. The seeds business is working capital intensive and involves a lot of investment in inventory as well as debtors. We intend to continue growing by reaching out to more farmers in newer areas and also increasing the sales in the existing areas. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "Objects of the Issue" beginning on page 85 of this Draft Prospectus.

7. We are heavily dependent on the success of our research and development and the failure to develop new and improved products could adversely affect our business.

Seeds product life cycles are getting shorter due to technological advancements and growing competition. This requires that we have in the pipeline an assortment of products which can successfully replace the current products as well as cater to the unexplored segments. Our success depends heavily on our ability to continue developing new products. Seed R&D covers a broad technological platform and technological advances are frequent, rapid and complex. We cannot be sure that we shall make enhanced R&D investments or continue the current level of R&D investments in our business, or that this investment will have desired results in terms of new and improved products, or will yield any results at all. The development process for new varieties of

seeds is lengthy and costly. On an average, it takes three to five years, depending on the crop, for a proprietary hybrid to reach commercial viability. Despite investments in this area, our R&D efforts may not result in the discovery or successful development of new products.

Further, R&D and new innovations are subject to certain inherent threats like piracy and/or theft, other competitors developing relevant technologies/innovations before us due to which our costs and efforts could go waste, etc. There can be no assurance that a new product will be commercially successful. If we do not develop a pipeline of products that can be commercially exploited with our R&D efforts, our business, results of operations and financial condition may be adversely affected.

8. *Our Promoter and Promoter Group Entities have given guarantees in relation to certain debt facilities provided to us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.*

Our Promoters Mr. Raghavendra Joshi and Mr. Shashikant Shastri have given personal guarantees and M/s Khadkeshwar Oil Mills Private Limited, a Promoter Group Company has offered its properties as collateral as well as has given corporate guarantee in relation to debt facilities provided to us by SBI. The facilities sanctioned (Term Loan and Working Capital) amounts to Rs. 2,392 lakhs. In the event that any of these guarantees/collaterals are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could significantly affect our financial condition and cash flows.

9. *Within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 85 of this Draft Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use entire fresh Issue Proceeds towards working capital needs and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in FY 2014 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 85 of this Draft Prospectus

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 85 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the utilisation of the proceeds of this Issue.

10. *Our Company's indebtedness could adversely affect our Company's future actions, financial condition and results of operations*

Our Company has entered into agreement with SBI, Agri Commercial Branch, Kranti Chowk, Aurangabad and availed Cash Credit Limit of Rs. 1900 lacs and Term Loan Facilities of Rs. 392 lakhs.

These agreements contain certain restrictive covenants which require us to take the prior written consent of SBI before undertaking the following activities throughout the currency of the agreement including but not limited to:

- (i) Affecting any change in our Company's capital structure;
- (ii) Implementing any scheme of expansion/modernization/diversification/renovation or acquire fixed assets;
- (iii) Formulate any Scheme of Amalgamation or Reconstruction
- (iv) Making investment/advances or depositing amounts with any other concern;
- (v) Entering into borrowing arrangement with any bank /financial institution/ company;
- (vi) Undertaking guarantee obligations on behalf of any other company; and
- (vii) Declaring any dividend for any year except out of profits relating to that year
- (viii) Effect any drastic change in management setup
- (ix) Effect any change in remuneration payable to director in from of sitting fees or otherwise
- (x) Pay guarantee commission to guarantors whose guarantees have been stipulated/furnished for credit limit sanctioned by bank.

There can be no assurance that our Company will be able to comply with these financial or other covenants or that our Company will be able to obtain the consents necessary to take the actions our Company believes are necessary to operate and grow our Company's business. Further, if we default on the repayment of the aforesaid loans, State Bank of India could enforce their security interests on our assets limiting our ability to carry out operations.

11. Our Company has availed secured loans, majority of which are repayable on demand.

We have availed overdraft facilities aggregating to approximately Rs. 1706.30 lakhs as on September 30, 2012. For further details in relation to the loans and advances, please refer section titled "Financial Statements" beginning on page 177 of this Draft Prospectus. These loans may be called at any time by the lenders. In the event that these loans are required to be re-paid on a short notice, our Company may have to arrange for additional funds which may impact our financials.

12. We partly outsource processing of seeds procured from the State of Andhra Pradesh and therefore, would depend on third parties for processing of such seeds.

We have entered into an agreement with M/s Ultra Seedtech Private Limited ("Ultra Seedtech") on January 23, 2013 for utilising their facilities for processing of seeds exclusively for us on job work basis. Seeds to be procured by us from the State of Andhra Pradesh will be processed by Ultra Seedtech. Any delay or failure on the part Ultra Seedtech to deliver the products in a timely manner or to meet our quality standards may cause a material adverse affect on our business.

13. We rely on third party seed growers for our seed production. The occurrence of any problems with such third party seed growers may require us to scout for other seed growers at short notice which may not be possible, and could, therefore, have a material adverse effect on our business, operations, results of operations and financial condition.

Our seed production is generally undertaken through organizers who are basically farmers who take the responsibility for organizing the seed production programs through their network of farmers in a particular area. These seed growers are independent contractors and not our employees. Although

seed production is subject to close supervision by our employees, such arrangements with seed growers carry with them risks associated with the possibility that seed growers may:

- (i) have economic or other interests that are inconsistent with ours,
- (ii) take actions contrary to our instructions or requests, and/ or
- (iii) be unable or unwilling to fulfill their obligations.

We cannot be sure that we will not face problems with these third-party seed growers in future, or that they will choose to continue to work with us in future. The occurrence of any such problem(s) may require us to scout for other seed growers at short notice which may not be possible, and otherwise have a material adverse effect on our business, results of operations and financial condition.

14. We do not own our Registered Office from which we operate.

We do not own the premises at which our Registered Office is situated. Our group company, Maruti Fertochem Limited, vide MOU dated December 28, 2005 has given the office premises to be used as the registered office of our Company, without payment of any lease rent and/or deposit for a period of 10 years. We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. For further details of properties please refer to the section titled "Our Business" beginning on page 117 of this Draft Prospectus.

15. We do not own our Seed Processing Plant located at Chikalthana.

We do not own the Seed Processing Plant located at Chikalthana. Our group Company, Khadkeshwar Oil Mills Private Limited, vide MOU dated December 1, 2009 has provided the premises to be used as the seed processing plant, without payment of any lease rent and/or deposit for a period of 5 years. We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. For further details of our properties please refer to the section titled "Our Business" beginning on page 117 of this Prospectus.

16. Seed processing plant at Nizamabad, Andhra Pradesh, all our marketing offices and some of our research & development centers are located on property taken on lease or leave and license basis. Disruption of our rights as lessee / licensee or termination of the agreements with our lessors / licensors would adversely impact our manufacturing operations and, consequently, our business

Our processing plant at Nizamabad, Andhra Pradesh, certain portion of land on which R&D Facilities are situated and all our marketing offices are located on properties taken on leave and license basis or lease basis from various lessors / licensors. If we are unable to renew the lease agreement, we may suffer a disruption in our operations. For details of our properties, please refer to the chapter titled "Our Business" beginning on page 117 of this Draft Prospectus.

17. Some of the agreements entered into by us with respect to our marketing offices, and other leasehold/leave and license premises are not adequately stamped and registered, resulting in making them inadmissible as evidence in legal proceedings. Any potential dispute vis-à-vis the

said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

Some of the agreements entered into by us with respect to our marketing offices and other leasehold/leave and license premises are not adequately stamped and registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

18. Any penalty or action taken by any regulatory authorities in future for non-compliance of Section 383A of the Companies Act could impact financial position of the Company to that extent.

The paid up capital of our Company exceeded Rs. 500.00 lakhs on March 14, 2012 pursuant to which, our Company was required to appoint a whole-time company secretary, as required under section 383A of the Companies Act. Although we had issued advertisements in a newspaper inviting candidates for appointment as the company secretary of our Company, we appointed a whole-time company secretary with effect from December 17, 2012. No show cause notice in respect of the above has been received by the Company till date. Any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

19. Any penalty or action taken by any regulatory authorities in future for non-compliance of Section 269 of the Companies Act could impact financial position of the Company to that extent.

The paid up capital of our Company exceeded Rs. 500.00 lakhs on March 14, 2012 pursuant to which, our Company was required to appoint a Managing director or Whole-time Director or Manager, as required under section 269 of the Companies Act. Although we had started searching suitable candidates for appointment as Manager of our Company, we appointed a Manager with effect from January 1, 2013. No show cause notice in respect of the above has been received by the Company till date. Any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

20. Any penalty or action taken by any regulatory authorities in future for non-compliance of Section 81(1A) of the Companies Act and the Unlisted Public Company (Preferential Allotment) Rules, 2003 as amended from time to time could impact financial position of the Company to that extent.

Our Company has not complied with the provisions of Section 81(1A) of the Companies Act and the Unlisted Public Company (Preferential Allotment) Rules, 2003, as amended from time to time, at the time of passing the special resolution for making preferential allotment in the EGM held on March 10, 2012 and subsequently while making allotment under the aforesaid resolution. This may attract a liability as per the provisions of the Act. No show cause notice in respect of the above has been received by the Company till date. Any penalty imposed for such non-compliance in the future by any regulatory authority could affect our financial conditions to that extent.

21. Any penalty or action taken by any regulatory authorities in future for non-compliance of Section 58AA of the Companies Act could impact financial position of the Company to that extent.

Our Company has availed unsecured loans from persons other than the shareholders of the Company during the financial years ended March 31, 2011 and 2012 and thus has not complied with

the provisions of Section 58AA of the Companies Act. The Company has since repaid such loans after September 30, 2012. No show cause notice in respect of the above has been received by the Company till date. Any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

22. *Our Company has not complied with certain Accounting Standards (AS) We and our Directors may be subject to adverse action/penalty by any regulatory authority for such non-compliances.*

Our Company has not complied with disclosure requirements of certain accounting standards namely:

- AS 18 (Related Party Disclosures) and AS 3 (Cash Flow Statements) in the financial years ended on March 31, 2012 and 2011.
- AS 20 (Earnings Per Share) in the financial years on March 31, 2007 and 2008.

We have also not provided disclosures as required under section 22 of MSME Development Act, 2006 for FY 2007, 2008, 2009, 2010, 2011 and 2012 along with our financial statements.

Further in the financial year ended on March 31, 2008 our Company had made an investment of Rs. 9 lakhs in the equity shares of Swagat Bio Technology Pvt. Ltd and made further investment of Rs. 4 lakhs in the financial year ended on March 31, 2010 and the same has been shown under investments during the aforesaid years. However during the financial year ended on March 31, 2011 and 2012, the same was classified under the head deposit which was not in compliance with AS-13 (Accounting for Investments).

We and our Statutory Auditors believe that our financial statements present a true and fair view of our Company and its operations. We cannot assure you that we will not be subject to any prosecution by a competent regulatory authority in this regard.

23. *We have applied for certain licenses / approvals, which we are yet to receive and we are yet to apply for certain licenses / approvals. Further, any delay or inability in renewing our existing licenses / approvals may have an adverse effect on our business.*

There are certain licenses / approvals incidental or ancillary to our business for which we have applied and which are yet to be obtained and those for which we are yet to apply. Delay in receipt of such licenses / approvals may adversely affect our business / operations. Details of the same are as follows:

Licenses applied for but not received as on the date of this Draft Prospectus:

- a) Renewal of Licence to carry on the business of dealer in seeds, in the State of Maharashtra from the Commissioner of Agriculture, Maharashtra State.

Licenses not applied for as on the date of this Draft Prospectus:

- a) We are in the process of applying for license to carry on the business of dealer in seeds in the States of Karnataka and Tamil Nadu; and Renewal of Licence to carry on the business of dealer in seeds in the State of Chhattisgarh.
- b) We are in the process of applying for Shops and Establishment Registration for our marketing offices and storage godowns across India.

Many of the government and statutory approvals which we are required to obtain in the ordinary course of business our business are granted for fixed periods of time and need to be renewed from

time to time. There can be no assurance that the relevant authorities will issue any of such licenses or approvals in time or at all. Further, these licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses / approvals. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension or revocation of any licences or approvals may result in the interruption of our Company's operations and may have a material adverse effect on our business. For details, please refer to chapter titled "Government and Other Statutory Approvals" beginning on page 229 of this Draft Prospectus.

24. We have entered into two non-exclusive sublicensing agreements for using Bio technology in the development of our Cotton hybrids.

We have entered into a non-exclusive sublicensing agreement with Mahyco Monsanto Biotech (India) Limited ("MMBIL") for using Bollagrd II Bt. cotton technology in the development of our hybrids as well as with Global Transgenes Limited ("GTL") for using Bt. Fusion technology in the development of our Cotton hybrids seeds. Since these agreements are not exclusive there is a probability that MMBIL and GTL may enter into similar agreement(s) with any of our present or potential competitor(s) which would enable them to come out with a different hybrid with the same Bt. gene in it. Our hybrid cotton would thus have no unique advantage of Bt. gene compared to the hybrids developed by our competitors. This may lead to an increased competition in hybrid cotton segment which can put increased pressure on our margins and adversely affect our growth prospects in Bt. cotton segment. For further details regarding this agreement, please refer to the chapter titled 'Our Business' beginning on page 117 of this Draft Prospectus.

25. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

Post this Issue, our Promoters and Promoter Group will collectively own substantial portion of our equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

26. Conflicts of interest may arise out of common business objects shared by our Company and one of our Promoter Group Entity.

Mr. Raghavendra Joshi and Mr. Shashikant Shastri, our Individual Promoters are partner in the partnership firm "Maruti Agro Services", which is our Promoter Group Entity and is engaged in the

business of trading in fertilizers and other agricultural products. Although currently we do not face any direct competition from Maruti Agro Services due to its small scale of business activities in the unorganised sector, any major expansion in the business activities of Maruti Agro Services may create a conflict with our Company. The Company does not have any non compete agreement with "Maruti Agro Services". Such a conflict of interest may have an adverse effect on our business and growth.

For further details of Maruti Agro Services, please refer to the chapter titled "Our Group Entities" on page 167 of this Draft Prospectus.

27. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Promoter Group Entities.

Our Promoters may be deemed to be interested to the extent of the Equity Shares held by them and their immediate relatives or our Promoter Group Entities, and benefits arriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Promoter Group Entities. For further details, please refer to page 201 under the heading 'Annexure XI - Related Party Disclosures' under the section titled 'Financial Statements' beginning on page no. 177 of this Draft Prospectus.

28. Some of our Promoter Group Entities have incurred losses in financial year ended March 31, 2012.

Some of Promoter Group Entities have incurred losses in the F.Y. 2011-12. For further details regarding the performance of our Promoter Group Entities, please refer to the heading "Our Group Entities" in the Section "About the Company" on page 167 of this Draft Prospectus.

29. Our inability to effectively implement our growth strategies or manage our growth could have a material adverse effect on our business, results of operations and financial condition.

As a part of our growth strategy, we are planning to make investments designed to increase sales of our products, especially those where our presence is currently limited. For example, our Company is seeking to expand sales of Bt. cotton and hybrid paddy. Our success over the period of 5 years has enabled us to achieve growth in terms of sales from Rs. 90.08 Lakhs in the fiscal 2007-08 to Rs. 1609.69 Lacs in the fiscal 2011-12. Further our profitability has increased from Rs. 1.31 Lakhs in the fiscal 2007-08 to Rs. 54.35 Lakhs in the fiscal 2011-12. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the budgeted cost and timelines. Any inability on our part to manage our growth or implement our strategy effectively could have a material adverse effect on our business, results of operations and financial condition. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

30. Our ability to access capital depends on our credit ratings.

The cost and availability of capital, amongst other factors, is also dependent on our credit ratings. We are currently rated by CARE. Our rating is CARE BB+ for long term bank facilities. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

31. Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and workmen's compensation etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.

While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and workmen's compensation, and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For details on the insurance policies taken by our Company, please refer to page 133, under the head 'Insurance' in the section titled 'Our Business' beginning on page 117 of this Draft Prospectus.

32. Product defects could adversely affect our business.

Although seeds undergo stringent quality control checks before being packed for sale, they may still contain defective or undesired characteristics that may be difficult to detect, with the available methods and tools at our disposal, prior to their sale and use. Since our seeds are used by farmers for commercial production, any quality defects therein would directly affect the earnings of the farmer. Losses claimed by farmers may include the value of lost crops, which could greatly exceed the value of the seeds sold by us. If defective or contaminated seeds are sold to a large number of farmers or over a geographically wide area, it may lead to a large-scale crop failure thus substantially increasing our potential liability for claims. Irrespective of the quality of the seeds, farmers may claim poor crop yields in one or more seasons alleging seed defects, which may not exist or may be exaggerated, and seek to claim damages/compensation from us on that ground. Further, attainment of the desired levels of crop yield is subject to certain precautions relating to utilization of the soil application, proper application of fertilizers, timely application of pesticides, timely supply of water, favourable weather conditions. In the event of any errors on the part of the farmers, or adverse weather conditions, they may claim defects in the quality of the seed.

Further, we are subject to government regulations and periodic government inspections. We believe that our processing plants/facilities comply in all material respects with all applicable laws and regulations. We cannot assure that use of our products will not expose us to costly and time-consuming litigations/claims and not lead to negative publicity about the quality of our products,

which may further affect our sales and performance. Any of the aforesaid factors would have a material adverse effect on business, financial condition and results of operations.

33. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

34. Any future equity offerings may lead to dilution of your shareholding in our Company.

Investors in this Issue may experience dilution of their shareholding to the extent that our Company makes future equity or convertible offerings. Further, any perception or belief that further issues might occur may adversely affect the trading price of our Equity Shares.

35. Consumer resistance to genetically modified seeds may negatively affect our public image.

We produce several Bt. Cotton Hybrid varieties, which is GM (Genetically Modified) seed. In many parts of the world, the planting of GM crops is currently not allowed pending concrete scientific data on its long term impact on the environment and human safety. There is strong opposition in many countries of the world including India as regards use of GM seeds and this opposition can be attributed to the lack of evidence on the impact of GM crops on the surrounding environment, on human health and any potential resultant loss of plant material to farmers. This opposition may make it difficult to market GM Seeds and limit the scope of further technological progress in this area. Further, government authorities might restrict or prohibit or seek to restrict or prohibit the development, production, use of GM seeds, enact laws regarding the use of genetically modified seeds that may delay and limit or even prohibit the development and sale of such products. In the case of such events, our plans of coming out with genetically modified seeds and our results of operations may be materially and adversely affected.

36. Our Company is dependent on third party transportation providers for the delivery of our products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations

Our Company uses third party transportation providers for delivery of our products to our customers. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse affect on deliveries to our customers. These transportation facilities may not be adequate to support our existing and future operations. In addition products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our products to our customers may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to supply our products to our customers. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

37. Our Company does not have long-term agreements with any of our customers for purchasing its products and is subject to uncertainties in demand which could decrease sales and negatively affect its operating results.

We do not have any long term agreements with majority of our customers. As a result, our customers can terminate their relationships with us due to a change in vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders.

38. We may be subject to claims of infringement of third-party intellectual property rights, which could adversely affect our business.

We take care to ensure that we do not infringe the intellectual property rights of third parties. We cannot, however always be sure that, in the course of our operations or research or otherwise, we are not infringing upon any existing third-party intellectual property rights. Any claims of infringement, whether or not they are legally tenable and irrespective of final resolution of the claim, could require us to incur substantial costs in defending in original or appellate proceedings, resolving, settling, paying third party claims decreed against us, appealing against unfavourable decisions or simply responding to such third party claims. Such claims may also create a negative publicity or market perception and require significant amount of management's time and attention which would divert their attention from our business. Further, we may be required, as a result of such claims, to take corrective actions such as altering our technologies or product inputs, conducting further research, discontinue certain operations or product lines etc. One or more of the aforesaid factors may have a material adverse effect on our business, results of operations and financial condition.

39. Our inability to maintain the stability of our distribution network and attract additional high-quality dealers may have an adverse effect on our results of operations and financial condition.

The most challenging part of our business lies in reaching a geographically dispersed end-user at the right time and at the right place with the right product. We rely on our distribution network and dealerships to reach the end customer, i.e. the farmer, and distribute market and sell our products in each of the regions in which we operate. Competition for seed and other agri-inputs dealers is intense. Hence, our business is dependent on maintaining good relationships with our distributors and dealers and that our products are commercially remunerative to the distributors and dealers and have continuing demand from farmers. Furthermore, our growth of our business depends on our ability to attract additional high-quality dealerships to our distribution network. There can be no assurance that our current distributors and dealers will continue to do business with us, or that we can continue to attract additional distributors and dealers to our network. If we do not succeed in maintaining a stable distribution network and attracting additional high-quality dealers to our

distribution network our products may not reach the end customers and have material adverse effect on our results of operations and financial condition.

40. The nature of our business is time-bound and any inability on our part to convey our products to our distributors/dealers/end users at the right time could have a material adverse effect on our business, results of operation and financial condition.

Dealers and/or distributors are normally situated close to the geographically dispersed end user, and far from our production facilities. The sowing season is short, and we have to ensure that our products reach the farmers exactly when they need them. Therefore, any interruption in our ability to reach our products to the distributors/dealers/end users, 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.

41. Our success depends largely on our ability to attract and retain key personnel.

The Seeds business is highly specialized in nature and the availability, especially of skilled R&D, technical and marketing, talent pool is limited. Further it takes substantial time and resources to adequately train the personnel to understand and adapt to the producer's business. The future success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled technical and managerial personnel, who may be highly sought by competing entities. If we fail to hire and retain sufficient numbers of key personnel, primarily skilled R&D, technical, sales and marketing personnel, our business operating results and financial condition could be adversely affected.

42. Decline in prices of our products may reduce our profit margins.

Prices of our products are influenced by several factors, including the inherent strength and productivity of the product, supply of competing product(s) in the market, demand from farmers and dealers, among others. Any adverse changes in terms of sale price, including not being able to revise prices in accordance with cost increases and other relevant factors including those not being in our control, may lead to a material adverse effect on our sales margins, profitability which would have a material adverse effect on our business, results of operations and financial condition.

43. The use of pesticides and other hazardous substances in our operations may lead to environmental damage and result in increased costs to us.

We use pesticides and other hazardous materials in the operation of our business. We may have to pay for the costs or damages associated with the improper application, accidental release or the use or misuse of these substances. In these cases, payment of costs or damages could have a material adverse effect on our business, results of operations and financial condition.

44. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on

account of which our business, results of operations, financial condition and goodwill could be adversely affected.

45. *In the event of abnormal/exceptional circumstances, our Company may experience significant or material losses on account of bad debts, which would have a material adverse impact on our business, results of operations and financial condition.*

Normally, we deliver a significant portion of our products on credit. Our credit terms vary according to local industry practices. Our customers, being the distributors/dealers in most cases, are exposed to downturns in the local economy that affect the ability of farmers to pay the distributors/dealers and consequently the ability of distributors/dealers to pay their debts to us, which could adversely affect our results. Our Company's debtor collection cycle increased from an average of 45 days in Fiscal 2008 to 97 days in Fiscal 2012, which has increased our working capital requirements. Our Company has not experienced significant bad debt losses in the past however, in the event of certain abnormal/exceptional circumstances; there may be significant or material losses on account of bad debts, which would have a material adverse impact on our business, results of operations and financial condition.

46. *Our Company may be affected by fluctuations in Foreign Exchange Rates*

We import seeds of some varieties sold by us and hence we are required to make payments for the same in foreign exchange. The foreign exchange rates have experienced wide fluctuation in the recent past and are expected to remain volatile. Changes in exchange rates may increase or decrease our payment obligation and thus expose us to foreign exchange risks.

II. Risks related to this Issue and our Equity Shares

47. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit

breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;
- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to the Seed Industry ;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies;
- g. Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance 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 initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

50. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 90 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

B. External Risk Factors

I. Industry Risks:

51. *Our business is subject to risks related to weather, disease and pests that could adversely affect the results of our operations and our financial condition.*

Seed Industry faces substantially all of the risks faced by the agriculture in India. The Seed Industry is substantially subject to weather factors, which makes its operating results very unpredictable. The presence of disease and pests depends on weather among other factors in the short term on a regional basis. Although we take care to ensure that most of our products are prepared by keeping tolerance levels in mind, extreme weather conditions, disease and pests can potentially affect quality and quantity of a substantial portion of our products in any year and have a material adverse effect on our business, results of operations and financial condition.

52. *The seeds business is highly seasonal and such seasonality may affect our operating results.*

The seeds business is highly seasonal. Both raw material supplies and sales are seasonal, reason being that majority of our products, at present, are sold in the Kharif season although some products are also sold in the Rabi season. In India, majority of the farmers depend on rain for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which make our operational results very unpredictable. We recognize revenues only upon the sale of our products.

For us, sales takes place only after the seeds have been planted, harvested and prepared for sale. Empirically, the revenues recorded during planting and harvesting seasons are lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we continue to incur substantial operating expenses, but our revenues remain usually lower. Due to the inherent seasonality of our business, results of one reporting period (half year/year) may not be necessarily comparable with preceding or succeeding reporting periods.

Sometimes, even if there is a slight change in timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year.

53. *There may be changes in the regulatory framework governing the Indian Seed Industry that could adversely affect us.*

The Indian Seed Industry is currently regulated *inter alia* by the Seeds Act, 1966; the Seeds Rules, 1968, the Seeds (Control) Order, 1983; and the National Seeds Policy, 2002. The Central Government has proposed the Seeds Bill, 2004 which calls for more stringent laws for protection of consumers / farmers by regulating the quality of seeds produced and ensuring further compliance in this regard. Thus, the statutory and regulatory framework for the Indian Seed Industry may witness changes in the future. We are not in a position to anticipate what the nature or extent of the

changes, if any, will be and we cannot assure you that these changes will not have an adverse impact on our business, results of operations and financial condition.

For a discussion of the regulatory framework governing the Indian Seed Industry, please refer to the chapter titled 'Key Industry Regulations and Policies' beginning on page 138 of this Draft Prospectus.

54. Increased competition may result in decreased demand or lower prices for our products. Our failure to effectively compete could reduce our profitability.

We operate in a very competitive market and face substantial competition. R&D activities required to maintain constant edge over the competition are capital intensive. Multinational/large corporations who have deep pockets and invest huge amounts of money, considerable resources on R&D and in technology are able to come out with very effective and highly improved versions of hybrids. For example, Bt. Cotton, a very effective hybrid has been developed by Monsanto which has given very tough competition to all other seed companies. Like many other seed companies in India, Our Company makes use this technology from Monsanto on commercial basis.

Our competitors include MNCs like Monsanto, Syngenta, Advanta and Indian companies like Kaveri Seeds, Camson Bio-technologies, Nuziveedu seeds etc. Further, the introduction of biotechnology has resulted in the entry of various agro-input companies into the seed industry, thus increasing the competition in the industry.

Generally the period for developing and commercializing a hybrid is 3-5 years. If our competitor introduces a product more suited to farmer needs, it could take a long period for us to develop a suitably competing product, which could have a material adverse effect on our business, results of operations and financial condition.

Some of our competitors may have, or are subsidiaries of large international corporations having, significantly greater resources than those available with us. If we are unable to compete effectively, including in terms of pricing or providing quality products, our market share may decline, which could have a material adverse effect on our financial condition and results of operations.

II. Other Risks

55. We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. 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 converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognised during that period and in the corresponding (restated) period in the comparative Fiscal/period.

56. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

57. Financial instability in Indian financial markets could adversely affect Our Company's results of operations and financial condition.

In this globalised world the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

58. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between nonresidents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

59. You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 73 of the Companies Act, in the event that the

permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

60. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the Mumbai terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

63. *Our Company's Equity Shares are proposed to be listed and traded on BSE SME Platform, which is of recent origin and may take time to establish*

BSE SME Platform was launched by BSE on 13th March, 2012. Such an SME platform is of recent origin and may take time to establish in markets. Though since its launch till the date of this Draft Prospectus, 13 (thirteen) companies have been listed on BSE SME Platform and another 2 (two) companies listed on NSE SME Platform, Emerge, Investors may still not have strong confidence for initial subscription and / or secondary market trading in a SME scrip. Moreover, it is proposed to list the Equity Shares of our Company only on BSE SME Platform. Investment in this Issue, thus, could be riskier.

64. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

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

65. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

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

66. Investors may have difficulty in enforcing judgments against the Company or its management outside India

The Company is a limited liability company incorporated under the laws of India. All of the Directors and executive officers, its advisors and experts named in the Prospectus are residents of India. Further, a substantial portion of our assets and the assets of such persons are located in India. As a result, it may not be possible for investors to affect service of process upon the Company or such persons in jurisdictions outside India or to enforce judgments obtained against it or such persons outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (the "Civil Procedure Code"). Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the laws of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. However, the U.K. has been declared by the Government to be a reciprocating territory. Accordingly, a judgment of a court in the U.S. may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must

be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered.

67. Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operation as well as the price of the Equity Shares.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months is not subject to capital gains tax in India if securities transaction tax ("STT") is paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax. Any change in tax provisions may significantly impact your return on investments.

Prominent Notes:

- a) The Issue of Equity Shares will constitute 26.43 % of the fully diluted Post-Issue paid up capital of our Company.
- b) The net worth of our Company was Rs. 1022.01, Rs. 820.32 Lakhs and Rs. 531.57 lakhs as of September 30, 2012, March 31, 2012 and March 31, 2011 respectively. The book value of each Equity Share was Rs. 14.67, Rs. 12.77 and Rs. 11.00 as of September 30, 2012, March 31, 2012 and March 31, 2011 respectively as per the restated financial statements of our Company. For more information, please see the section titled "Financial Statements" beginning on page 177 of this Draft Prospectus.
- c) The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Raghavendra Joshi	30,50,000	15.49
Mrs. Meena Joshi	9,20,000	15.43
Mr. Shashikant Shastri	50,000	10.00

- d) For details of related party transactions entered into by our Company, please refer to "Related Party Transactions" appearing as Annexure XI of the section titled "Financial Information" on page 201 of this Draft Prospectus.

- e) Except as disclosed in the chapter titled *“Capital Structure”*, *“Our Promoters & Promoter Group”* and *“Our Management”* beginning on pages 67, 161 and 148 respectively, of this Draft Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- f) Except as disclosed in the chapter titled *“Capital Structure”* on page 67 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled *“General Information”* beginning on page 59 of this Draft Prospectus.
- h) Investors are advised to also refer to chapter titled *“Basis for Issue Price”* on page 90 of this Draft Prospectus.
- i) Trading in Equity Shares for all investors shall be in dematerialised form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Prospectus.
- k) Except as stated in the chapter titled *“Our Group Entities”* on page 167 and heading titled *“Related Party Transactions”* on page 201 of this Draft Prospectus, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled *“Issue Structure”* beginning on page 147 of this Draft Prospectus
- m) The name of our Company was changed to R J Bio-Tech Private Limited pursuant to which a fresh certificate of incorporation dated March 5, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai, consequent upon change of name. However, the new name does not suggest any change of activity and company continues to carry on the same activity. For further details of changes in the name of our Company, please refer to the chapter titled *“Our History and Certain Other Corporate Matters”* beginning on page 145 of this Draft Prospectus.

SECTION III- INTRODUCTION

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Prospectus, including the information contained in the Sections titled 'Risk Factors' and 'Financial Statements' and related notes beginning on page 17 and 177 of this Draft Prospectus before deciding to invest in our Equity Shares.

SUMMARY OF OUR INDUSTRY

INDIAN ECONOMIC REVIEW

The Indian economy's performance in 2011-12 was marked by slowing growth, high inflation and widening fiscal and current account gaps. The economy grew at its slowest pace in nine years with mining, manufacturing and construction dragging growth down. Weakening of both domestic and external demand contributed to the slowdown. Importantly, in spite of slowing growth, inflation stayed high for larger part of the year. In response, the Reserve Bank persisted with tightening till October 2011 and paused before easing in April 2012. Slowing growth, high inflation and widening twin deficits, along with global flight to safety amidst a deepening euro area crisis put pressures on the financial markets and the exchange rate during the year.

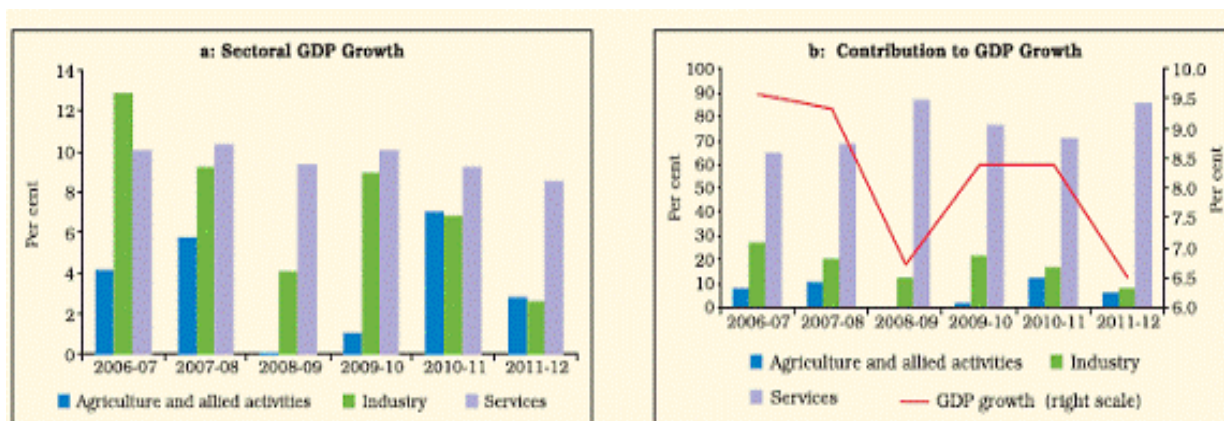
The Indian economy was one of the fastest growing economies in the post-crisis period. During 2011-12, however, there was continuous deceleration of economic activity in each of the four quarters which pushed the expansion of the economy to below potential, which is the maximum level of output that the economy can sustain without creating macroeconomic imbalances. There has been a deceleration in all sub-sectors of the economy, barring 'electricity, gas and water supply' and 'community, social and personal services'.

Growth slowed down due to multiple factors. One of the reasons was the persistence of inflation at a much higher level than the threshold for two successive years. Persistent and high inflation necessitated continued tightening of monetary policy. Recent research suggests that real interest (lending) rates explain only about one-third of GDP growth. As of March 2012, real weighted average lending rates, that have an inverse relationship with investment activity, were lower than they were in the pre-crisis period between 2003-04 and 2007-08, when investment boomed.

This suggests that non-monetary factors played a bigger role and accentuated the slowdown to beyond what was anticipated while tightening the monetary policy. Recession in the euro area and general uncertainty regarding the global economic climate chipped the external demand as well. Domestic policy uncertainties, governance and corruption issues amidst lack of political consensus on reforms led to a sharp deterioration in investment climate. Structural constraints emerged in key investment drivers in the infrastructure space – telecom, roads and power – which increased the disinflationary costs. High inflation kept aggregate demand and business confidence subdued.

After a sharp recovery from the global financial crisis and two successive years of robust growth of 8.4 per cent, GDP growth decelerated sharply to a nine-year low of 6.5 per cent during 2011-12 (Appendix Table 1). The slowdown was reflected in all sectors of the economy but the industrial sector suffered the sharpest deceleration (Appendix Table 2 and [Chart a](#)).

(Source: <http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?Id=1039>)



The slowdown in agriculture sector growth was on account of the base effect which dragged down its contribution to GDP growth by half ([Chart b](#)). In the case of industry, the sharp moderation in manufacturing sector growth along with decline in mining and quarrying output offset the improvement in 'electricity, gas and water supply' growth. The industrial sector's weighted percentage contribution to economic growth dropped to single digits, the first time in ten years. The moderation in services sector growth was led by sharp deceleration in 'construction' and 'trade, hotels, transport and communication'. Despite the moderation, the predominance of the services sector remains a unique feature of the overall growth story and the process of structural change in India

Growth Rates and Sectoral Composition of Real Gross Domestic Product

(At 2004-05 Prices)						
(Per cent)						
Sector	Growth Rate			Share in real GDP		
	09-10	10-11*	11-12#	09-10	10-11*	11-12 #
1. Agriculture and Allied Activities	1.0	7.0	2.8	14.7	14.5	14.0
of which :						
Agriculture	0.7	7.8	..	12.4	12.3	..
2. Industry	8.9	6.8	2.6	20.2	19.9	19.2
of which :						
a) Mining and quarrying	6.3	5.0	-0.9	2.3	2.2	2.1
b) Manufacturing	9.7	7.6	2.5	16.0	15.8	15.3
c) Electricity, gas and water supply	6.3	3.0	7.9	2.0	1.9	1.9
3. Services	10.0	9.2	8.5	65.1	65.5	66.8
of which :						
a) Construction	7.0	8.0	5.3	7.9	7.9	7.8
b) Trade, hotels and restaurants	7.8	9.0	..	16.6	16.6	..
c) Transport, storage and communications	14.8	14.9	..	10.0	10.6	..
d) Financing, insurance, real estate	9.4	10.4	9.6	17.1	17.4	17.9

and business services						
e) Community, social and personal services	12.0	4.5	5.8	13.5	13.1	13.0
4. Gross Domestic Product at factor cost	8.4	8.4	6.5	100.0	100.0	100.

*:Quick Estimates. #: Revised Estimates.

Source: CSO and RBI website (<http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?id=1053>)

Global Seed industry

As per the Global Seeds Market Report 2012, the US is the largest market for seeds followed by China and France both in terms of value and the area under cultivation. Some of the major ongoing trends globally include market consolidation because of increasing number of mergers and acquisitions, increasing cross border transactions, uprising of the corporate seed distribution system, introduction of more stringent laws, and R&D related aspects. Some of the leading corporations of the biotech seed industry include Monsanto, DuPont, Syngenta AG and Bayer Cropscience.

Considering the increasing population, fast-changing consumption pattern of all sections of society, significant R&D achievements and increasing cross border transactions are some of the factors that are expected to drive the growing seed industry globally. As per ASSOCHAM the global industry for seeds is also likely to cross 71 billion dollar by 2015 from the current level of about 60 billion dollar. (Source:<http://www.assochem.org/prels/shownews-archive.php?id=3804>)

Indian Seed industry

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 40 years, are very significant. A major re-structuring of the seed industry by Government of India through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. This could be termed as a first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong R&D base for product development in each of the seed companies with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, farmer has a wide product choice and seed industry today is set to work with a 'farmer centric' approach and is market driven. (Source: www.seednet.gov.in)

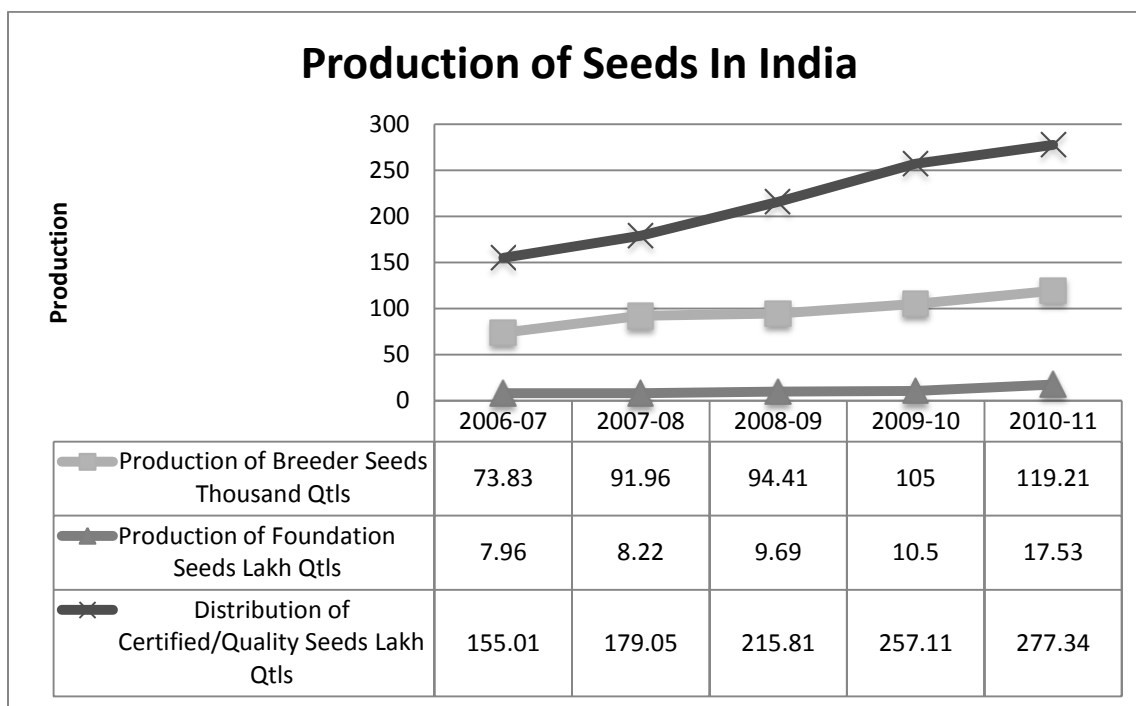
Evolution of the Seed Industry

1960s – Mid 1980s	Mid 1980s – 1990s	Current Status
Strict regulatory regime: Seed Act, 1966; Seed Rules, 1968	Seed Industry boom due to several government initiatives	Private Sector accounts for ~80% turnover in seed Industry
Minimal Private Sector participation	Foreign direct investment allowed and encouraged	Almost 1/3 companies have a global technology/ financial partner
R & D in public domain	Trade regulations liberalized	14 Government organizations and 350 private players
Restrictions on germplasm exchange, foreign ownership etc	Imports of improved varieties and breeding lines liberalized	Thrust on R&D from private players
Most farmers depended on seed saved from their own crops cultivated in the previous year	Policy reforms such as the New Policy on Seed Development (1988) and the economy wide New Industrial Policy 1991	Hybridization gaining momentum

(Source:

www.apsaseed.org/images/lovelypics/Documents/Technical%20Session08/India_%20Country%20Report.pdf)

In India, a limited generation system, which is characterized by three generations – breeder, foundation and certified seeds, is used for seed multiplication. The details of the production/distribution of each generation since 2006-07 are provided below:



Source: State of Indian Agriculture Report 11-12 by Ministry of Agriculture

Crop-wise Distribution of Certified/Quality Seeds-

Cereal Crops	2006-07	2007-08	2008-09	2009-10	2010-11	CAGR
Wheat	54.85	63.25	74.83	90.66	97.83	12%
Paddy	43.51	48.93	58.18	60.95	69.34	10%
Maize	5.74	5.8	7.94	7.74	8.94	9%
Jowar	2.32	2.38	2.41	2.24	2.16	-1%
Bajra	2.16	1.9	2.2	1.74	2.31	1%
Ragi	0.21	0.27	0.25	0.05	0.26	4%
Barley	1.08	1.27	1.62	1.77	1.79	11%
Total	109.87	123.8	147.43	165.15	182.63	11%

Oilseeds	2006-07	2007-08	2008-09	2009-10	2010-11	CAGR
Groundnut	9.89	14.43	15.9	18.86	21.79	17%
Rapeseed & Mustard	1.36	1.71	1.63	2.09	2.07	9%
Til	0.16	0.22	0.18	0.18	0.2	5%
Sunflower	0.89	0.92	0.8	0.76	0.55	-9%
Soyabean	14.05	16.52	20.89	28.44	25.55	13%
Linseed	0.02	0.02	0.01	0.01	0.04	15%
Castorseed	0.36	0.42	0.42	0.29	0.31	-3%
Safflower	0.07	0.08	0.09	0.07	0.08	3%
Others	0.2	0.01	0.00	0.01	0.01	-45%
Total	27	34.33	39.92	50.71	50.6	13%

Crops Varieties	2006-07	2007-08	2008-09	2009-10	2010-11	CAGR
Cereals	109.87	123.8	147.43	165.15	182.63	11%
Pulses	9.63	12.57	14.48	19.69	20.84	17%
Oilseeds	27.00	34.33	39.92	50.71	50.6	13%
Fibres	3.05	2.63	2.58	2.65	2.64	-3%
Other Misc.	5.46	5.72	11.4	18.91	20.63	30%
Total	155.01	179.05	215.81	257.11	277.34	12%

*CAGR calculated over above stated five years.

Source: State of Indian Agriculture Report 11-12 by Ministry of Agriculture

The production data shown in the table above indicates that the Indian seed market has entered a period of high growth. Historically, the Indian seed market had been dominated by public sector players. Private companies began playing an active role in the industry after the introduction of the Seed Policy in 1988. It is estimated that about 80% of the seed commercially sold in India is produced by private sector seed companies.

Industry Drivers

As key agricultural inputs, seed products have the following common industry drivers:

Population growth

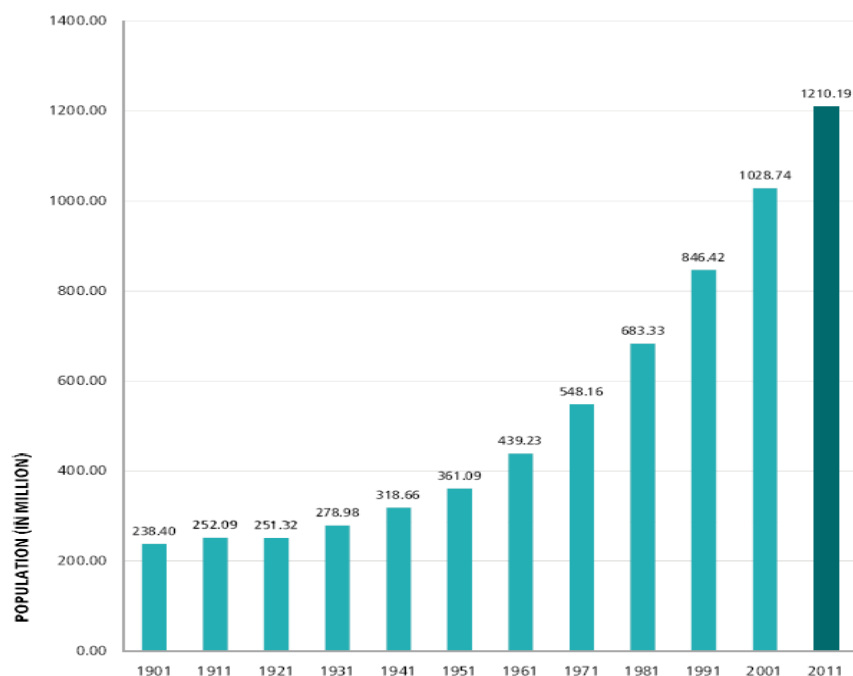
A fundamental driver for the increase in demand for crops is global population growth. The United Nations projects that world population will increase from 6.8 Billion in 2009 and surpass 9 billion people by 2050.

India's population has grown at a steady pace in past few years.

Population growth rate, India and selected Countries: 2000-2010



**India
Population (in millions): 1901-2011**



Source: http://censusindia.gov.in/2011-prov-results/data_files/india/Final_PPT_2011_chapter3.pdf

The population of India is expected to increase from 1029 million to 1400 million during the period 2001-2026 - an increase of 36 % in 25 years at the rate of 1.2 % annually as per the report of the technical group on population projections constituted by the national commission on population May 2006 titled “Population Projections for India and States 2001-2026”

Land availability – A scarcity

Arable land is scarce in many parts of the world and under pressure from urbanization and industrial uses. It can be seen from the table below that the area under cultivation in last 10 years has more or less been stagnant. Accordingly, there is continual pressure to increase the productivity of available resources.

AREA UNDER CULTIVATION – FOODGRAINS

(Million hectares)

Year	Cereals					
	Rice	Wheat	Coarse Cereals	Total Cereals	Pulses	Total Foodgrains
2000-01	44.71	25.73	30.26	100.70	20.35	121.05
2001-02	44.90	26.34	29.52	100.76	22.01	122.77
2002-03	41.18	25.20	26.99	93.37	20.50	113.87
2003-04	42.59	26.60	30.80	99.99	23.46	123.45
2004-05	41.91	26.38	29.03	97.32	22.76	120.08
2005-06	43.66	26.48	29.04	99.18	22.39	121.57
2006-07	43.81	27.99	28.71	100.51	23.19	123.70
2007-08	43.91	28.04	28.48	100.43	23.63	124.06
2008-09	45.54	27.75	27.45	100.74	22.09	122.83
2009-10	41.87	28.34	27.52	97.73	23.39	121.12
2010-11	42.56	29.25	27.64	99.45	26.28	125.73
2011-12	44.07	29.82	26.62	100.52	26.22	126.74
CAGR	-0.12%	1.24%	-1.06%	-0.01%	2.13%	0.38%

Note : Data for 2011-12 are based on Advance Estimates.

Source : Ministry of Agriculture, Government of India, RBI Website.

Incentives by Government

Gol has introduced various schemes which inter alia include the scheme for ‘Development & Strengthening of Infrastructure, Facilities for Production and Distribution of Quality Seeds’. The Objective of this scheme is to develop and strengthen the existing infrastructure for the production and distribution of certified seeds to farmers.

The Seed Village Programme was launched with a view to upgrade the quality of farmer saved seed which is about 80-85% of the total seed used for crop production programme. Under the programme 25% quota has been reserved for training of women and instructions have also been issued to State Agricultural Universities, State Seed Corporations. etc. which are releasing funds to the beneficiaries to ensure that assistance/ subsidy benefits are equally available to all the farmers including women farmers.

These and other such incentives are expected to boost production of seeds in India.

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

Diverse Use of Crops

Crops have diverse uses. A particular crop can be used for food production as well as for industrial use. Oilseed crops, such as mustard and soyabean, are used to produce edible as well as biodiesel. Corn and sugar cane are examples of crops used to produce ethanol beside their traditional use. Thus diverse uses of crops increase their demand and will require higher production.

Food Security of India

Robust seeds with vitality to increase the yield from the limited area under acreage coupled with effective crop management is needed to ensure food security in India

Future Outlook

As per ASSOCHAM analysis growing at a compounded annual growth rate (CAGR) of about 15 per cent, the seed industry in India is likely to reach Rs 10,700 crore mark by 2015 from the current level of about Rs 7,000 crore. Besides, the production levels of seeds in India is also likely to grow from the current level of about 40 million quintals to about 63 million quintals by 2015

The share of organised sector is just over half of the total seed industry at about Rs 3,250 crore while the unorganised sector accounts for the remaining as the marginal farmers comprise over 60 per cent of land owners in India and hence opt for cheaper seeds considering the cost of quality seeds is relatively higher. Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal are leading commercial seeds producing states in India.

The analysis revealed that farmers are gradually shedding the inhibitions about hybrids and shifting to the same as yields from varietal seeds are falling significantly but many are still reluctant as hybrids are not only expensive but also can't be reused. Cotton, corn, pearl millets, mustard and rapeseed, rice, sorghum, sunflower and vegetable hybrid seeds are gaining acceptance and this trend is being borne out of the variation in revenue composition of private sector seed companies. With about 20 per cent share, cotton is the biggest component in the hybrid seed market followed by rice (15 per cent), wheat and vegetables (over 10 per cent each).

While there are a handful of state seed corporations and Seed Farm Corporation of India, engaged in production, distribution and marketing of high volume low value public varieties, there are about 350 private sector producers and distributors and about 300 trading firms.

Seasonality factors and risks arising out of dependence on monsoon are certain key challenges faced by the seed companies which can surely be dealt with through strong research and development and products for both kharif and rabi seasons. Besides, there is also a need to use proper technology to develop products suiting evolving disease profiles and climatic conditions.

A robust distribution network providing information on seed performance and improvements is required to gain greater acceptability. Besides, a proper inventory must be maintained to meet the future demand and crop-rotation must be done to retain the customers. Further, the growth of seed industry would depend upon the development and adoption of innovative technologies.

Advanta India, Ganga Kaveri, JK, Mahyco, Monsanto India, Namdhari, Nuziveedu, Pioneer, Proagro, Rasi and Syngenta are certain leading players with major market share in the Indian seeds market. (Source: <http://www.assochem.org/prels/shownews-archive.php?id=3804>)

As per National Seeds Association of India export of agri-seeds from the country may more than double to Rs 1,000 crore in the next 2-3 years as 38 varieties from India have been registered in the OECD list. Currently, India exports Rs 400-450 crore worth of seeds. (Source: http://articles.economictimes.indiatimes.com/2013-02-10/news/37020531_1_indian-seeds-nsai-organisation-for-economic-co-operation)

SUMMARY OF OUR BUSINESS

Our Company is an Aurangabad based agri-biotechnology company focusing on crop genetics and developing superior hybrids. We have focused on R&D since incorporation in 2005 and started trial marketing of our proprietary products in 2008. Presently, we are engaged in research, crop improvement, production and marketing of superior quality hybrid seeds in 8 field crops and 16 vegetable crops.

Mr. Raghavendra Joshi, a first generation entrepreneur having interests in various sectors like poultry breeding, poultry feeds, granulated mixed fertilizers, neem based natural pesticides, organic manure, infrastructure etc, is the founder promoter of our Company. Our Company is one of the group companies of RJ Group, an Aurangabad based fast growing business conglomerate.

We are being driven by strong research backed growth strategy. We have approx 55 acres of farm area for R&D activity and an array of in-house capabilities and state-of-the art R&D infrastructure facilities which include Grow-out Test (GoT) centers, open poly houses, control poly houses, screen houses and cold chamber for germplasm storage etc. At present, the Company has a collection of more than 2700 varieties of germplasm in various crops.

A key element of production infrastructure is tie-ups with production farmers. We have access to over 700 seed growers and around 2000 acres of production area through our 20 organizers as well as direct contacts with the farmers for planting of vegetables. We also have 3 processing plants with aggregate processing capacity of 14 MT per hour, 9 product testing locations and a storage facility of more than 40,000 square feet.

Currently we have more than 1000 dealers & distributors operating in 10 States. We are focusing on building long-standing relationships with major distributors who focus on providing better services to the grower.

We have about 110 employees out of which over 45% (50 employees) are under the sales and marketing function to support future expansion plans and 20% (22 Employees) in R&D activities. Since seed marketing is a seasonal business, the marketing staff works in close connection with channel partners and end users for disseminating the new agriculture technology as well as researching the market for future trends and demand estimation.

Our Products:



Vegetables

- Okra
- Tomato
- Coriander
- Spinach
- Gourds
- Cucumber
- Beans
- Chilli
- Brinjal
- Melons
- Onion



Cereal Crops

- Bajra
- Hybrid Paddy
- Elite Paddy
- Maize
- Wheat



Oil seeds

- Mustard
- Sun Flower
- Cotton

OUR COMPETITIVE STRENGTHS

We are fast growing seed producer

Our Company has witnessed Exponential growth in past few years. Income from operations of our Company grew at CAGR of 78% from Rs. 90.08 Lakhs in the fiscal 2007-08 to Rs. 1609.69 Lacs in the fiscal 2011-12. Profit after tax of our Company grew at CAGR of 110.58% from Rs. 1.31 Lakhs in the fiscal 2007-08 to Rs. 54.35 Lakhs in the fiscal 2011-12.

Leveraging the experience of our Promoters

Our Promoters Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri have collectively more than 30 years of experience in the field of agro related business & allied activities which has contributed significantly in the growth of our Company and our group companies.

Strong R & D Based Business Model

We have a strong R&D based business model. We have vibrant R&D program with portfolio of products in pipeline to compete with any product in the market.

We have been undertaking R&D for breeding high performance hybrids. We have an experienced and professionally qualified R&D team engaged in full time research. Our R&D infrastructure includes 55 acres of farmland and state of the art lab facilities at 3 locations in two States, which we believe makes us a competitive R&D player in the industry. Our in-house R&D Center located at Pharola has been granted recognition by DSIR which is a great achievement in itself considering not so long operating

history of our Company. Our existing products in crops like paddy, chilli, cotton etc. have demonstrated superior performance where the Company's products are competing against MNC products. This highlights our R&D capabilities. For further details refer to 'R&D Infrastructure' on page 125 of this Draft Prospectus

Experienced management team and a motivated and efficient work force

We have a dedicated team of full time Researchers and marketing people located across 10 States. Periodic recruitment of personnel, educating and training them with the required skills is a prime activity of the human resources department. We believe our established human resources practices have contributed in retaining skilled workforce.

We have hybrid seeds for a wide range of crops

We have more than 55 types of hybrid seeds in 8 field crops and 16 vegetable crops. These varieties give us an edge in the market and we have the ability and infrastructure to further develop different hybrids in these crops. Our product portfolio gives us a natural hedge against dependence on any particular crop(s), and we have an advantage to meet changing farmer needs even in the event of crop-shifting by farmers.

Marketing & Distribution

We have a skilled marketing team with wide distribution reach with approximately 1000 distributors across 10 States. This enables us to reach many important markets of the country. We intend to build a pan-Indian distributor network especially in marketing centers like Kerala, Haryana, Punjab and Rajasthan to deliver the products to the end users in time with the highest level of efficiency. We belong to a fast growing group having overall gross turnover of approximately Rs. 500 Crore as on March 31, 2012 .

OUR BUSINESS STRATEGY

- **Strong In House R & D:** Our Company has a strong R&D program that is aimed at developing improved varieties in demand driven crops like cotton, paddy, corn and vegetables. We have over 53 products in pipeline to be commercialized in the next two years. We also have a highly qualified and focused R&D team to support its intensive R&D backed growth program.
- **Tie-ups with technology providers:** Our Company aims to leverage on its current technology partnerships and also develop new ones to meet its growth objectives. Notable technology arrangements are as follows:
 - Tie up with Bt. Cotton leader Mahyco Monsanto for its Bollgard-II. The Bt. Cotton hybrids developed through this tie-up will be commercialized in Kharif 2014 giving a boost to our Company's growth plans in cotton segment.
- **Expansion of Marketing Network and Marketing of New Products:** We intend to scale up the marketing activity by focusing on building a pan-Indian network especially in marketing centers like Kerala, Haryana, Punjab and Rajasthan, and also improving the marketing infrastructure like logistics, marketing offices etc.

- We have entered into a non exclusive marketing arrangement with Monsanto Holding Limited for marketing their popular hybrids of Maize. These hybrids have been adopted by our Company through transfer of parental lines and hence this segment is also expected to witness tremendous growth.
- We have entered into a non exclusive MOU with Director of Rice Research, Hyderabad for marketing of hybrid paddy developed by the Director of Rice Research, Hyderabad. The hybrid rice will be commercialized by the year 2014-15. Since the variety is a notified one, the company will be eligible to sell this product in subsidized rate across India without any special licensing requirement.

SUMMARY FINANCIAL STATEMENTS

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the Auditor's Report in the section titled "Financial Statements." You should read this financial data in conjunction with our financial statements for Financial Year 2008, 2009, 2010 2011, 2012 and for period from 1st April, 2012 to 30th September, 2012 including the notes thereto and the reports thereon, which appears under the chapter titled "Financial Statements" and chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 177 and 206 of this Prospectus.

STATEMENT OF ASSETS & LIABILITIES AS RESTATED

Rs. In Lakhs

Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Assets						
Non Current Assets						
Fixed Assets						
Tangible Assets	309.18	291.75	277.99	270.07	182.63	20.12
Intangible Assets	0.11	0.13	0.22	0.37	0.61	
Capital work in Progress	-	13.26	7.93	-	-	-
Non Current Investments	-	-	-	-	-	-
Long Term Loans and Advances	20.79	20.97	20.92	16.64	10.20	9.25
Other Non Current Assets	298.59	315.20	230.70	238.47	128.34	1.59
Current Assets	-	-	-	-	-	-
Inventories	1,714.94	1,983.88	1,744.02	965.41	592.26	198.12
Trade Receivables	1,268.09	621.64	249.27	133.68	119.00	19.93
Cash and Cash Equivalents	139.54	135.83	114.75	56.79	54.14	20.53
Short Term Loans and Advances	488.03	410.70	71.10	31.55	25.63	47.01
Other Current Assets	53.70	61.48	45.40	19.01	2.56	0.67
Total Assets (A)	4,292.96	3,854.85	2,762.30	1,731.99	1,115.38	317.22
Liabilities						
Non Current Liabilities						
Long Term Borrowings	576.04	329.94	319.12	304.18	105.28	8.40
Deferred Tax Liabilities (net)	94.01	73.76	48.59	29.48	20.55	-
Other Long Term Liabilities	43.04	35.06	29.25	20.65	15.70	9.18
Current Liabilities						
Trade Payables	162.04	110.56	101.65	72.26	46.75	31.18
Short Term Borrowings	1,706.30	1,669.64	1,049.55	581.32	406.99	-
Other Current Liabilities	293.98	434.32	400.72	161.31	81.27	205.25
Short Term Provisions	96.95	66.04	51.14	38.38	22.54	10.90

Total Liabilities (B)	2,972.36	2,719.33	2,000.03	1,207.56	699.07	264.91
Total Net Assets (A-B)	1,320.60	1,135.52	762.27	524.43	416.31	52.31
Represented by						
Share Capital	696.56	642.56	483.06	463.40	395.00	51.00
Reserves and Surplus	624.04	492.96	279.21	61.03	21.31	1.31
	1,320.60	1,135.52	762.27	524.43	416.31	52.31

Summary Statement of Profit and Loss as restated

Rs. In Lakhs						
Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Income						
Revenue from Operation	1,844.15	1,609.69	1,344.47	911.44	550.01	90.08
Other Income	-	-	-	0.37	0.03	0.37
Total Revenue	1,844.15	1,609.69	1,344.47	911.82	550.04	90.45
Expenses						
Cost of Materials Consumed	824.92	725.92	578.13	570.16	342.85	61.74
Purchases of Stock-in-Trade	-	-	-	-	-	-
Changes in Inventories of Finished goods	(132.23)	(228.91)	(178.59)	(273.41)	(100.00)	-
work-in-progress and Stock- in-Trade	-	-	-	-	-	-
Employee Benefit Expenses	92.08	159.11	128.67	86.67	28.78	-
Finance Costs	133.02	203.10	171.98	93.96	19.60	0.32
Depreciation & Amortization Expenses	17.28	37.89	36.17	20.38	7.58	0.40
Other Expenses	789.19	631.64	546.48	370.26	202.83	24.44
Total Expenses	1,724.26	1,528.75	1,282.84	868.02	501.64	86.90
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	119.89	80.94	61.63	43.80	48.41	3.56
Exceptional Items	0.17	0.55	-	-	-	-
Profit before tax (VII-VIII)	119.71	80.39	61.63	43.80	48.41	3.56
Tax Expense:						
(1) Income tax	0.05	0.03	0.75	0.14	2.42	0.98
(2) Current tax	24.00	16.26	11.95	6.76	5.44	1.27
(3) Deferred tax	20.25	25.17	19.12	8.93	20.55	-
(4) MAT Credit	(1.66)	(15.32)	(11.43)	(11.74)	-	-
Profit/(Loss) for the year/ period	77.08	54.25	41.25	39.71	20.00	1.31

STATEMENT OF CASH FLOW AS RESTATED

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
A)	Cash flow from operating activities:						
	Net Profit before tax as per Profit And Loss A/c	119.89	80.94	61.63	43.80	48.41	3.56
	Adjusted for:						
	Depreciation	16.72	36.37	34.65	19.56	6.76	-
	Interest & Finance Cost	133.02	203.10	171.98	93.96	19.60	0.32
	R &D Exp and Deferred Exp. W/off	122.80	252.03	120.41	92.75	41.82	-
	Preliminary Exp. Written Off	0.56	1.52	1.52	0.82	0.82	0.39
	Operating Profit Before Working Capital Changes	392.99	573.96	390.19	250.89	117.41	4.27
	Adjusted for:						
	Inventories	268.94	(239.86)	(778.61)	(373.15)	(394.15)	(161.90)
	Trade Receivables	(646.44)	(372.36)	(114.79)	(14.69)	(99.06)	(19.93)
	Loans and advances and other assets	(67.70)	(340.42)	(49.57)	(13.04)	18.54	(21.57)
	Liabilities & Provisions	(57.72)	58.90	195.79	119.59	(98.09)	194.38
	Cash Generated From Operations	(109.94)	(319.78)	(356.99)	(30.40)	(455.35)	(4.75)
	Direct Tax Paid	(16.31)	(11.97)	(10.75)	(0.14)	(0.03)	(1.27)
	Net Cash Flow from/(used in) Operating Activities:	(126.25)	(331.75)	(367.74)	(30.54)	(455.38)	(6.02)
B)	Cash Flow From Investing Activities:						
	Purchase of Fixed Assets	(22.32)	(57.31)	(50.36)	(106.76)	(190.00)	-
	Sale of Fixed Assets	1.29	1.38	-			-
	Misc. expenses for R & D & deferred expenses	(106.75)	(338.06)	(114.16)	(203.70)	(169.40)	-
	Proceeds from other investment	-	-	-	(4.00)	20.12	(9.00)
	Net Cash flow from /(Used in) Investing Activities	(127.78)	(393.99)	(164.52)	(314.46)	(339.28)	(9.00)
C)	Cash Flow from Financing Activities:						
	Proceeds From Share Capital & Share Premium	108.00	319.00	196.60	68.40	344.00	24.00
	Proceeds from Long Term Borrowing (Net)	246.09	10.83	97.37	198.90	96.88	8.40
	Proceeds from short-term borrowings	36.66	620.09	468.23	174.31	406.99	-
	Interest & Financial Charges	(133.02)	(203.10)	(171.98)	(93.96)	(19.60)	(0.32)

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Net Cash Flow from/(used in) Financing Activities	257.74	746.82	590.22	347.65	828.27	32.08
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	3.71	21.08	57.96	2.65	33.61	17.06
	Cash & Cash Equivalents As At Beginning of the Year	135.83	114.75	56.79	54.14	20.53	3.47
	Cash & Cash Equivalents As At End of the Year	139.54	135.83	114.75	56.79	54.14	20.53

Note: The above Cash Flow Statements have been prepared under the “Indirect Method” as set out in Accounting Standard (AS) – 3 on Cash Flow Statements as notified by the Companies (Accounting Standards) Rules, 2006.

THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered	25,02,000 Equity Shares of Rs. 10/- each fully paid of the Company for cash at price of Rs. 20/-per equity share aggregating Rs.500.40 Lacs
Of which	
Issue Reserved for Market Makers	1,26,000 Equity Shares of Rs. 10/- each fully paid of the Company for cash at price of Rs. 20/-per equity share aggregating Rs.15.6 Lacs
Net Issue to the Public	23,76,000 Equity Shares of Rs. 10/- each fully paid of the Company for cash at price of Rs. 20/-per equity share aggregating Rs. 284.4 Lacs
	of which
	11,88,000 Equity Shares of Rs. 10/- each fully paid of the Company for cash at price of Rs. 20/-per equity will be available for allocation to investors upto Rs. 2.00 Lakhs
	11,88,000 Equity Shares of Rs. 10/- each fully paid of the Company for cash at price of Rs. 20/-per equity will be available for allocation to investors above Rs. 2.00 Lakhs
Equity Shares outstanding prior to the Issue	69,65,600 Equity Shares
Equity Shares outstanding after the Issue	94,67,600 Equity Shares
Objects of the Issue	See the section titled “Objects of the Issue” on page 85 Our Company will not receive any proceeds from the Offer for Sale.

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The Issue is being made through the Fixed Price Process and hence, as per sub Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 at least 50% of the Net Issue to Public will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received at the Issue Price.

For further details please refer to chapter titled “Issue Structure” beginning on page 247 of this Draft Prospectus.

GENERAL INFORMATION

Our Company was incorporated as R J Bio-Tech Private Limited under the provisions of the Companies Act, 1956 on December 28, 2005 in Aurangabad. Subsequently, our Company was converted from private limited company to a public limited company vide fresh Certificate of Incorporation dated March 5, 2012. For further details see section titled 'Our History and Certain Other Corporate Matters' beginning on page 145 of this Prospectus.

Registered Office of Our Company

R. J. Bio-Tech Limited
Siddhartha Arcade, Opp Holiday Camp,
Station Road, Aurangabad,
Maharashtra - 431005.
Tel: (91) 240 2354912
Fax: (91) 240 2332111
Email:mitesh@rjbiotech.com
Website: www.rjbiotech.com
Registration Number: 133926
Corporate Identification Number: U27100MH2001PLC133926

Registrar of Companies

The Registrar of Companies, Mumbai, Maharashtra

100, Everest, Marine Drive,
Mumbai - 400 002,
Maharashtra, India.
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE: SME Platform of 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 chapter titled ,
“Our History and Certain Other Corporate Matters” beginning on page 145 of this Draft Prospectus.

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No	Name	Age	DIN No.	Address	Designation
1.	Mr. Raghavendra Joshi	52 Years	00307124	Apoorva, B-10, Indraprastha Enclaves, Jyoti Nagar, Aurangabad - 431005	Chairman
2.	Mrs. Meena Joshi	52 Years	00307708	E-1, Shishir Apartment, New Shrey Nagar, Aurangabad – 431005	Director

3.	Mr. Shashikant Shastri	52 Years	00307652	E-1, Shishir Apartment,, New Shrey Nagar,, Aurangabad, 431005	Director
4.	Mr. Chandraprakash Tripathi	71 Years	03150939	Plot No 25, Nisargamitra Co-operative Housing Society, Opp. St. John School, Paithan Road, CIDCO Nagar-4, Aurangabad – 431002	Director
5.	Mr. Balaji Prithviraj Singh	43 Years	06413344	Plot. No. 1, Flat. No. 3, Tapi Tirupati Executive, Ulkanagari Gharkheda, Aurangabad – 431005	Director
6.	Mr. Anil Vasanttrao Dharmadhikari	61 Years	06410911	H. No. C-3 Shrey Nagar, Kasliwal Heritage Behind. Pawan Gas Godown, Aurangabad - 431005	Director

For further details of our Directors, refer to the chapter titled “Our Management” beginning on page 148 of this Draft Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

MR. MITESH GADHIYA

Siddharth Arcade, Opp.MTDC

Railway Station Road

Aurangabad-431 005

Tel: (91) 240 2354912

Fax: (91) 240 2332111

Email: mitesh@rjbiotech.com

Investors may contact the Compliance Officer and/or the Registrar to the Issue and/or the LM to the Issue in case of any Pre-Issue or Post- Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, refund orders, etc.

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

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

STATUTORY AUDITORS

M/S. ASHOK PATIL & CO.

Chartered Accountants

A.P. Heights, Behind Gopal Cultural Hall

New Osmanpura, Aurangabad 431 005

Tel :- (91) 240 2354018

Fax :-(91) 240 2358483
E-mail: anand.lodha@apa.org.in
Contact Person: Mr. Anand U. Lodha
Firm Registration No. 129713W
Membership No. 131344

PEER REVIEWED AUDITORS

M/S. SUNIL SALUNKE & ASSOCIATES.

Chartered Accountants
5/6/3, Laxmi Sankul, 1st Floor
Near Sant Eknath Rang Mandir
Osmanpura, Aurangabad 431 005
Tel :- (91) 240 2343558
E-mail: sunilsalunkeassociates@yahoo.co.in
Contact Person: Mr. Sunil Salunke
Firm Registration No. 118372W
Membership No. 105421

LEAD MANAGER

SARTHI CAPITAL ADVISORS PRIVATE LIMITED

159/11, Amar Brass Compound
Vidya Nagari Marg
Kalina, Santacruz (E)
Mumbai – 400 098
Tel: - (022) 26528671/72
Fax: (022) 26528673
Email: rjbiotechipo@sarthiwm.in
Contact Person: Mr. Mahavir Lunawat
SEBI Registration No: INM000012011

REGISTRAR TO THE ISSUE

BIGSHARE SERVICES PRIVATE LIMITED

E/2 Ansa Industrial Estate
Saki Vihar Road
Saki Naka, Andheri (E)
Mumbai - 400 072
Tel: (91)22 40430200
Fax: (91)22 28475207
E-mail: ipo@bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration No: INR000001385

LEGAL ADVISOR TO THE ISSUE

ADV. MANDAR MADHAV DABHOLKAR

A-5, Pardeshi Towers
Darga Road
Near Jyoti Nagar
Aurangabad – 431 005.
Tel: (91) 0240 2364270
Email: mandar1170@rediffmail.com

BANKERS TO THE COMPANY

STATE BANK OF INDIA

Agri Commercial Branch
5-5-31, Loya Towers
Dr. Rajendra Prasad Road
Kranti Chowk, Aurangabad - 431005
Tel: (91) 240 2334461
Fax: (91) 240 2350862
Email: sbi.14948@sbi.co.in
Contact Person: Mr. Tukaram Deokar

BANKERS TO THE ISSUE / ESCROW COLLECTION BANK & REFUND BANKER

ICICI BANK LIMITED

Capital Market Division
Rajabhadur Mansion, 30
Mumbai Samachar Marg, Fort
Mumbai- 400 001
Tel: -022- 6631 0322/ 312
Fax: 022- 6631 0350/ 2261 1138
Email: anil.gadoo@icicibank.com
Contact Person: Mr. Anil Gadoo
SEBI Registration. No: INBI00000004*

The SEBI registration certificate of ICICI Bank Limited had expired on October 31, 2012. As required under the Securities and Exchange Bank of India (Bankers to an Issue) Regulations, 1994, as amended, an application dated July 13, 2012 for permanent registration was made by ICICI Bank Limited to SEBI. The approval of SEBI is awaited.

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 an issue of Equity shares, credit rating is not required.

TRUSTEES

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

IPO GRADING

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

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 500.40 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the Equity Shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Sarthi Capital Advisors Pvt. Ltd. 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 Peer Reviewed Auditor of our Company on the financial statements and statement of tax benefits included in this Draft Prospectus, our Company has not obtained any other expert opinion.

UNDERWRITING AGREEMENT

Underwriting

This Issue is 100% Underwritten. The underwriting agreement is dated [●], pursuant to the terms of the underwriting agreement; the obligations of the underwriters are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
SARTHI CAPITAL ADVISORS PVT. LTD 159/11, Amar Brass Compound, Vidya Nagari Marg, Kalina, Santacruz (E), Mumbai - 400098 Tel: - (022) 26528671/72 Fax: (022) 26528673	25,02,000	500.40 Lakhs	100%

Email: Contact Person: Mr. Mahavir Lunawat SEBI REGN NO: INM000012011			
Total	25,02,000	500.40 Lakhs	100%

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

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager have entered into a tripartite agreement dated [●] with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

Choice Equity Broking Private Limited

Shree Shakambhari Corporate Park,
Plot No. 156 – 158, Near Cambridge School,
Chakravarti Ashok Society ,
J. B. Nagar, Andheri (E),
Mumbai – 400099.

Tel: +91 22 67078910

E-mail: mahavir.toshniwal@choiceindia.com

Contact Person: Mr. Mahavir Toshniwal

SEBI Registration No.: INB011377331

Market Maker Registration No. (SME Segment of BSE): [●]

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

4. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Choice Equity Broking Private Limited is acting as the sole Market Maker.
5. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
6. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

9. BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

11. SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 25,000 Lakhs, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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

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

CAPITAL STRUCTURE

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

(Rs. In Lakhs except share data)

Sr. No	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	1,00,00,000 Equity Shares of Rs. 10 each	1,000.00	
B	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
	69,65,600 fully paid up Equity Shares of Rs. 10 each	696.56	
C	PRESENT ISSUE IN TERMS OF DRAFT PROSPECTUS*		
	25,02,000 Equity Shares of Rs. 10 each at a premium of Rs. 10/- per Equity Share	250.20	500.40
	Which comprises		
	1,26,000 Equity Shares of Rs. 10/- each at a premium of Rs 10/-per Equity Share reserved as Market Maker Portion	12.60	25.20
	Net Issue to Public of 23,76,000. Equity Shares of Rs. 10/- each at a premium of Rs. 10/- per Equity Share to the Public	237.60	475.20
	Of which		
	11,88,000 Equity Shares of Rs.10/- each at a premium of Rs. 10/- per Equity Share will be available for allocation to Investors upto Rs. 2.00 Lacs	118.80	237.60
	11,88,000 Equity Shares of Rs.10/- each at a premium of Rs. 10/- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lacs	118.80	237.60
D	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
	84,65,600 Equity Shares of Rs. 10 each	846.56	
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	390.44	
	After the Issue	640.64	

* The Issue has been authorized pursuant to a resolution of our Board dated December 31, 2012 and by Special Resolution passed under Section 81(1A) of the Companies Act at an Extra Ordinary General Meeting of our shareholders held on January 28, 2012.

The Company has only one class of share capital i.e. Equity Shares of Rs.10 each only. All Equity Shares issued are fully paid-up.

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

Notes to the Capital Structure:

History of change in authorized Equity Share capital of Our Company

- The Initial authorized capital of Rs. 5,00,000 (Rupees Five Lakhs Only) was increased to Rs. 50,00,000 (Rupees Fifty Lakhs Only) consisting of 5,00,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders dated 30-12-2006.
- The authorized capital of Rs. 50,00,000 (Rupees Fifty Lakhs Only) was increased to Rs. 2,00,00,000 (Rupees Two Crores Only) consisting of 20,00,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders dated 15-12-2007.
- The authorized capital of Rs. 2,00,00,000 (Rupees Two Crores Only) was increased to Rs. 5,00,00,000 (Rupees Five Crores Only) consisting of 50,00,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders dated 25-10-2008.
- The authorized capital of Rs. 5,00,00,000 (Rupees Five Crores Only) was increased to Rs. 10,00,00,000 (Rupees Ten Crores Only) consisting of 1,00,00,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders dated 15-01-2011.

1. Equity Share Capital History:

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Consideration	Cumulative No of Shares	Cumulative Paid up Capital	Cumulative Share Premium
28-12-2005	10,000	10	10	Subscription to MOA ⁽¹⁾	Cash	10,000	100,000	-
28-03-2008	455,000	10	10	Further Allotment ⁽²⁾	Cash	465,000	4,650,000	-
31-03-2008	45,000	10	10	Further Allotment ⁽³⁾	Cash	510,000	5,100,000	-
29-05-2008	400,000	10	10	Further Allotment ⁽⁴⁾	Other than Cash	910,000	9,100,000	-
24-09-2008	10,90,000	10	10	Further Allotment ⁽⁵⁾	Cash	2,000,000	20,000,000	-
06-11-2008	500,000	10	10	Further Allotment ⁽⁶⁾	Other than Cash	2,500,000	25,000,000	-
31-03-2009	14,50,000	10	10	Further Allotment ⁽⁷⁾	Cash	3,950,000	39,500,000	-
31-03-2010	684,000	10	10	Further Allotment ⁽⁸⁾	Cash	4,634,000	46,340,000	-
24-03-2011	1,36,600	10	100	Further Allotment ⁽⁹⁾	Cash	4,770,600	47,706,000	12,294,000
28-3-2011	60,000	10	100	Further Allotment ⁽¹⁰⁾	Cash	4,830,600	48,306,000	17,694,000
14-03-2012	760,000	10	20	Preferential Allotment ⁽¹¹⁾	Cash	5,590,600	55,906,000	25,294,000
27-03-2012	750,000	10	20	Preferential Allotment ⁽¹²⁾	Cash	6,340,600	63,406,000	32,794,000
31-03-2012	85,000	10	20	Preferential Allotment ⁽¹³⁾	Cash	6,425,600	64,256,000	33,644,000
30-06-2012	40,000	10	20	Preferential Allotment ⁽¹⁴⁾	Cash	6,465,600	64,656,000	34,044,000

29-09-2012	500,000	10	20	Preferential Allotment ⁽¹⁵⁾	Cash	6,965,600	69,656,000	39,044,000
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- (1) Initial Subscribers to Memorandum of Association Mr. Raghavendra Joshi, Mr. Pramod Deshmukh and Mr. Shashikant Shastri has respectively subscribed to 5,000, 2500 and 2500 Equity Shares of Rs. 10/- fully paid up.
- (2) The Company allotted 4,55,000 equity shares of Rs. 10/-each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Maruti Fertochem Limited	2,50,000
2.	Navjeevan Hatcheries Private Limited	2,00,000
3.	Mr. Sanjay Prabhakar Rao Shirsikar	2,500
4.	Mr. Deepak Keshavrao Jantikar	2,500
	Total	4,55,000

- (3) The Company allotted 45,000 equity shares of Rs. 10/-each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Raghavendra Joshi	45,000

- (4) The Company allotted 4,00,000 equity shares of Rs. 10/-each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Parmeshwar Venkat Rao Salunke	4,00,000

- (5) The Company allotted 10,90,000 equity shares of Rs. 10/-each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Raghavendra Joshi	450,000
2.	Mrs. Meena Joshi	247,500
3.	Mr. Sanjay Prabhakar Rao Shirsikar	47,500
4.	Maruti Fertochem Limited	250,000
5.	Mr. Deepak Keshavrao Jantikar	47,500
6.	Mr. Shashikant Vinayakrao Shastri	47,500
	Total	1,090,000

- (6) The Company allotted 5,00,000 equity shares of Rs. 10/-each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Khadkeshwar Breeders Private Limited	5,00,000

- (7) The Company allotted 14,50,000 equity shares of Rs. 10/-each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Rajendra Devichand More	50,000
2.	Mr. Bhaskar Sheshrao More	50,000
3.	Mr. Vijay Devrao Gore	50,000
4.	Mr. Karbhari Pandharinath Nawale	50,000
5.	Mr. Shaikh Karim Shaikh Yasin	50,000
6.	Mr. Annasaheb Bapurao Gore	50,000
7.	Mr. Rajendra Narayan Bhawar	100,000
8.	Mr. Dattatraya Rambhau Sawant	50,000
9.	Mr. Shivrath Murlidhar Jadhav	50,000
10.	Mr. Hanumanth Laxman Dorkhe	50,000
11.	Mr. Ashok Bhausaheb Gogade	50,000
12.	Mr. Chandrakant Bapusaheb Mule	50,000
13.	Mr. Shaikh Gulam Shaikh Chand	50,000
14.	Mr. Kalyan Tukaram Bhalekar	50,000
15.	Mr. Mahesh Padmakar Shewalkar	50,000
16.	Mr. Chandan Bhagchand Bedwal	50,000
17.	Mr. Ramesh Nivruttirao Rodgepatil	50,000
18.	Mrs. Aboli Ramesh Rodgepatil	50,000
19.	Mr. Rameshwar Bhanudas Dhole	50,000
20.	Mr. Ganesh A Malkar	50,000
21.	Mrs. Archana Abhay Pande	50,000
22.	Mr. Manmohan Murlidhar Kulkarni	50,000
23.	Mr. Vilas Annasaheb Tanpure	50,000
24.	Maruti Ferro-Tech Ltd	250,000
	Total	1,450,000

(8) The Company allotted 6,84,000 equity shares of Rs. 10/- each at par per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Aihad Bhimrao Khaire	50,000
2.	Mr. Shankar Ghatge	8,000
3.	Mr. Younus Pinjari	8,000
4.	Mr. Mujahiddhin Kolhapure	8,000
5.	Mr. Babijan Mujawar	8,000
6.	Mr. Saheblal Mujawar	8,000
7.	Mr. Bashir Mujawar	8,000
8.	Mr. Samir Vilasrao Shaha	100,000
9.	Mr. Dhondiba Babalal Makandar	10,000
10.	Mr. Balasaheb Rau Angaj	10,000
11.	Mr. Shrikant Anant Nikam	10,000
12.	Mr. Sarjerao Dnyandev Bhandawale	10,000
13.	Mr. Hasan Allisow Shikalgar	10,000
14.	Dr. Tejaswini Sureshrao Desai	40,000
15.	Mr. Uttam Nana Aher	50,000
16.	Mr. Deelip Shankar Aher	50,000

Sr. No	Name of Person	No of Shares Allotted
17.	Mr. Balaji Koniba Bhor	50,000
18.	Maruti Financial Services Pvt Ltd	121,000
19.	Maruti Ferro-Tech Ltd	10,000
20.	Mrs. Meena Joshi	50,000
21.	Mr. Raghavendra Joshi	60,000
22.	Mr. Eknath Popat Dongare	5,000
	Total	684,000

(9) The Company allotted 1,36,600 equity shares of Rs. 10/-each at a premium of Rs. 90 each as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Shaliwahan Farms Pvt. Ltd.	10,000
2.	R J Breeders Pvt. Ltd.	10,000
3.	Hi-Tek Breeders Pvt. Ltd	10,000
4.	Modern Breeders Pvt. Ltd.	10,000
5.	Galaxy Breeders Pvt. Ltd.	10,000
6.	Mrs. Vijaya Dadasaheb Dighe	10,000
7.	Mr. Dadasaheb Dighe	10,000
8.	Mr. Rajendra Narayan Bhavar	7,000
9.	Mrs. Anita Rajendra Bhavar	3,000
10.	Maruti Ferro-Tech Ltd	34,000
11.	Maruti Financial Services Pvt Ltd	17,500
12.	Neem India Products Private Limited	5,100
	Total	136,600

(10)The Company allotted 60,000 equity shares of Rs. 10/-each at a premium of Rs. 90 each as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Laksh Merchantile Pvt Ltd	60,000

(11)The Company allotted 7,60,000 equity shares of Rs. 10/-each at a premium of Rs. 10 each as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Deoram Murlidhar Dighe	15,000
2.	Mr. Sayyad Raju Babajan Inamdar	15,000
3.	Mr. Bhusaheb Raghunath Shinde	15,000
4.	Mr. Baban Manaji Upadhe	15,000
5.	Mr. Yatish Shahaji Jadhav	15,000
6.	Mr. Babasaheb Rambhau Mujmule	15,000

Sr. No	Name of Person	No of Shares Allotted
7.	Mr. Sanjay Karbhari Bhakare	15,000
8.	Mr. Sunil Tukaram Kudale	15,000
9.	Mr. Abbu Maheebub Inamdar	15,000
10.	Mr. Nanasaheb Dagadu Game	15,000
11.	Mr. Bhimrao Tukaram Asane	15,000
12.	Mr. Babasaheb Gopal Dange	15,000
13.	Mr. Santosh Shahaji Gaikwad	15,000
14.	Mr. Narayan Shivaji Mane	15,000
15.	Mr. Sanjay Govindrao Kale	15,000
16.	Mr. Sambhaji Dinkar Pawar	15,000
17.	Mr. Balasaheb Dadasaheb Kadlag	15,000
18.	Mr. Shaikh Abdul Samad Abdul Kadar	15,000
19.	Mr. Nasir Halim Pathan	15,000
20.	Mr. Babasaheb Shankar Ghare	15,000
21.	Mr. Khandu Baburao Thorat	15,000
22.	Mr. Ganesh Dattatray Khamkar	15,000
23.	Mr. Dattatray Gangadhar Khamkar	15,000
24.	Mr. Pandharinath Nivruti Khalkar	15,000
25.	Mr. Paraji Rambhau Khalkar	15,000
26.	Mr. Suresh Sukhdev Khalkar	15,000
27.	Mr. Yogesh Raosaheb Aasne	15,000
28.	Mrs. Anupama Sambhaji Kale	15,000
29.	Mr. Radhakrishna Dagdu Bahirat	15,000
30.	Mr. Wasimkhan Shakurkhan Pathan	15,000
31.	Mrs. Ujwala Manoj Pawar	15,000
32.	Mr. Sanjay Sahebrao Kudnar	15,000
33.	Mr. Santosh Vitthal Phad	15,000
34.	Mr. Sandip Mahadu Ghuge	15,000
35.	Mrs. Kundadevi Gholap	15,000
36.	Mr. Uttam Ranganath Shinde	25,000
37.	Mr. Ramnath Thorat	25,000
38.	Mr. Bhusaheb Namdev Thorat	25,000
39.	Mr. Vinayak Wagh	25,000
40.	Mr. Dashrath Runja Thorat	25,000
41.	Mr. Anil Kudale	25,000
42.	Mr. Satish Tanhaji Walunj	25,000
43.	Mr. Sainath Rahane	25,000
44.	Mr. Sanjay Darandale	25,000
45.	Mr. Vijay H. Lande	10,000
	Total	760,000

(12) The Company allotted 7,50,000 equity shares of Rs. 10/- each at a premium of Rs. 10 each as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Prabhakar Dhanwate	15,000
2.	Mr. Popat Sukhdev Thorat	15,000
3.	Mr. Jitendra Santosh Patil	15,000
4.	Mrs. Indubai Sanjay Suryawanshi	15,000
5.	Mr. Sagar Dagu Patil	15,000
6.	Mr. Gajanan Haribhau Ahire	15,000
7.	Mr. Vishwanath Govind Nikam	15,000
8.	Mr. Sudam Jayram Bacchav	15,000
9.	Mr. Prashant Chindha Kale	15,000
10.	Mr. Vikram Abaji Kadnor	15,000
11.	Mr. Sharad Fakira Gangurde	15,000
12.	Mr. Ashok Daulat Pawar	15,000
13.	Mr. Baban Jagannath Suryavanshi	15,000
14.	Mr. Mahesh Balasaheb Ingale	15,000
15.	Mr. Walmik Balu Shewale	15,000
16.	Mr. Anil Virendra Malviay	15,000
17.	Mr. Bharat Vithal More	15,000
18.	Mr. Dilip Atmaram Patil	15,000
19.	Mr. Kailas Hiranman Patil	15,000
20.	Mr. Eknath Ananda Patil	15,000
21.	Mr. Praful Nehru Patil	15,000
22.	Mr. Ganesh Ramesh Mali	15,000
23.	Mr. Nishant Nimba Khairnar	15,000
24.	Mr. Lahanu Rama Marner	15,000
25.	Mr. Sheshrao Ramrao Patil	15,000
26.	Mr. Hemant Shivaji Patil	15,000
27.	Mr. Rajendra Nimba Ahire	15,000
28.	Mr. Yogesh Rajaram Jagtap	15,000
29.	Mr. Gajanan Rambhau Patil	15,000
30.	Mr. Abhijit Arvind Baviskar	15,000
31.	Mr. Ravindra Pratapsing Rajput	15,000
32.	Mr. Pravin Devising Rajput	15,000
33.	Mrs. Sangita Narendra Bagul	15,000
34.	Mrs. Mamtabai Mangalsing Girase	15,000
35.	Mrs. Rohidas Sakharam Patil	15,000
36.	Mr. Walmik Shenfadu Marathe	25,000
37.	Mr. Ramdas Bhika Beldar	25,000
38.	Mr. Dadaji Budha Mahale	25,000
39.	Mr. Vedu supdu Patil	25,000
40.	Mr. Nitin Vijay Mahajan	25,000
41.	Mr. Ankush Kautik Koli	25,000
42.	Mrs. Mirabai Bhika Darade	25,000
43.	Mr. Arun Namdev Patil	25,000

Sr. No	Name of Person	No of Shares Allotted
44.	Mr. Mukandgir Sadgir Gosavi	25,000
	Total	750,000

(13)The Company allotted 85,000 equity shares of Rs. 10/-each at a premium of Rs. 10 each as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Miss.Kalyani Laxmikant Kapsikar	25,000
2.	Mr.Kedar Laxmikant Kapsikar	25,000
3.	Mrs. Santosh Chandraprakash Tripathi	25,000
4.	Mrs. Alka Prabhakarrrao Tadhalkar	10,000
	Total	85,000

(14)The Company allotted 40,000 equity shares of Rs. 10/-each at a premium of Rs. 10 each as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Dr. Nitesh Balwant Biradar Mrs. Chhabubai Balwant Biradar	30,000
2.	Mr. Baburao Niwaratirao Kandarphale	10,000
	Total	40,000

(15)The Company allotted 5,00,000 equity shares of Rs. 10/-each at a premium of Rs. 10 each as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
2.	Mrs. Meena Joshi	5,00,000

2. Issue of Equity Shares for consideration other than cash

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Person to whom shares are issued	Benefits accrued to our Company
29-05-2008	400,000	10	10	Consideration for purchase of Land*	Mr. Parmeshwar Venkatrao Solunke	Ownership of land has been transferred to the Company
06-11-2008	500,000	10	10	Consideration for purchase of	Khadkeshwar Breeders Private	Ownership of land has been

				Land#	Limited	transferred to the Company
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* Purchase consideration for land admeasuring 1 hectare 62 R located at Gut no 245, Bidkin, Taluka Paithan, District Aurangabad.

Purchase consideration for land admeasuring 2 hectares located at Gut no 246, Bidkin, Taluka Paithan, District Aurangabad.

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.
4. We have not issued any equity shares in last one year at price below issue price.
5. Details of shareholding of promoters

Mr. Raghavendra Joshi

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition /Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	No of Shares Pledged	% of Shares Pledged
28-12-2005	5,000	10	10	Subscription to MOA	0.07%	0.05%	3 Years	0	0.00
31-03-2008	45,000	10	10	Further Allotment	0.65%	0.48%	3 Years	0	0.00
24-09-2008	4,50,000	10	10	Further Allotment	6.46%	4.75%	3 Years	0	0.00
22-12-2008	(1,20,000)	10	10	Transfer	(1.72%)	-1.27%	NA	0	0.00
31-03-2010	60,000	10	10	Further Allotment	0.86%	0.63%	3 Years	0	0.00
27-03-2012	10,40,000	10	11	Acquisition by Transfer	14.93%	10.98%	1 Year	0	0.00
11-02-2013	15,70,000	10	20	Acquisition by Transfer	22.54	16.58%	3 Years/ 1Year	0	0.00
Total	30,50,000				43.79%	32.22%		0	0.00

Mrs. Meena Joshi

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition /Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	No of Shares Pledged	% of Shares Pledged
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28-03-2008	2,500	10	10	Acquisition by Transfer	0.04%	0.03%	3 Years	0	0.00
24-09-2008	2,47,500	10	10	Further Allotment	3.55%	2.61%	3 Years	0	0.00
22-12-2008	1,20,000	10	10	Acquisition by Transfer	1.72%	1.27%	3 Years	0	0.00
31-03-2010	50,000	10	10	Further Allotment	0.72%	0.53%	3 Years	0	0.00
29-09-2012	5,00,000	10	20	Preferential Allotment	7.18%	5.28%	3 Year	0	0.00
Total	92,00,00				13.21%	9.72%		0	0.00

Mr. Shashikant Shastri

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	No of Shares Pledged	% of Shares Pledged
28-12-2005	2500	10	10	Subscription to MOA	0.04%	0.03%	3 Years	0	0.00
24-09-2008	47500	10	10	Further Allotment	0.68%	0.50%	3 Years	0	0.00
Total	50000				0.72%	0.53%	Sub Total	0	0.00

6. Shares purchased/sold by the promoter group, directors and their immediate relatives during last 6 months.

Date of Transaction	Name of Transacting Party	Party Category	Nature of Transaction	Price	Number of Shares Transacted
29-09-2012	Mrs. Meena Joshi	Promoter	Acquisition by preferential allotment	20	5,00,000
11-02-2013	Mr. Raghavendra Joshi	Promoter	Acquisition by Transfer	20	15,70,000
				Total	20,70,000

All the purchases were made at the price of Rs. 20 on the dates mentioned above.

There are no financing arrangements whereby the promoter group, the directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing draft offer document with the Stock Exchanges.

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

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

the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above.

Date of allotment	Date when made fully paid up	No of Shares Allotted	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
Mr. Raghavendra Joshi (A)						
28-12-2005	28-12-2005	5,000	10	10	Subscription to MOA	0.05%
31-03-2008	31-03-2008	45,000	10	10	Further Allotment	0.48%
24-09-2008	24-09-2008	4,50,000	10	10	Further Allotment	4.75%
22-12-2008	22-12-2008	-1,20,000	10	10	Transfer	-1.27%
31-03-2010	31-03-2010	60,000	10	10	Further Allotment	0.63%
11-02-2013	11-02-2013	4,90,000	10	20	Acquisition by Transfer	5.18%
Total (A)		9,30,000	10	20	Acquisition by Transfer	9.82%
Mrs. Meena Joshi (B)						
28-03-2008	28-03-2008	2,500	10	10	Acquisition by Transfer	0.03%
24-09-2008	24-09-2008	2,47,500	10	10	Further Allotment	2.61%
22-12-2008	22-12-2008	1,20,000	10	10	Acquisition by Transfer	1.27%
31-03-2010	31-03-2010	50,000	10	10	Further Allotment	0.53%
29-09-2012	29-09-2012	5,00,000	10	20	Preferential Allotment	5.28%
Total (B)		9,20,000				9.72%
Mr. Shashikant Shastri						
28-12-2005	28-12-2005	2,500	10	10	Subscription to MOA	0.03%
24-09-2008	24-09-2008	47,500	10	10	Further Allotment	0.50%
Total (C)		50,000				0.53%
Total (A+B+C)		19,00,000				20.07%

We further confirm that the minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.

- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoter on conversion of partnership firms into limited companies.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

8. Details of share capital locked in for one year

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

- A. The table below represents the shareholding pattern of our Company in accordance with clause 37 of the SME Listing Agreement, as on the date of this Draft Prospectus:

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	Promoter and Promoter Group					
1)	Indian					
(a)	Individuals/Hindu Undivided Family	3	40,20,000		57.71	57.71
(b)	Central Government/State	0	0		0.00	0.00

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
	Government(s)					
(c)	Bodies Corporate	12	16,87,700		24.23	24.23
(d)	Financial Institutions/Banks	0	0		0.00	0.00
(e)	Any other (Specify)	0	0		0.00	0.00
(e-i)						
(e-ii)						
	SUB TOTAL (A)(1)	15	57,07,700	0	81.94%	81.94%
2)	Foreign	0	0	0	0.00	0.00
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions/FII	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
(e)	Any other (Specify)	0	0	0	0.00	0.00
	SUB TOTAL (A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	15	57,07,700	0	81.94%	81.94%
(B)	Public shareholding					
1)	Institutions					
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00
(b)	Financial Institutions/Banks	0	0	0	0.00	0.00
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Fund	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00
(i)	Any other (Specify)	0	0	0	0.00	0.00
	SUB TOTAL (B) (1)	0	0	0	0.00	0.00
2)	Non-Institutions					
(a)	Bodies Corporate	0	0	0	0.00	0.00
(b)	Individuals -					
	i) Individual shareholders holding nominal share Capital up to Rs.1 lakh	19	12,47,700	0	17.91%	17.91%
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4	10,200	0	0.15	0.15
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00
(d)	Any other (Specify)Individual (Non-	0	0	0	0.00	0.00

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
	Resident individuals)					
	SUB TOTAL (B) (2)	0	0	0	0.00	0.00
	Total Public Shareholding (B)=(B)(1)+(B)(2)	23	12,57,900	0	18.06	18.06
	TOTAL (A)+(B)	38	6965600	0	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
1	Promoter and Promoter Group	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	38	6965600	0	100.00	100.00

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

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 37 of the Listing Agreement, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Shares.

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 Equity Listing Agreement.

Sr. No.	Name of the shareholder	Details of Shares held	
		No. of Equity Shares	As a % of Grand Total
(I)	(II)	(III)	(IV)
	<u>Promoter</u>		
1	Mr. Raghavendra Joshi	30,50,000	43.79%
2	Mr. Shashikant Shastri	50,000	0.72%
3	Mrs. Meena Joshi	9,20,000	13.21%
	<u>Promoter Group</u>		0.00%
4	M/s. Maruti Fertochem Limited	5,00,000	7.18%
5	M/s. Navjeevan Hatcheries Private Limited	2,00,000	2.87%
6	M/s. Khadkeshwar Breeders Pvt. Ltd.	5,00,000	7.18%
7	M/s. Maruti Financial Services Pvt. Ltd.	1,38,500	1.99%

8	M/s Maruti Ferro-Tech Limited	2,94,000	4.22%
9	M/s. Khadkeshwar Hatcheries Limited	100	0.00%
10	M/s. Shaliwahan Farms Pvt. Ltd.	10,000	0.14%
11	M/s. R J Breeders Pvt. Ltd.	10,000	0.14%
12	M/s. Hi-Tek Breeders Pvt. Ltd.	10,000	0.14%
13	M/s. Modern Breeders Pvt. Ltd.	10,000	0.14%
14	M/s. Galaxy Breeders Pvt. Ltd.	10,000	0.14%
15	M/s. Neem India Products Pvt. Ltd.	5,100	0.07%
	Total	57,07,700	81.94%

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Raghavendra Joshi	30,50,000	15.49
Mrs. Meena Joshi	920000	15.43
Mr. Shashikant Shastri	50000	10.00

9. Equity Shares held by top ten shareholders

Our top ten shareholders and the number of Equity Shares held by them as on date of this Draft Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Mr. Raghavendra Joshi	30,50,000	43.79%
2	Mrs. Meena Joshi	9,20,000	13.21%
3	Maruti Fertochem Limited	5,00,000	7.18%
4	Khadkeshwar Breeders Pvt. Ltd.	5,00,000	7.18%
5	Mr. Parmeshwar Venkatrao Solunke	4,00,000	5.74%
6	Maruti Ferro-tech Limited.	2,94,000	4.22%
7	Navjeevan Hatcheries Pvt. Ltd.	2,00,000	2.87%
8	Maruti Financial Services Pvt. Ltd.	1,38,500	1.99%
9	Mr. Ramesh Nivruttirao Rodgepatil	1,10,000	1.58%
10	Mrs. Archana Abhay Pande	1,10,000	1.58%
	Total	62,22,500	89.33%

Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of this Draft Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Mr. Raghavendra Joshi	14,80,000	21.25%
2	Mrs. Meena Joshi	9,20,000	13.21%
3	Maruti Fertochem Limited	5,00,000	7.18%
4	Khadkeshwar Breeders Pvt. Ltd.	5,00,000	7.18%
5	Mr. Parmeshwar Venkatrao Solunke	4,00,000	5.74%
6	Maruti Ferro-tech Limited.	2,94,000	4.22%
7	Navjeevan Hatcheries Pvt. Ltd.	2,00,000	2.87%
8	Maruti Financial Services Pvt. Ltd.	1,38,500	1.99%
9	Mr. Ramesh Nivruttirao Rodgepatil	1,10,000	1.58%
10	Mrs. Archana Abhay Pande	1,10,000	1.58%
	Total	46,52,500	66.79%

Our top ten shareholders and the number of Equity Shares held by them two years prior to date of this Draft Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Maruti Fertochem Limited.	5,00,000	10.79%
2	Khadkeshwar Breeders Pvt. Ltd	5,00,000	10.79%
3	Mr. Raghavendra Joshi	4,40,000	9.50%
4	Mrs. Meena Joshi	4,20,000	9.06%
5	Mr. Parmeshwar V. Solunke	4,00,000	8.63%
6	Maruti Ferro-Tech Ltd.	2,60,000	5.61%
7	Navjeevan Hatcheries Private Limited	2,00,000	4.32%
8	Maruti Financial Services Pvt. Ltd.	1,21,000	2.61%
9	Mr. Rajendra Narayan Bhawar	1,00,000	2.16%
10	Mr. Samir Vilasrao Shaha	1,00,000	2.16%
	Total	30,41,000	65.62%

10. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Draft Prospectus.
11. Our Company has not raised any bridge loans against the proceeds of this Issue.
12. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" beginning on page 257 of this Draft Prospectus.
13. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.

14. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and SME Platform of BSE.
15. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
16. The Issue is being made through Fixed Price Method.
17. As on date of filing of this Draft Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
18. On the date of filing this Draft Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
19. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
20. Lead Manager to the Issue viz. Sarthi Capital Advisors Private Limited and its associates does not hold any Equity Shares of our Company.
21. Our Company has not revalued its assets since incorporation.
22. Our Company has not made any public issue since incorporation.
23. 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.
24. 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 Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
25. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (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.

26. 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.
27. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
28. 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.
29. Our Company has [●] members as on the date of filing of this Draft Prospectus.

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised towards funding the following objects and achieve the benefits of listing on the SME platform of BSE.

The objects of the Issue are -

1. Working Capital requirements;
2. Issue Expenses

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Fund Requirements

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.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

S. No.	Particulars	Amount in Rs. Lakhs
1.	Working Capital Requirement	440.40
2.	*Issue Expenses	60.00
	Total	500.40

** As on January 15, 2013, Company has incurred a sum of Rs 5 lakhs towards issue expenses.*

We propose to meet Rs. 440.40 Lacs for the objects from the Proceeds of the Issue and the remaining to the tune of Rs. 1166.16 Lacs from the existing internal accruals of the Company. Accordingly, firm arrangements of finance through verifiable means for the 75% of the stated means of finance excluding the Issue Proceeds and existing internal accruals does not arise.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We operate in a competitive and dynamic market, and may have to revise our estimates from time to time on account of new projects, expansion of our resorts and opportunities that we may pursue, including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays (including delays that may be caused in acquiring government, regulatory or local approvals and permits) in our projects. We may also engage in other new projects and/or further expand our existing projects in the future, at the discretion of the management of our Company. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects that are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition in relation to current plans, at the discretion of the management of our Company. The same shall be subject to the Net Proceeds being utilized for the objects as disclosed in this Draft Prospectus. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt.

Details of Utilization of Issue Proceeds

Working Capital

Our business model requires an advance investment with farmers for producing the seeds. Normally a 40% advance is given and the balance is paid on receipt of raw hybrid seeds. The next stage involves testing, processing of raw hybrid seed and packing. The credit given to farmers and inventory form a significant component of our working capital due to seasonality of business. The following is the detailed calculation of projected working capital required for the financial year 2012-13 and 2013-14

	Rs. In Lakhs		
Particulars	2011-12	2012-13	2013-14
Current Assets			
Inventories	1,983.88	2,200.00	2,300.00
Trade Receivables	621.64	600.00	750.00
Short Term Loans and Advances	410.70	450.00	550.00
Other Current Assets	197.31	225.56	265.56
Total (A)	3,213.53	3,475.56	3,865.56
Current Liabilities			
Trade Payables	110.56	120.00	140.00
Other Current Liabilities	434.32	185.00	159.00
Short Term Provisions	66.04	40.00	60.00
Total (B)	610.92	345.00	359.00
Net Working Capital (A)-(B)	2,602.61	3,130.56	3,506.56
Sources Of Working Capital			
Fund based borrowings	1,669.64	1,900.00	1,900.00

Internal sources	613.97	1,122.56	1,166.16
Preferential allotment of Equity Shares	319.00	108.00	-
IPO Proceeds	-	-	440.40

Basis of Estimation

The incremental long term working capital requirements are based on historical Company data and estimation of the future requirements in FY 2012-13 and 2013-14 considering the growth in activities of our Company and in line with norms accepted by our banker(s). Our Company has maintained inventory of 15 months in FY 2012. We have estimated the requirements of inventory in FY 2012-13 and FY 2013-2014 by maintaining inventory of 13 months and 9 months respectively.

Our Company provides credit of about 3-4 months to our customers/ dealers. We estimate the credit period of about 4 Months and 3 months for FY 2012-13 and FY 2013-14. Similarly we have estimated advance to suppliers, other current assets and current liabilities in line with working capital employed in FY 2011-12.

We have estimated future working capital requirements based on the following:

(No. of days)

Particulars	Basis	FY 2012	FY 2013 (Estimated)	FY 2014 (Estimated)
Receivables	Debtors Collection Period (in days)	139	108	90
Inventory WIP	Days of Cost of Goods sold	444	394	276
Payables (including non fund based limit)	Credit Period	54	43	36

Seed cannot be manufactured in factories and has to be naturally grown. Hence to make sales in one season the Company has to grow and stock the seeds in the previous season.

Issue Related Expenses*

The expenses for this Issue include issue management fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 60 Lacs.

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc and other out of pocket expenses	45	75%	8.99
Regulatory Fees and other expenses	15	25%	3.00
Total estimated Issue expenses	60	100	11.99

DEPLOYMENT OF FUNDS

Year-wise proposed deployment of Issue Proceeds as estimated by our Company is given below:

(Rs. in Lakhs)

Particulars	Total Funds required	Amount incurred till January 31, 2013	Balance deployment till FY 2014
Long Term Working Capital	440.40	Nil	440.40
*Issue Expenses	60.00	5.00	60.00
Total	500.40	5.00	495.40

M/s. Ashok Patil & Co, Chartered Accountants have vide certificate dated February 14, 2013, confirmed that as on January 15, 2013 following funds were deployed for the proposed Objects of the Issue:

Sources of Funds	Amount (Rs. in Lacs)
Internal accruals	5.00
Total	5.00

Deployment of Funds	Amount (Rs. in Lacs)
Issue Related Expenses	5.00
Total	5.00

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.

Interim use of funds

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds.

Monitoring 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.

Our Board & the management will monitor the utilization of the Net Proceeds through its audit committee. 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 Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time

that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, key management personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. 20 per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is Rs20 per Equity Share and is 2 times the face value.

Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price are -

- We are a fast growing seed producer in the country.
- Leveraging the experience of our Promoters.
- Experienced management team and a motivated and efficient work force.
- We have hybrid seeds for a wide range of crops.
- Our Research & Development Capabilities.
- Continuous innovation of Product and Services.
- Strong Marketing & Distribution Network.

For further details, refer to heading '**Our Competitive Strengths**' under chapter titled '**Our Business**' beginning on page 117 of this Draft Prospectus.

Quantitative Factors

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2010, 2011, 2012 and period ended September 30, 2012 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2010	1.00	1
March 31, 2011	0.89	2
March 31, 2012	1.12	3
Weighted Average	1.03	

The Basic and Diluted EPS on an unconsolidated basis for the six month period ended September 30, 2012 was Rs. 2.39 (not annualised)

Note:

The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year. Restated weighted average number of equity shares have been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.

Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 20 per Equity Share of Rs. 10/- each.

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2011-12	17.80
P/E ratio based on Weighted Average EPS	19.50
*Industry P/E	
Highest	116.91
Lowest	5.36
Average	61.13

Industry comprises Monsanto India Limited, Kaveri Seed Company Limited, Camson Bio Technologies Limited, Advanta India Limited and JK Agri Genetics Limited

Average Return on Net worth (RoNW)

Return on Net Worth ("RoNW") as per restated consolidated financial statements

Year ended	RoNW (%)	Weight
March 31, 2010	13.89	1
March 31, 2011	7.76	2
March 31, 2012	6.68	3
Weighted Average	8.24	

The return on Net worth for the six month period ended September 30, 2012 was 7.56% (not annualised)

Note: The RoNW has been computed by dividing net profit after tax as restated, by Average Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2013 is 8.05%

Net Asset Value (NAV)

Particulars	Amt. (Rs.)
Net Asset Value per Equity Share as of September 30, 2012	14.67
Net Asset Value per Equity Share after the Issue	16.08
Issue Price per equity share	20.00

NAV per equity share has been calculated as net worth as divided by number of equity shares. Restated weighted average number of equity shares has been computed as per AS 20.

Comparison with other listed companies

Companies	CMP	EPS	PE Ratio	RONW	NAV	Face Value	Sales (In Crores)
R J Bio-Tech Limited	NA	1.12	17.80	6.68%	12.77	10	18.44
Camson Bio Technologies Limited (As on March 31, 2012)	61.25	11.43	5.36	16.50%	69.27	10	112.73
Kaveri Seed Company Limited (As on March 31, 2012)	1354.95	42.27	32.05	24.07%	176.16	10	375.00
Monsanto India Limited (As on March 31, 2012)	613.60	29.07	21.11	13.06%	22.28	10	373.77
JK Agri Genetics Limited (As on September 30, 2011)	413.30	31.05	13.31	9.94%	312.25	10	134.20
Advanta India Limited (As on December 31, 2011)	984.35	8.42	116.91	3.59%	234.40	10	170.44

Notes:

- The figures for R J Bio-Tech Limited are based on the restated results for the year ended March 31, 2012.
- The figures for the peer group are based on audited results for the respective year ended as indicated in the table.
- Current Market Price(CMP) is the closing prices of respective scrips as on February 19, 2012

The Issue Price of Rs. 20 per Equity Share has been determined by the company in consultation with the LM and is justified based on the above accounting ratios.

For further details see “Risk Factors” on page 17 and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” on page 177 of this Draft Prospectus for a more informed view.

STATEMENT OF TAX BENEFITS

Statement of possible tax benefits available to the company and its shareholders

To
The Board of Directors
R J Bio-Tech Limited
Siddharth Arcade,
Opp.MTDC,
Railway Station Road,
Aurangabad-431005

We hereby confirm that the enclosed annexure, prepared by R J Bio-Tech Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on the business imperatives, the company or its shareholders may or may not choose to fulfill.

The Direct Tax Code (which consolidates the prevalent direct tax laws) is proposed to come into effect from April 1, 2013. However, it may undergo a few more changes by the time it is actually introduced and hence, at the moment, it is unclear what effect the proposed Direct Tax Code would have on the Company and its investors. The benefits discussed in the enclosed 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. We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

For Sunil Salunke & Associates.
Chartered Accountants
Firm Reg no: 118372W

(S.R. Salunke)
Proprietor
Membership No.: 105421

Place: Aurangabad
Date: 24/01/2013

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO R J BIO-TECH LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2012-13.

Benefits to the Company under the Act

1. General tax benefits

A. Business Income

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

B. MAT Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

C. Capital Gains

(i) Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as long - term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.
- Short - term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the

transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:
 1. National Highway Authority of India (NHAI) constituted under Section 3 of
 2. National Highway Authority of India Act, 1988; and
 3. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

D. Securities Transaction Tax

As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

E. Dividends

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

Benefits to the Resident members / shareholders of the Company under the Act

A. Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend

distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

B. Capital Gains

(i) Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long - term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.

- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,00,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed Rs 5,00,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

C. Tax Treaty Benefits

As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

D. Non-Resident Taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

Benefits available to Foreign Institutional Investors ('FIIs') under the Act

A. Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

B. Long – Term Capital Gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

C. Capital Gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

D. Securities Transaction Tax

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

E. Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

Benefits available to Mutual Funds under the Act

- a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

- b) As per provisions of 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, is exempt from income-tax, subject to the prescribed conditions.

Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

Gift Tax Act, 1958

- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.

Note: All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

SECTION IV- ABOUT THE COMPANY

OUR INDUSTRY

The information in this section is derived from various government and other public sources. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein have been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 17 and 177 respectively of this Prospectus before deciding to invest in our Equity Shares.

INDIAN ECONOMIC REVIEW

The Indian economy's performance in 2011-12 was marked by slowing growth, high inflation and widening fiscal and current account gaps. The economy grew at its slowest pace in nine years with mining, manufacturing and construction dragging growth down. Weakening of both domestic and external demand contributed to the slowdown. Importantly, in spite of slowing growth, inflation stayed high for larger part of the year. In response, the Reserve Bank persisted with tightening till October 2011 and paused before easing in April 2012. Slowing growth, high inflation and widening twin deficits, along with global flight to safety amidst a deepening euro area crisis put pressures on the financial markets and the exchange rate during the year.

The Indian economy was one of the fastest growing economies in the post-crisis period. During 2011-12, however, there was continuous deceleration of economic activity in each of the four quarters which pushed the expansion of the economy to below potential, which is the maximum level of output that the economy can sustain without creating macroeconomic imbalances. There has been a deceleration in all sub-sectors of the economy, barring 'electricity, gas and water supply' and 'community, social and personal services'.

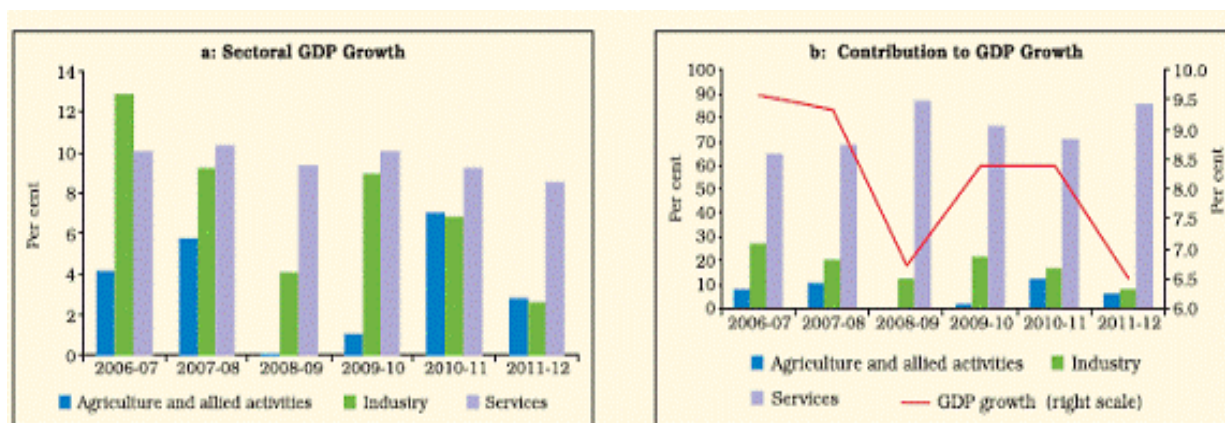
Growth slowed down due to multiple factors. One of the reasons was the persistence of inflation at a much higher level than the threshold for two successive years. Persistent and high inflation necessitated continued tightening of monetary policy. Recent research suggests that real interest (lending) rates explain only about one-third of GDP growth. As of March 2012, real weighted average lending rates, that have an inverse relationship with investment activity, were lower than they were in the pre-crisis period between 2003-04 and 2007-08, when investment boomed.

This suggests that non-monetary factors played a bigger role and accentuated the slowdown to beyond what was anticipated while tightening the monetary policy. Recession in the euro area and general uncertainty regarding the global economic climate chipped the external demand as well. Domestic policy uncertainties, governance and corruption issues amidst lack of political consensus on reforms led to a sharp deterioration in investment climate. Structural constraints emerged in key investment drivers in the infrastructure space – telecom, roads and power – which increased the disinflationary costs. High inflation kept aggregate demand and business confidence subdued.

After a sharp recovery from the global financial crisis and two successive years of robust growth of 8.4 per cent, GDP growth decelerated sharply to a nine-year low of 6.5 per cent during 2011-12 (Appendix

Table 1). The slowdown was reflected in all sectors of the economy but the industrial sector suffered the sharpest deceleration (Appendix Table 2 and [Chart a](#)).

(Source: <http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?id=1039>)



The slowdown in agriculture sector growth was on account of the base effect which dragged down its contribution to GDP growth by half ([Chart b](#)). In the case of industry, the sharp moderation in manufacturing sector growth along with decline in mining and quarrying output offset the improvement in 'electricity, gas and water supply' growth. The industrial sector's weighted percentage contribution to economic growth dropped to single digits, the first time in ten years. The moderation in services sector growth was led by sharp deceleration in 'construction' and 'trade, hotels, transport and communication'. Despite the moderation, the predominance of the services sector remains a unique feature of the overall growth story and the process of structural change in India

Growth Rates and Sectoral Composition of Real Gross Domestic Product

(At 2004-05 Prices)						
(Per cent)						
Sector	Growth Rate			Share in real GDP		
	09-10	10-11*	11-12#	09-10	10-11*	11-12 #
1. Agriculture and Allied Activities	1.0	7.0	2.8	14.7	14.5	14.0
of which :						
Agriculture	0.7	7.8	..	12.4	12.3	..
2. Industry	8.9	6.8	2.6	20.2	19.9	19.2
of which :						
a) Mining and quarrying	6.3	5.0	-0.9	2.3	2.2	2.1
b) Manufacturing	9.7	7.6	2.5	16.0	15.8	15.3
c) Electricity, gas and water supply	6.3	3.0	7.9	2.0	1.9	1.9
3. Services	10.0	9.2	8.5	65.1	65.5	66.8
of which :						
a) Construction	7.0	8.0	5.3	7.9	7.9	7.8
b) Trade, hotels and restaurants	7.8	9.0	..	16.6	16.6	..

c) Transport, storage and communications	14.8	14.9	..	10.0	10.6	..
d) Financing, insurance, real estate and business services	9.4	10.4	9.6	17.1	17.4	17.9
e) Community, social and personal services	12.0	4.5	5.8	13.5	13.1	13.0
4. Gross Domestic Product at factor cost	8.4	8.4	6.5	100.0	100.0	100.

*:Quick Estimates. #: Revised Estimates.

Source: CSO and RBI website (<http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?id=1053>)

Global Seed Industry

As per the Global Seeds Market Report 2012, the US is the largest market for seeds followed by China and France both in terms of value and the area under cultivation. Some of the major ongoing trends globally include market consolidation because of increasing number of mergers and acquisitions, increasing cross border transactions, uprising of the corporate seed distribution system, introduction of more stringent laws, and R&D related aspects. Some of the leading corporations of the biotech seed industry include Monsanto, DuPont, Syngenta AG and Bayer Cropscience.

Considering the increasing population, fast-changing consumption pattern of all sections of society, significant R&D achievements and increasing cross border transactions are some of the factors that are expected to drive the growing seed industry globally. As per ASSOCHAM the global industry for seeds is also likely to cross 71 billion dollar by 2015 from the current level of about 60 billion dollar. (Source:<http://www.assochem.org/prels/shownews-archive.php?id=3804>)

Indian Seed industry

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 40 years, are very significant. A major re-structuring of the seed industry by Government of India through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. This could be termed as a first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong R&D base for product development in each of the seed companies with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, farmer has a wide product choice and seed industry today is set to work with a 'farmer centric' approach and is market driven. (Source: www.seednet.gov.in)

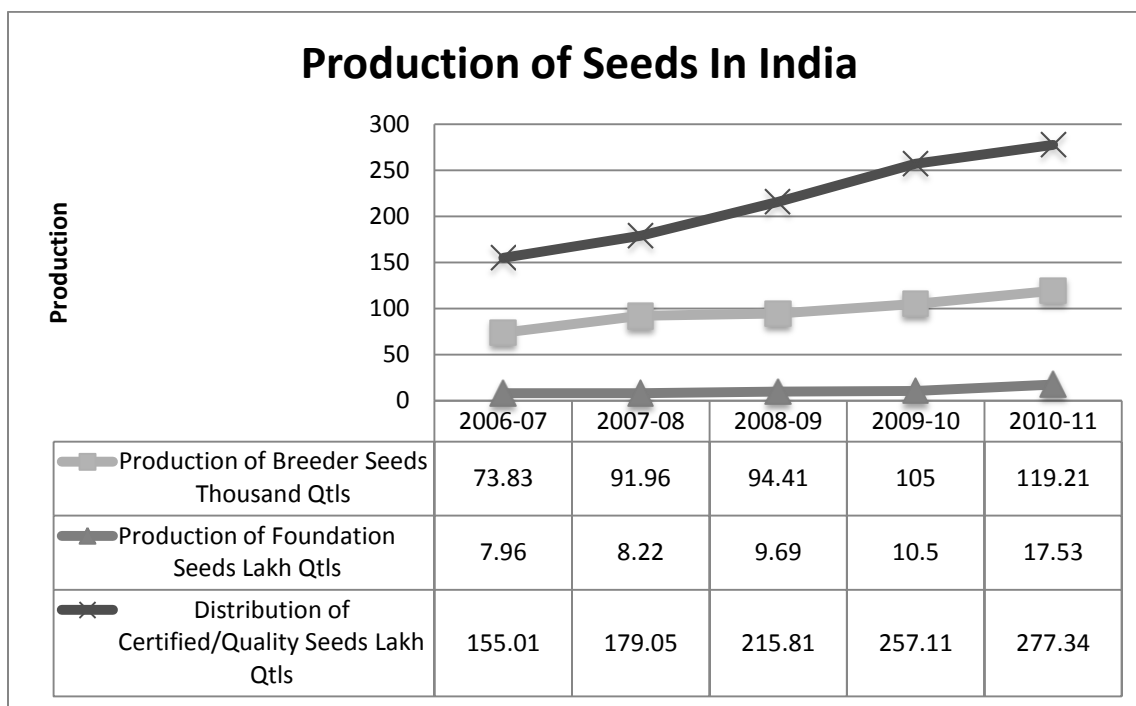
Evolution of the Seed Industry

1960s – Mid 1980s	Mid 1980s – 1990s	Current Status
Strict regulatory regime: Seed Act, 1966; Seed Rules, 1968	Seed Industry boom due to several government initiatives	Private Sector accounts for ~80% turnover in seed Industry
Minimal Private Sector participation	Foreign direct investment allowed and encouraged	Almost 1/3 companies have a global technology/ financial partner
R & D in public domain	Trade regulations liberalized	14 Government organizations and 350 private players
Restrictions on germplasm exchange, foreign ownership etc	Imports of improved varieties and breeding lines liberalized	Thrust on R&D from private players
Most farmers depended on seed saved from their own crops cultivated in the previous year	Policy reforms such as the New Policy on Seed Development (1988) and the economy wide New Industrial Policy 1991	Hybridization gaining momentum

Source:

(www.apsaseed.org/images/lovelypics/Documents/Technical%20Session08/India_%20Country%20Report.pdf)

In India, a limited generation system, which is characterized by three generations – breeder, foundation and certified seeds, is used for seed multiplication. The details of the production/distribution of each generation since 2006-07 are provided below:



Source: State of Indian Agriculture Report 11-12 by Ministry of Agriculture

Crop-wise Distribution of Certified/Quality Seeds-

Cereal Crops	2006-07	2007-08	2008-09	2009-10	2010-11	CAGR
Wheat	54.85	63.25	74.83	90.66	97.83	12%
Paddy	43.51	48.93	58.18	60.95	69.34	10%
Maize	5.74	5.8	7.94	7.74	8.94	9%
Jowar	2.32	2.38	2.41	2.24	2.16	-1%
Bajra	2.16	1.9	2.2	1.74	2.31	1%
Ragi	0.21	0.27	0.25	0.05	0.26	4%
Barley	1.08	1.27	1.62	1.77	1.79	11%
Total	109.87	123.8	147.43	165.15	182.63	11%

Oilseeds	2006-07	2007-08	2008-09	2009-10	2010-11	CAGR
Groundnut	9.89	14.43	15.9	18.86	21.79	17%
Rapeseed & Mustard	1.36	1.71	1.63	2.09	2.07	9%
Til	0.16	0.22	0.18	0.18	0.2	5%
Sunflower	0.89	0.92	0.8	0.76	0.55	-9%
Soyabean	14.05	16.52	20.89	28.44	25.55	13%
Linseed	0.02	0.02	0.01	0.01	0.04	15%
Castorseed	0.36	0.42	0.42	0.29	0.31	-3%
Safflower	0.07	0.08	0.09	0.07	0.08	3%
Others	0.2	0.01	0.00	0.01	0.01	-45%
Total	27	34.33	39.92	50.71	50.6	13%

Crops Varieties	2006-07	2007-08	2008-09	2009-10	2010-11	CAGR
Cereals	109.87	123.8	147.43	165.15	182.63	11%
Pulses	9.63	12.57	14.48	19.69	20.84	17%
Oilseeds	27.00	34.33	39.92	50.71	50.6	13%
Fibres	3.05	2.63	2.58	2.65	2.64	-3%
Other Misc.	5.46	5.72	11.4	18.91	20.63	30%
Total	155.01	179.05	215.81	257.11	277.34	12%

*CAGR calculated over above stated five years.

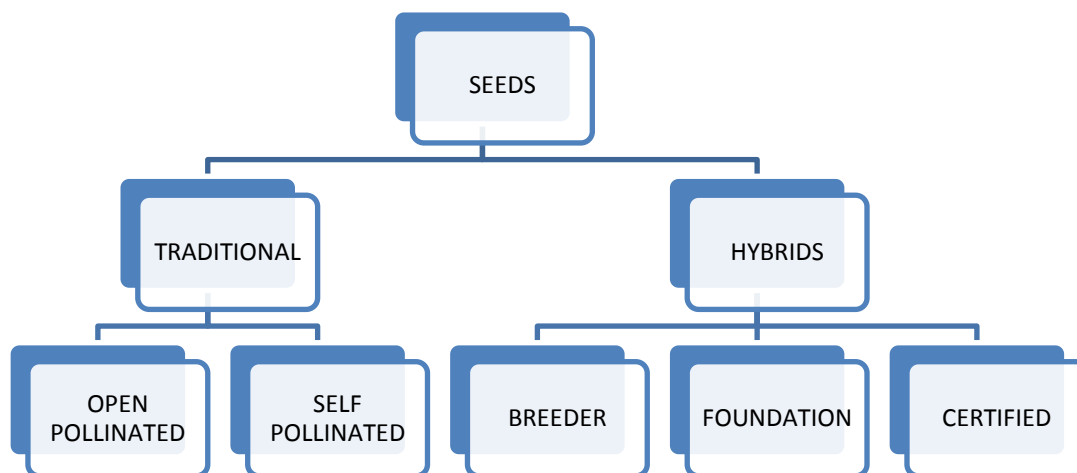
Source: State of Indian Agriculture Report 11-12 by Ministry of Agriculture

The production data shown in the table above indicates that the Indian seed market has entered a period of high growth. Historically, the Indian seed market had been dominated by public sector players. Private companies began playing an active role in the industry after the introduction of the Seed Policy in 1988. It is estimated that about 80% of the seed commercially sold in India is produced by private sector seed companies.

Seed Types

There are two types of seed that are available to farmers – varieties [e.g., open pollinated (OP) and self pollinated (SP) varieties] and hybrids developed through controlled pollination of selected parents.

Compared to hybrids, the yields from traditional varieties are lower but the farmer can save and re-use the seed from year to year for several generations. The downside of using farmers' saved seed of OP and SP varieties is that there is some degeneration of uniformity, yield potential and quality from one generation to the next when such seeds are reused. Hybrid seeds compared to OP seeds usually do not perform well when used by the farmer from saved seed in the next generation and must be repurchased every year. The loss in yield can be very significant.



OP and SP Seed Production

Open pollination is pollination by insects, birds, wind, or other natural mechanisms, and contrasts with cleistogamy, closed pollination, which is one of the many types of self pollination. Open pollination also contrasts with controlled pollination, which is controlled so that all seeds of a crop are descended from parents with known traits, and are therefore more likely to have the desired traits. The seeds of open-pollinated plants will produce new generations of those plants; however, because breeding is uncontrolled and the pollen (male parent) source is unknown, open pollination may result in plants that vary widely in genetic traits.

Self-pollinated plants are those that have what we call "perfect" flowers. This means that instead of needing pollen from one flower to move to the stigma of another, both the pollen and stigma are present in the same flower. Often, all that's required for pollination is the act of the flower opening, which will transfer pollen to stigma. There is some evidence that plants self-pollinate better with the help of wind or from the gardener merely giving the plant a shake now and then to help the process along, but, in general, self-pollinated plants manage pretty well on their own.

Seed programs generally adhere to the four-generation system of seed multiplication, namely, breeder, foundation, registered and certified seed.

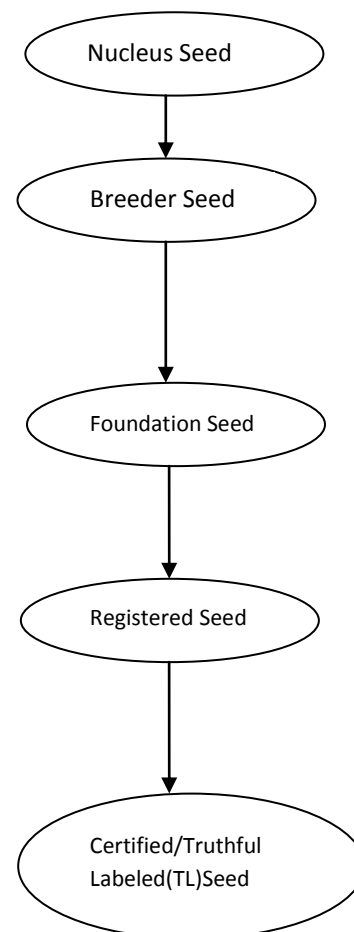
Nucleus seed is the seed produced by the breeder to develop the particular variety and is directly used for multiplication as breeder seed.

Breeder seed is the seed material, directly controlled by the originating or the sponsoring breeder or institution for the initial and recurring production of foundation seed.

Foundation seed shall be the progeny of breeder seed, or be produced from foundation seed which can be clearly traced to breeder seed. The production shall be supervised and approved by a seed certification agency and handled in a manner so as to maintain its specific genetic purity and identity and shall be further required to meet the relevant labeling standards for the crop.

Registered seed shall be the progeny of foundation seed that is handled so as to maintain its genetic identity and purity according to the standards prescribed for the particular crop.

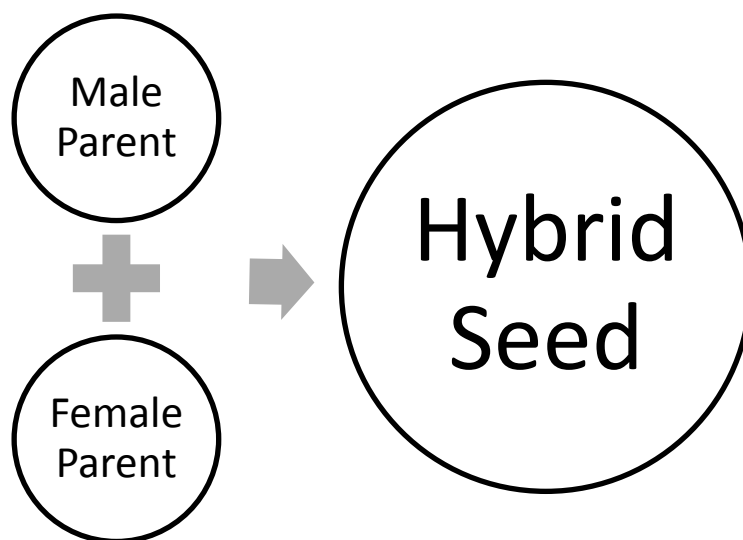
Certified/TL seed shall be the progeny of registered or foundation seed that is handled so as to maintain genetic identity and purity according to the standards specified for the particular crop. At the discretion of the certification agency (when considered necessary to maintain adequate seed supplies) Certified/TL seed is the one which is sold to the farmer.



Hybrid Seed Production

Hybrid pollination, a type of controlled pollination in which the pollen comes from a different strain (or species), can be used to increase suitability, especially through heterosis. The resulting hybrid strain can sometimes be inbred and selected for desired traits until a strain that breeds true by open pollination can be developed. The result may be referred to as a hybrid inbred or inbred hybrid strain. The development of seed crops takes place in several steps. The process starts with trait selection – choosing plants that have desirable characteristics, such as high yield, nutritional content, flavor, size or tolerance to certain diseases and pests. Trait selection requires an extensive pool of germplasm and significant research and development capabilities. Seed companies produce both hybrid and OP seeds. OP seeds are pollinated by natural means and produce progeny with no significant variation from their component lines. In many crops, this type of nucleus seed is the seed produced by the breeder to develop the particular variety and is directly used for multiplication as breeder seed. Breeder seed is the seed material directly controlled by the originating or the sponsoring breeder or institution for the initial and recurring production of seeds to maintain traits indigenous to a specific parent line. In contrast, hybrid seeds are the first generation progeny of two different parent lines. Hybrid seeds are produced

by crossbreeding two genetically dissimilar parent plant lines. The hybrid seed production depends on the crop variety.



Hybrid seed is produced after crossing a male and a female. The progeny of hybrid seeds (*i.e.*, the Hybrid Seed shown in the illustration above) that results from the crossing is sold to the farmer. The Hybrid seed possesses the hereditary characteristics determined by the selected traits of the parent lines and also would normally contain enhanced performance characteristics superior to the parent lines. The yield benefit is a result of hybrid vigor or heterosis, a naturally occurring characteristic across the biological world. Crops produced from these seeds exhibit a higher degree of uniformity and produce higher yields. However, second generation seed produced by a hybrid will not inherit the enhanced performance characteristics of its hybrid parent. Thus, crops produced from seeds saved from hybrid crops do not display the same performance. As a result, hybrid crop farmers must purchase new hybrid seeds every time in order to benefit from hybrids. The demand for hybrid seeds has been increasing in recent years. Seed companies can typically demand a premium for their proprietary hybrid seeds. This is because these seeds are generally the only alternative for farmers looking for certain traits, such as increased yields, tolerance *etc.* Farmers worldwide have recognized the value of hybrids (including high yields and disease tolerance) and are beginning to switch over to hybrids from OP seeds. The benefits of hybrid seeds are such that there is economic advantage to growers who purchase hybrid seed each year. Sales of hybrids are less susceptible to erosion due to farm-saving of seed. Successful hybrids have been evolved and commercialized in many crops.

Biotechnology

The arrival of biotechnology, of which the first commercially significant products appeared on the market in the mid-1990's, has had a significant impact on both the crop protection and seed industries. In the case of crop protection, biotechnology has affected the composition of the market for some crops, mainly soybeans and some other oilseeds in several countries, by causing a shift from the use of selective herbicides to nonselective herbicides that can be used on herbicide-tolerant crops that have been developed through biotechnology. The impact of pest-tolerant crops is also being felt on the insecticide market. Biotechnology also provides tools that support the invention of novel, active

ingredients by enabling identification of new targets through the use of tests that allow large numbers of potentially useful substances to be screened and the use of genomic technology to define the mode of action of chemicals at an earlier stage than is currently achievable.

The introduction of improved traits in crops using bio-tech tools, has enhanced the value of the seed market significantly by allowing products which command premium due to their unique qualities. Biotechnology can be used both to facilitate traditional breeding processes to develop new varieties by using genetic markers to follow the incorporation of desired traits and to introduce new plant varieties that are genetically modified to express traits desirable to the grower, such as high oil or vitamin content and increased levels of health-beneficial dietary components, and traits that are beneficial to the grower, such as resistance to pests, diseases and selective herbicides. Since the commercialization of biotech crops in 1996, farmers have consistently increased their plantings of biotech crops by double-digit growth rates every single year.

Genetically Modified Crops

When a gene from one organism is purposely transferred or moved to improve or change the characteristics of another organism in a laboratory, the result is a genetically modified organism. It is also called “transgenic”, for transfer of genes. There are different methods of manipulating genetics to introduce improved or more desirable traits. This technique is applied in the controlled environment of a laboratory where genes that express the desired trait are physically moved or added to a new plant to enhance the trait in that plant. Plants produced with this technology are transgenic. For example, this process has been performed many times on different species of crops to produce insect or herbicide resistant plants. Such crops are referred to as Genetically Modified Crops (“GM crops”). More recently with the advancement of technology, molecular markers are being extensively used to speed up the technology.

With traditional breeding, plants often exchange large, unregulated chunks of their genomes. This can lead to both useful and unwanted traits in the offspring. The unwanted traits can be unsafe. Breeders sometimes have to crossbreed many plants over multiple generations to produce the desired trait. Biotechnology, on the other hand, allows new traits to be introduced in a far more specific manner and without the complications from undesirable genes and extensive crossbreeding. Biotechnology also allows traits from any source to be applied. Many GM crops grown today have been developed to resist certain insects / pests with positive environmental effects. There are genetically modified plants being developed today to produce specific vitamins, resist plant viruses and even produce products for medical uses. However, in many parts of the world the planting of GM crops is currently not allowed pending concrete scientific data on its long term impact on the environment and human safety.

An increasing demand for food, a likely favourable policy environment for agriculture and the shift towards high-yielding hybrids are reasons, why seed industry and agriculture sector as whole looks promising. It is strongly believe that to have better yield per acreage, a shift in favour of hybrids is desirable, that would result in multi-fold increase in seed sales. India’s seed industry is expected to grow at a good pace over the next few years due to subsidies and renewed government thrust for high yielding varieties of seed and to increase productivity for Food Security of India. With limited land resources and rising population, quality inputs such as seeds is key for raising population.

Seed Industry – High Barriers to Entry

In order to develop products in the seed industry, companies need access to an extensive germplasm bank and adequate capital to develop products over long periods of time. The development of a rich germplasm bank requires the accumulation of genetic material over a period of years. Germplasm is scarce, expensive and must be refined properly to meet the breeding objectives. Furthermore, development cycles can last for about five to twelve years prior to launching a commercially viable product. Seed companies need to invest heavily in creating research and development facilities which is a must to maintain a full product pipeline. Further, success in the seed industry requires national distribution, building brand equity and achieving economies of scale in mass production.

R&D

Increased possibilities presented by new technologies and the faster introduction of traits through these technologies, as well as anticipated demand, have made research and development critical to the seed industry. Hybrid life cycles are getting shorter due to technological advancements and growing competition. This has created an urgent need to have in the pipeline an assortment of hybrids which can successfully replace the current hybrids as also protect and further enhance market share.

The seed industry develops seeds embodying improvements, such as higher yields, tolerance to disease and pests, and traits specific to regional agro climatic conditions and other value additions in terms of quality and nutrition. A hybrid's success in the market depends primarily on its improved and unique traits, which are achieved through constant efforts from R&D. Successful R&D requires coverage of a broad range of technological platform. Because of the multi dimensional nature of the research being conducted, and also to utilize external professional expertise to expedite the process, partnerships with external collaborators, such as academic institutions and other research bodies, have become the norm in the industry.

R&D efforts are generally centered on a number of aspects of seeds including:

Germplasm development: A germplasm platform is central to seed research and development. Improvement of the core genetic makeup of the plant is the result of breeding techniques integrating modern technology.

Molecular Marker technologies: Marker technologies allow more accurate plant breeding through the use of DNA fingerprints. Through this technology, genetic traits can be more efficiently identified to speed up the selection process as well as launch in the market.

Application of biotechnology: Through biotechnology, genetic traits can be introduced directly into the germplasm without the necessity of cross breeding over multiple generations. In addition, genetic traits from other organisms can be introduced with beneficial results.

Seed technology: Seed technologies include seed pelleting, priming and coating technologies and seed treatments. These technologies ensure that the seeds produced are of high germination, vigour and viability.

Seed quality: Seed, being a biological entity, has its own intricacies of ensuring quality. Seed quality parameters mainly are germination, genetic purity, physical purity and vigour. It is of increasing importance to ensure global quality standards by employing the most advanced methods during seed production, processing, packing, transportation and storage.

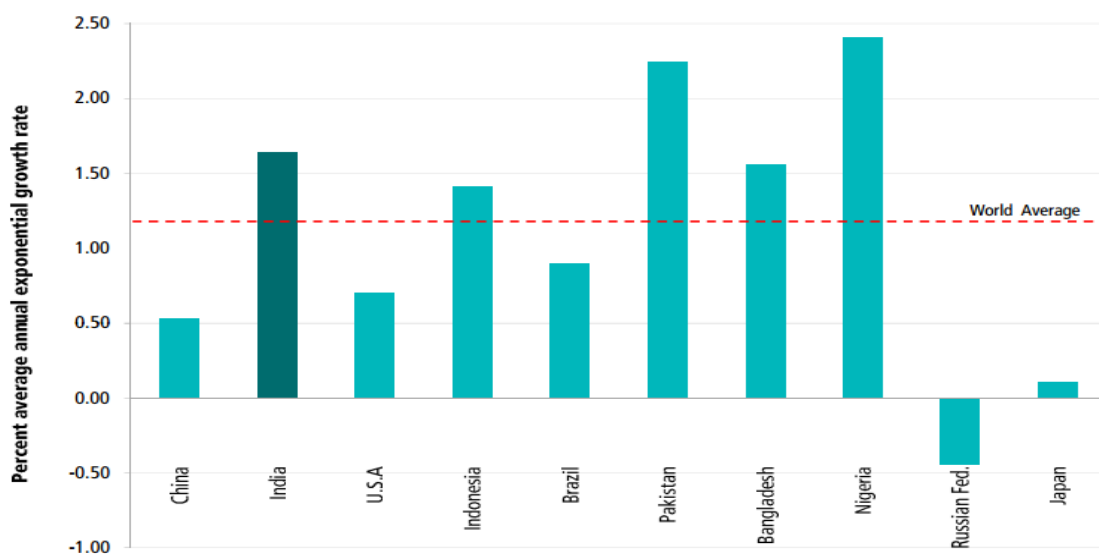
Industry Drivers

As key agricultural inputs, seed products have the following common industry drivers:

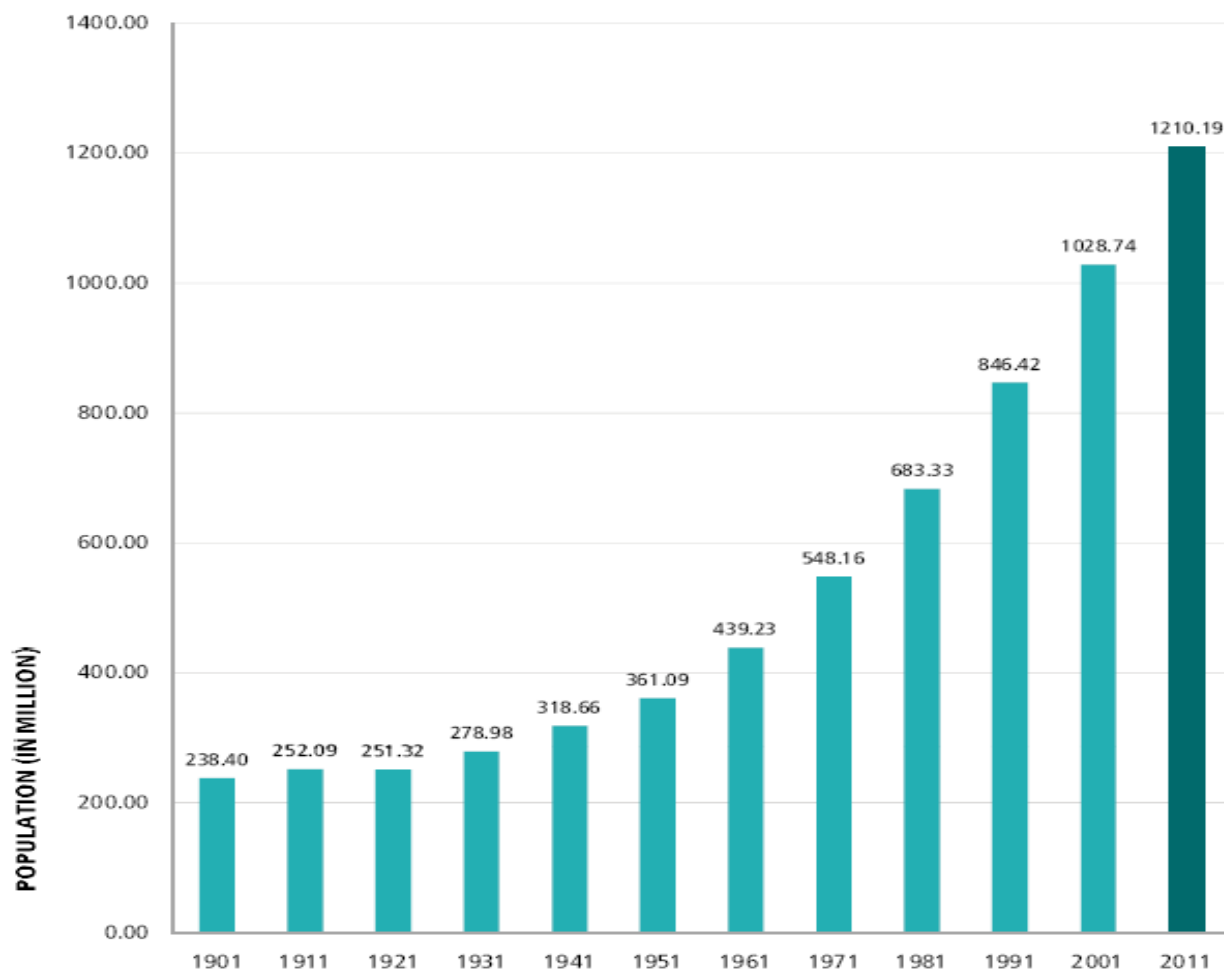
Population growth

A fundamental driver for the increase in demand for crops is global population growth. The United Nations projects that world population will increase from 6.8 Billion in 2009 and will surpass 9 billion people by 2050. India's population also has grown at a steady pace in past few years.

Population growth rate, India and selected Countries: 2000-2010



India Population (in millions): 1901-2011



Source: http://censusindia.gov.in/2011-prov-results/data_files/india/Final_PPT_2011_chapter3.pdf

The population of India is expected to increase from 1029 million to 1400 million during the period 2001-2026 - an increase of 36 percent in twenty- five years at the rate of 1.2 percent annually as per the report of the technical group on population projections constituted by the national commission on population May 2006 titled “Population Projections for India and States 2001-2026”

Land availability

Arable land is scarce in many parts of the world and under pressure from urbanization and industrial uses. It can be seen from the table below that the area under cultivation in last 10 years has more or less been stagnant. Accordingly, there is continual pressure to increase the productivity of available resources.

AREA UNDER CULTIVATION – FOODGRAINS

(Million hectares)

Year	Cereals					
	Rice	Wheat	Coarse Cereals	Total Cereals	Pulses	Total Foodgrains
2000-01	44.71	25.73	30.26	100.70	20.35	121.05
2001-02	44.90	26.34	29.52	100.76	22.01	122.77
2002-03	41.18	25.20	26.99	93.37	20.50	113.87
2003-04	42.59	26.60	30.80	99.99	23.46	123.45
2004-05	41.91	26.38	29.03	97.32	22.76	120.08
2005-06	43.66	26.48	29.04	99.18	22.39	121.57
2006-07	43.81	27.99	28.71	100.51	23.19	123.70
2007-08	43.91	28.04	28.48	100.43	23.63	124.06
2008-09	45.54	27.75	27.45	100.74	22.09	122.83
2009-10	41.87	28.34	27.52	97.73	23.39	121.12
2010-11	42.56	29.25	27.64	99.45	26.28	125.73
2011-12	44.07	29.82	26.62	100.52	26.22	126.74
CAGR	-0.12%	1.24%	-1.06%	-0.01%	2.13%	0.38%

Note : Data for 2011-12 are based on Advance Estimates.

Source : Ministry of Agriculture, Government of India, RBI Website.

Incentives by Government

Gol has introduced various schemes which inter alia include the scheme for ‘Development & Strengthening of Infrastructure, Facilities for Production and Distribution of Quality Seeds’. The Objective of this scheme is to develop and strengthen the existing infrastructure for the production and distribution of certified seeds to farmers.

The Seed Village Programme was launched with a view to upgrade the quality of farmer saved seed which is about 80-85% of the total seed used for crop production programme. Under the programme 25% quota has been reserved for training of women and instructions have also been issued to SAUs/SSCs, etc. which are releasing funds to the beneficiaries to ensure that assistance/ subsidy benefits are equally available to all the farmers including women farmers.

These and other such incentives are expected to boost production of seeds in India.

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

Diverse Use of Crops

Crops have diverse uses. A particular crop can be used for food production as well as for industrial use. Oilseed crops, such as mustard and soyabean, are used to produce edible as well as biodiesel. Corn and sugar cane are examples of crops used to produce ethanol beside their traditional use. Thus diverse uses of crops increase their demand and will require higher production.

Food Security of India

Robust seeds with vitality to increase the yield from the limited area under acreage coupled with effective crop management is needed to ensure food security in India

Future Outlook

As per ASSOCHAM analysis, growing at a compounded annual growth rate (CAGR) of about 15 per cent, the seed industry in India is likely to reach Rs 10,700 crore mark by 2015 from the current level of about Rs 7,000 crore. Besides, the production levels of seeds in India is also likely to grow from the current level of about 40 million quintals to about 63 million quintals by 2015

The share of organised sector is just over half of the total seed industry at about Rs 3,250 crore while the unorganised sector accounts for the remaining as the marginal farmers comprise over 60 per cent of land owners in India and hence opt for cheaper seeds considering the cost of quality seeds is relatively higher. Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal are leading commercial seeds producing states in India.

The analysis revealed that farmers are gradually shedding the inhibitions about hybrids and shifting to the same as yields from varietal seeds are falling significantly but many are still reluctant as hybrids are not only expensive but also can't be reused. Cotton, corn, pearl millets, mustard and rapeseed, rice, sorghum, sunflower and vegetable hybrid seeds are gaining acceptance and this trend is being borne out of the variation in revenue composition of private sector seed companies. With about 20 per cent share, cotton is the biggest component in the hybrid seed market followed by rice (15 per cent), wheat and vegetables (over 10 per cent each).

While there are a handful of state seed corporations and Seed Farm Corporation of India, engaged in production, distribution and marketing of high volume low value public varieties, there are about 350 private sector producers and distributors and about 300 trading firms.

Seasonality factors and risks arising out of dependence on monsoon are certain key challenges faced by the seed companies which can surely be dealt with through strong research and development and products for both kharif and rabi seasons. Besides, there is also a need to use proper technology to develop products suiting evolving disease profiles and climatic conditions.

A robust distribution network providing information on seed performance and improvements is required to gain greater acceptability. Besides, a proper inventory must be maintained to meet the future demand and crop-rotation must be done to retain the customers. Further, the growth of seed industry would depend upon the development and adoption of innovative technologies.

Advanta India, Ganga Kaveri, JK, Mahyco, Monsanto India, Namdhari, Nuziveedu, Pioneer, Proagro, Rasi and Syngenta are certain leading players with major market share in the Indian seeds market. (Source: <http://www.assochem.org/prels/shownews-archive.php?id=3804>)

As per National Seeds Association of India export of agri-seeds from the country may more than double to Rs 1,000 crore in the next 2-3 years as 38 varieties from India have been registered in the OECD list. Currently, India exports Rs 400-450 crore worth of seeds. (Source: http://articles.economictimes.indiatimes.com/2013-02-10/news/37020531_1_indian-seeds-nsai-organisation-for-economic-co-operation)

OUR BUSINESS

Overview

Our Company is an Aurangabad based agri-biotechnology company focusing on crop genetics and developing superior hybrids. We have focused on R&D in the first three years of our operations and started trial marketing of our proprietary products in 2008. Presently, we are engaged in research, crop improvement, production and marketing of superior quality hybrid seeds in 8 field crops and 16 vegetable crops.

Mr. Raghavendra Joshi, a first generation entrepreneur having interests in various sectors like poultry breeding, poultry feeds, granulated mixed fertilizers, neem based natural pesticides, organic manure, infrastructure, etc is the founder promoter of our Company. Our Company is one of the group companies of RJ Group, an Aurangabad based fast growing business conglomerate.

We are being driven by strong research backed growth strategy. We have approx 55 acres of farm area for R&D activity and an array of in-house capabilities and state-of-the art R&D infrastructure facilities which include Grow-out Test (GoT) centers, open poly houses, control poly houses, screen houses and cold chamber for germplasm storage etc. At present, the company has a collection of more than 2700 varieties of germplasm in various crops.

A key element of production infrastructure is tie-ups with production farmers. We have access to over 700 seed growers and around 2000 acres of production area through our 20 organizers as well as direct contacts with the farmers for planting of vegetables. We also have 3 processing plants with aggregate processing capacity of 14 MT per hour, nine product testing locations and a storage facility of more than 40,000 square feet.

Currently we have more than 1000 dealers & distributors operating in 10 states. We are focusing on building long-standing relationships with major distributors who focus on providing better services to the grower.

We have about 110 employees out of which over 45% (50 employees) are under the sales and marketing function to support future expansion plans and 20% (22 Employees) in R&D activities. Since seed marketing is a seasonal business, the marketing staff works in close connection with channel partners and end users for disseminating the new agriculture technology as well as researching the market for future trends and demand estimation.

Collaboration Agreements

The company has entered into two technological collaboration agreements the details of which are as follows:-

Sr. No	Name of the Collaborator	Place of Registration and Year of Incorporation	Paid Up Share Capital	Turnover as on 31-03-2012	Area of Collaboration
1.	Global Transgenes Limited	Aurangabad, 2000	1,00,00,000	1.61 Crores	Bt Fusion Technology for Bt Cotton
2.	Mahyco Monsanto Biotech (I) Ltd	Mumbai, 1997	23,80,00,100	641.64 Crores	Bollgard II Technology of Bt Cotton

Product Range

The products of the company consist of seeds of various varieties which are used by the farmers to grow crops and are the most critical input to agriculture.



Vegetables

- Okra
- Tomato
- Coriander
- Spinach
- Gourds
- Cucumber
- Beans
- Chilli
- Brinjal
- Melons
- Onion



Cereal Crops

- Bajra
- Hybrid Paddy
- Elite Paddy
- Maize
- Wheat



Oil seeds

- Mustard
- Sun Flower
- Cotton



Okra

- Hybrid OKRA Heena
- Hybrid Okra RJ-11



Chilli

- Hybrid Chilli (Hot Pepper) Farola Hot
- Hybrid Chilli (Hot Pepper) Agnishikha
- Hybrid Chilli (Hot Pepper) Sanjeevani



Gourds

- Hybrid Bitter Gourd Viren
- Hybrid Bitter Gourd Viru
- Hybrid Ridge Gourd Lumbini
- Hybrid Bottle Gourd Victoria
- Hybrid Sponge Gourd Harshita



Beans

- Elite French Beans Sheena
- Elite Dolichos Beans Ferrino
- Cluster Beans Karishma



Spinach & Coriander

- Coriander Mrudul
- Coriander Bulbul
- Spinach All Green



Brinjal

- Hybrid Brinjal Medha
- Hybrid Brinjal Carol
- Hybrid Brinjal Lara



Melons

- Hybrid Watermelon Madhumati
- Hybrid Watermelon Black Wonder
- Hybrid Muskmelon Kasturi



Tomato

- Hybrid Tomato Abhijeet
- Hybrid Tomato Dhanlaxmi



Cucumber

- Hybrid Cucumber Mayuri
- Hybrid Cucumber Mahima



Onion

- Onion Fursungi
- Onion N-53



Bajra

- Hybrid Bajra RJBH-555
- Hybrid Bajra Amol



Paddy

- Hybrid Paddy Erica
- Research Paddy Avani
- Research Paddy Revati
- Elite Paddy Anushri
- Elite Paddy Rajshri
- Paddy RJ-95



Maize

- Research Hy. Maize - RJ 2020
- Research Hy. Maize Asha
- Hybrid Maize Surya



Wheat

- Research Wheat Super-11
- Research Wheat Super-22
- Research Wheat Super-33



Mustard

- Elite Mustard Ratna



Sunflower

- Hybrid Sunflower RJ-2211



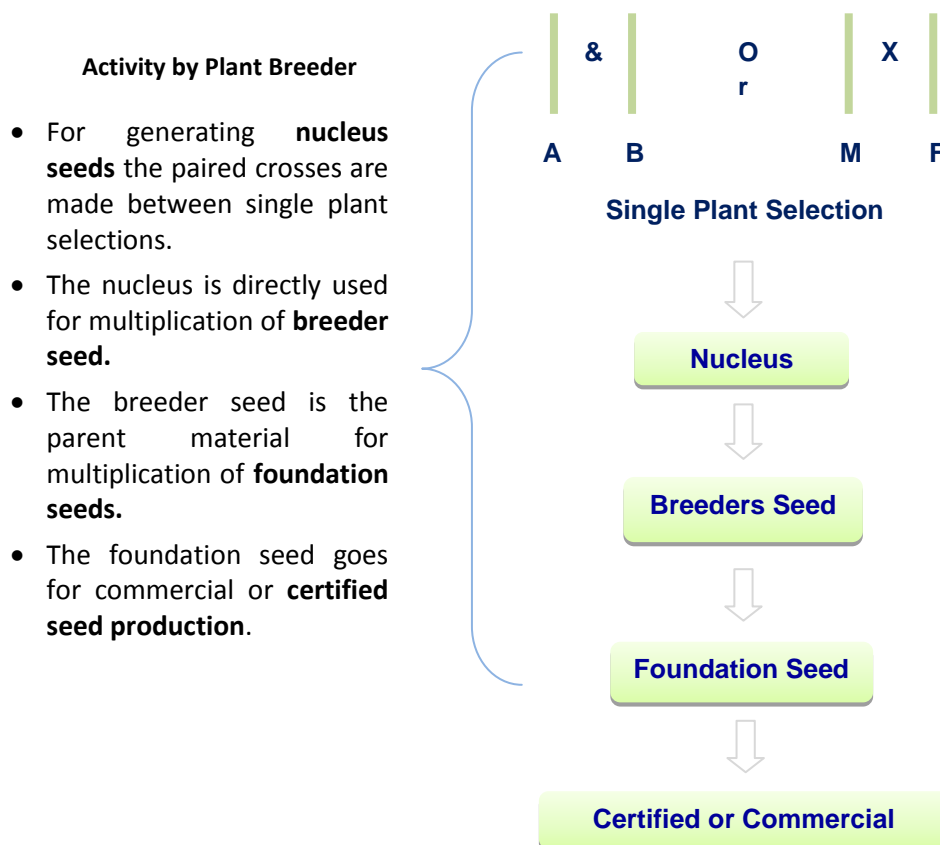
Cotton

- Hybrid Bt Cotton (RJ-101)
- Hybrid Bt Cotton (RJ-105)
- Hybrid Bt Cotton (RJ-109)

Production & Processing

A. Seed Production

A “seed production program” based on the demand forecast for the next season is prepared every year and is undertaken by our Company through “Organizers” under whom the farmers carry out the activity at various production centers. The foundation seeds are provided by our Company for multiplication into commercial seeds. The multiplied seeds are transported to the processing plant for processing/conditioning, packing and distribution.



Seed Production – Quality Control

Quality seed production programme is adopted at all production stages from breeder seed, foundation seed and commercial seed production to deliver superior quality seeds to farmers.

The following quality measures are adopted by our Company during the process of seed production –

- Close monitoring for better agronomic management.
- Management of perfect synchronization of flowering in both parents.
- Ensuring genetic purity through standard field isolation.
- Systematic monitoring and reporting at critical stages of crop growth.

B. Seed Conditioning/Processing

After receipt of raw seeds from production centers, the seeds are subjected to various stages of processing including drying, cleaning (de-weeding, screening etc.). These screened seeds are chemically treated with insecticides and fungicides to ensure germination and growing quality.

Seed Conditioning – Processes adopted

The different processes in the seed conditioning are –

Process	Description
Seed Drying	Seeds are dried to a safe moisture limit by sun drying and forced air-drying in order to maintain the viability and vigour for longer time.
Cleaning	<p>The process involves the separation of seed mixtures from dust, chaff and undersized seed according to the dimensions, shape and terminal velocities. It involves grading of seeds based on size and shape in accordance with the specifications of the International Seed Testing Association</p> <p>Various machines like graders, gravity separators, cylindrical separators, seed blowers, and seed brushing machines are used for different crop seeds to separate the seed according to size, density, uniform shape and size, heavy and light fractions etc. The process removes the undesirable fractions like inert matter, weed seeds, other crop seeds, light and chaffy seeds from the desirable seed lots.</p>
Treatment	Seeds are then treated with various chemicals to protect seeds from deterioration, ageing, insect and fungal attack in storage as well as in field.

Seed Conditioning – Quality Control

We have developed a very systematic and rigorous testing protocol which depicts the comprehensive quality assurance system.

The Company follows a stringent quality assurance system, which involves thorough monitoring at field level during seed production and after seed arrival through different laboratory and field tests.

The different processes adopted by our Company for quality control are as follows:

Quality Control Tests	
<ul style="list-style-type: none"> Physical Purity Test Moisture Test Germination Test 	<ul style="list-style-type: none"> Seed Viability Test Seed Health Vigour Test Genetic Purity Test/ Molecular GOT. ELISA Test for confirmation of gene availability.

Processing Infrastructure

Seed Processing Plant	Facility	Installed Capacity (TPH)
At MIDC, Chikalthana, Aurangabad	Grading, Separation, Treatment & Packing	4MT
At village Munipally, Nizamabad	Grading, Separation, Treatment & Packing	6 MT
At Yellampet Village, Ranga Reddy District	Grading, Separation, Treatment & Packing	4MT

New Seeds Development Process

R&D Department is responsible for identifying the hybrids at research stations located at R&D Research farm. Also it maintains the stock of nucleus seed and breeder seed of all the products which are proved superior and accepted by farmers through the product promotional activities.

Hybrids are developed at Research Farm through application of various techniques of plant breeding and genetics like conventional breeding and other methods. After new hybrid is developed it is rigorously tested at research station and the results are compared with existing seeds in the market which have major market share. The seeds are sent for further evaluation only if our hybrids are proved significantly superior to best seeds existing in the market.

Products developed by R&D are displayed through demonstrations at R&D farm as well as through product promotional activities. Product demonstrations are organized at farmer's field for evaluation of product performance and acceptance of product. After organizing the demonstration at farmer's level, "Field Day" programmes are organized and large number of farmers is gathered and our products are shown to them and we market our seed to farmers by describing the unique selling features of our products comparable with the competitors'.

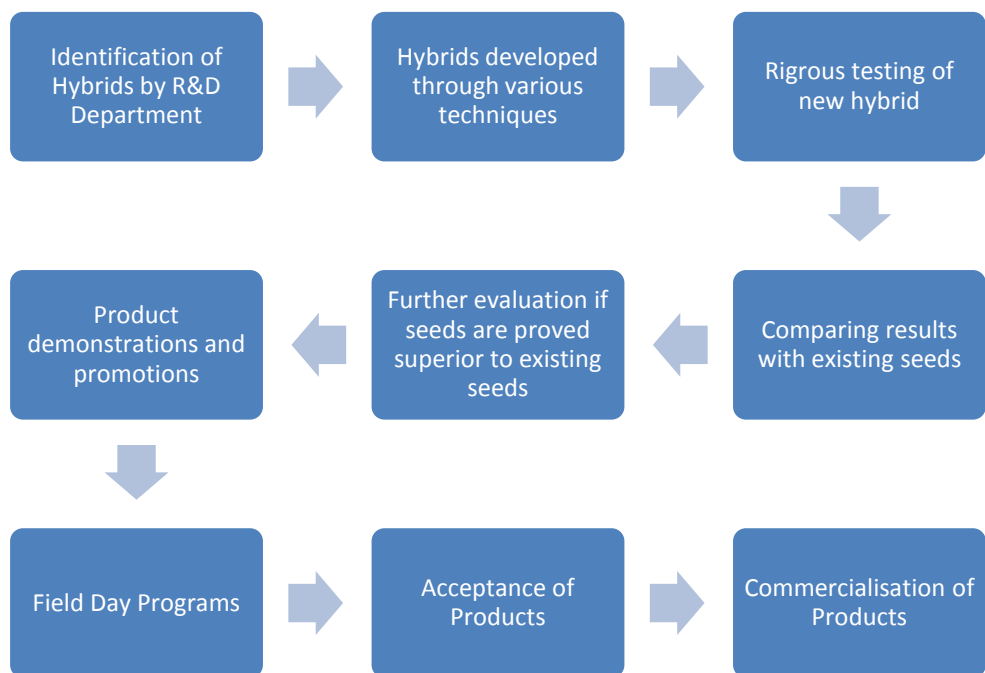
After activities like "Field Day" programmes, farmers meeting and campaigning our products are accepted by farmers. Once the products are accepted we proceed to commercialize the product.

When hybrids are accepted by farmers, R&D department takes responsibility for multiplication of parental lines seeds at farms under the close and strict supervision of technical staff/plant breeders.

After multiplication of breeder seed, the seed is allotted to production department to organize the seed production programme on large scale. Production programme is organized for some crops by entering into agreements with the growers and for some other through organizers. In any case agreements are executed with the growers/organizers which incorporate all the technical specifications necessary to meet quality standards for seed as prescribed under the Seeds Act, 1966.

Production department takes care to produce the seed on large scale as per market demand with the strict & close supervision of technical production staff and R&D Scientists to maintain the purity of the product as per standards set by seed acts.

The following chart reflects in brief the new seeds development process



Our R&D Infrastructure

The R&D activity involves the following –

- Extensive evaluation of diverse germplasm in different agro-climatic situations for input traits i.e. resistance to biotic and abiotic stresses, tolerance to nutritional deficiencies, and for output traits such as quality, color, protein, oils and fatty acids.
- Constantly working on various products to add value, improve volume, widen product base and upgrade the current products.
- Multi-disciplinary crop improvement research programs to develop superior products.*{In Okra, Yellow Virus Mosaic (YVM) tolerant hybrid is developed where as in Tomato, good keeping quality is ensured}*.
- Design of systematic research processes and research projects to deliver definite performing products for different agro-climatic conditions.
- Market oriented research to understand the requirement of farmers and agro industries and also to provide cost effective technologies.

Germplasm Collection

Germplasm collection is important and crucial to ensure consistent seed germination percentage.

Crop wise Germplasm Collection

Products	Germplasm
Field Crops	
Cotton	824

Paddy	342
Maize	100
Vegetables	
Chilli	400
Brinjal	408
Tomato	255
Okra	168
Bottle Gourd	58
Bitter Gourd	83
Ridge Gourd	60
Sponge Gourd	15
Cucumber	15
Total	2728

Research Locations

Research farms	Location
Research farms with Total area admeasuring 55 acres	Aurangabad – Maharashtra
	Aushapur – Andhra Pradesh



Actual photos of Our R&D Farms

Farm facilities

Research farms	Location
Bullock drawn implements for inter culture operations along with plant protection equipment like spray pumps etc.	Tools & appliances required for manual operations in the field for maintenance of sanitary conditions, inter culture operations, harvesting and storage of seeds.
Screening Houses	Breeders Kits
Four open poly houses – size 20m x 28m each	Two control polyhouses – size 20m x 28m each
Drip irrigation system – Area 10 acres	Cold room for germplasm storage

Fixed net houses – 10 Nos.

Removable net houses – 10 Nos.



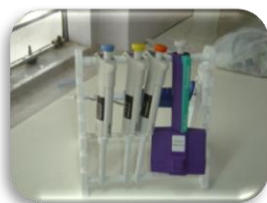
Poly Houses

Quality assurance facilities

Seeds received in the lab are subject to various testing parameters such as.

- **Moisture testing**, one of most important factor in maintenance of Quality of seed.
- **Physical purity**, to identify and eliminate seeds of other crops with the help of magnifying lens.
- **Paper germination test**, Seeds are germinated on specially made paper under controlled condition of temperature & humidity as per ISTA protocol.
- **Vigor test**, carried out at field to see the germination as well vigor of the seed.
- **Grow out Test, (GOT)**, carried out in the field for ascertaining the genetic purity.

Lab Testing and Quality Assurance Equipment



Micropipette



Autoclave



ELISA Scanner(Reader)



Laminar Air Flow



Water bath

R&D Team

Our Company has a strong R&D team consisting of 22 Employees. The R&D function is headed by Dr. Narendra Kulkarni

A Matrix of educational qualifications of the persons employed in the R&D department is as follows:-

Qualifications	No of Persons Employed
Doctorate Degree	2
Master's Degree	3
Graduates	15
Diploma Holders	2
Total	22

Areas of Focus

Our company is focusing on developing new hybrids in high value vegetable crops, paddy, cotton, and corn. It has a strong germplasm collection in these crops.

Products in Pipeline

Products	No. of Varieties	
	FY 2014	FY 2015
Field Crops		
Cotton	5	7
Paddy (Elite)	4	7
Paddy (Hybrid)	1	3
Vegetables		
Chilli	3	3
Bitter Gourd	2	1
Ridge Gourd	1	0

Sponge Gourd	1	1
Bottle Gourd	2	1
Brinjal	2	2
Tomato	2	2
Okra	1	2
Total	24	29

Processing Plants

We have two seed processing plants which are located at Plot No. J-1/8, MIDC, Chikalthana, Aurangabad 431003 in the state of Maharashtra and S. No. 38, Village Munipally, Mandal Jakranpally, Nizamabad - 503001 in the state of Andhra Pradesh. The Chikalthana plant is owned by our group company Khadkeshwar Oil Mills Private Limited (KOMPL). KOMPL has allowed us to use the plant without payment of any consideration as per their letter dated [●]. The Nizamabad plant has been taken on lease by us from M/s Mahalakshmi Seed Processing Plant for a period of 3 years and the lease is valid till November 11, 2013. The Chikalthana plant has a processing capacity of 4 Metric Tonnes Per Hour. The Andhra Pradesh plant has a total processing capacity of 6 Metric Tonnes Per Hour.

Our Company has on January 23, 2013, entered into an agreement with Ultra Seedtech Pvt. Ltd. for utilising their facilities located at survey No. 110, 112 and 118, Yellampet village, Medchal Mandal, RR District, Andhra Pradesh for processing of seeds exclusively for us on job work basis. The plant located at this premises has a processing capacity of 4 Metric Tonnes Per Hour. We believe that this arrangement will help us in operating efficiently without incurring a very heavy investment in fixed assets.

The following table gives the total processing capacities of all plants together and actual processed quantity for the last five years.

<i>(Metric Tons/Year)</i>			
Year	Installed Capacity	Actual Production	Utilization (%)
2009 -10	11520	2856	24.79
2010 -11	11520	2610	22.66
2011 -12	11520	2320	20.14

Our Company will, with effect from April 2013, discontinue using portion of leased premises located at Munipally Village, Nizamabad. As a result of which the processing capacity of the said plant will reduce to 4 Metric Tonnes Per Hour. After the aforesaid arrangement i.e. from April 2013, our Company will have the total processing capacity of 12 Metric Tonnes Per Hour.

Marketing Strategy

Since seed marketing is a seasonal business, the marketing staff works in close connection with channel partners and end users (farmers) for disseminating the new agriculture technology as well as researching the market for future trends and demand estimation. Our Company manages and conducts the sale through a channel of distributors and dealers spread across 10 states for proper and timely delivery of the product to the end user. Our Company is selective in choosing the dealers and distributors based on technical expertise, local market knowledge and financial stability and builds dealers/ distributors loyalty through an emphasis on service, access to breeders, joint trials, ongoing training and extensive promotional material support. The sales force tags with the delivery channel for executing the sale as well as for realization from the channel members.

Our Company has operations in 10 States with strong presence in Bihar, UP and Maharashtra. Our Company operates through a network of dealers and distributors and has more than 1000 such channel partners

Name of the State	Dealers & Distributors
Andhra Pradesh	125
Karnataka	50
Maharashtra	400
Madhya Pradesh	150
Gujarat	75
Bihar	75
Jharkhand	16
Uttar Pradesh	90
Tamil Nadu	15
Chattisgarh	6
Total	1002

Human Resources

Our Company has a well-defined and formalized hiring and appraisal process. A dedicated HR department is responsible for sourcing and managing requisite personnel. The Company has a strong and dedicated workforce of close to 110 employees with a combined experience of over 900 years (5 to 30 years individual experience).

Our company strives to maintain and improve the quality of work force. Hence they have stretched and steep selection criteria in academic education, age and experience parameters. The interviews consists of written test consisting of aptitude and technical test and also panel interviews for senior positions.

Our Company draws strength from its strong R&D team. R&D Department consists of 22 personnel with a combined experience of 180 years with special focus on multi-crop research and developing new hybrid varieties.

A strong marketing team of over 50 employees compliment the efforts of the R&D and production teams. The marketing department is streamlined and organized to ensure wide geographical coverage. It formulates strategies for distributing the products of the company and executes them through its experienced personnel.

Our Company adopts an objective employee performance review system. Each employee is given Key Review Areas (KRAs) based on his department and functional role on which his performance will be assessed on a half yearly basis. These appraisals form a basis for identifying the shortcomings and provide training facilities to improve his overall performance.

Department wise distribution of employees

Department	Nos
R & D	20
Production & Processing	25
Marketing	50
Administrative	15
Total	110

Branding & Sales Promotion Strategy

- We conduct field demonstrations through demonstration of technology in the farmers' fields and also at our R&D farms on the superiority of the product. There is also participation of dealers and distributors in such programs.
- The marketing activities like jeep campaigning, posters, pole posters, leaflet distribution are done extensively for boosting the sale and branding the products.
- "Field Day" events, a one day program participated by the farmers' field for demonstration of the crops as compared to the competitor's product is explained to them.
- Moreover the company also arranges crop productivity competition among the farmers in various locations and the winners are felicitated in a grand function. All this creates a brand image about the company and its products and also confidence in the minds of farmers.
- Offering various schemes like advance booking scheme, quantity discounts also help in increasing the sales.

Business Strategies

- **Strong In House R & D:** Our Company has a strong R&D program that is aimed at developing improved varieties in demand driven crops like cotton, paddy, corn and vegetables. We have over 53 products in pipeline to be commercialized in the next two years. We also have a highly qualified and focused R&D team to support its intensive R&D backed growth program. **Tie-ups with technology providers:** Our Company aims to leverage on its current technology partnerships and also develop new ones to meet its growth objectives. Notable technology arrangements are as follows:
 - Tie up with Bt. Cotton leader Mahyco Monsanto for its Bollgard-II. The Bt. Cotton hybrids developed through this tie-up will be commercialized in Kharif 2014 giving a boost to our Company's growth plans in cotton segment.
- **Expansion of Marketing Network and Marketing of New Products:** We intend to scale up the marketing activity by focusing on building a pan-Indian network especially in marketing centers like Kerala, Haryana, Punjab and Rajasthan, and also improving the marketing infrastructure like logistics, marketing offices etc.
 - We have entered into a non exclusive marketing arrangement with Monsanto Holding Limited for marketing their popular hybrids of Maize. These hybrids have been adopted by our Company through transfer of parental lines and hence this segment is also expected to witness tremendous growth.
 - We have entered into a non exclusive MOU with Director of Rice Research, Hyderabad for marketing of hybrid paddy developed by the Director of Rice Research, Hyderabad. The hybrid rice will be commercialized by the year 2014-15. Since the variety is a notified one, the company will be eligible to sell this product in subsidized rate across India without any special licensing requirement.

OUR COMPETITIVE STRENGTHS

We are fast growing seed producer

Our Company has witnessed Exponential growth in past few years. Income from operations of our Company grew at CAGR of 78% from Rs. 90.08 Lakhs in the fiscal 2007-08 to Rs. 1609.69 Lacs in the fiscal 2011-12. Profit after tax of our Company grew at CAGR of 110.58% from Rs. 1.31 Lakhs in the fiscal 2007-08 to Rs. 54.35 Lakhs in the fiscal 2011-12.

Leveraging the experience of our Promoters

Our Promoters Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri have collectively more than 30 years of experience in the field of agro related business & allied activities which has contributed significantly in the growth of our Company and our group companies.

Strong R & D Based Business Model

We have a strong R&D based business model. We have vibrant R&D program with portfolio of products in pipeline to compete with any product in the market.

We have been undertaking R&D for breeding high performance hybrids. We have an experienced and professionally qualified R&D team engaged in full time research. Our R&D infrastructure includes 55 acres of farmland and state of the art lab facilities at 3 locations in two States, which we believe makes us a competitive R&D player in the industry. Our in-house R&D Center located at Pharola has been granted recognition by DSIR which is a great achievement in itself considering not so long operating history of our Company. Our existing products in crops like paddy, chilli, cotton etc. have demonstrated superior performance where the Company's products are competing against MNC products. This highlights our R&D capabilities. For further details refer to 'R&D Infrastructure' on page 125 of this Draft Prospectus

Experienced management team and a motivated and efficient work force

We have a dedicated team of full time Researchers and marketing people located across 10 States. Periodic recruitment of personnel, educating and training them with the required skills is a prime activity of the human resources department. We believe our established human resources practices have contributed in retaining skilled workforce.

We have hybrid seeds for a wide range of crops

We have more than 55 types of hybrid seeds in 8 field crops and 16 vegetable crops. These varieties give us an edge in the market and we have the ability and infrastructure to further develop different hybrids in these crops. Our product portfolio gives us a natural hedge against dependence on any particular crop(s), and we have an advantage to meet changing farmer needs even in the event of crop-shifting by farmers.

Marketing & Distribution

We have a skilled marketing team with wide distribution reach with approximately 1000 distributors across 10 States. This enables us to reach many important markets of the country. We intend to build a pan-Indian distributor network especially in marketing centers like Kerala, Haryana, Punjab and Rajasthan to deliver the products to the end users in time with the highest level of efficiency. We belong to a fast growing group having overall gross turnover of approximately Rs. 500 Crore as on March 31, 2012.

Insurance

Our Company maintains various insurance policies, including:

- group accident insurance;
- Keyman insurance;
- mediclaim policy; and
- various automobile policies.

The following are the details of major insurance policies taken by us

Sr. No.	Name and Address	Policy No.	Nature of Policy	Premium (Rs.)	Coverage (Rs Lakhs.)	Expiry date
1.	Chikalthana Plant, C/o, Khadkeshwar Oil Mills Private Limited, Plot No. J-1/8, MIDC, Chikalthana, Aurangabad 431003	16050011 12010000 0485	Standard Fire and Earthquake (Fire and Shock) Cover	1,15,872	750	December 13, 2013
2.	Research Laboratory Plot No. 18, 1 st Floor, Above Samsung Showroom, Friends Colony, Kokanwadi, Aurangabad 431003	16050011 12010000 0487	Standard Fire and Earthquake (Fire and Shock) Cover	641	12	December 13, 2013
3.	DISR Approved Research and Development Centre Gut No. - 245, Farola, Village Bidkin, Tq. Paithan, Dist. - Aurangabad 431003	16050011 12010000 0486	Standard Fire and Earthquake (Fire and Shock) Cover	8,568	50	December 13, 2013
4.	Fire Floater Policy for storage locations in the states of Bihar, Uttar Pradesh, Madhya Pradesh, Gujarat and Andhra Pradesh	16050011 11030000 0003	Standard Fire and Earthquake (Fire and Shock) Cover	48,532	500	October 17, 2013
5.	Andhra Pradesh Plant C/o Mahalaxmi Seeds	16050011 11010000	Standard Fire and Earthquake (Fire	62,924	500	March 08, 2013

Sr. No.	Name and Address	Policy No.	Nature of Policy	Premium (Rs.)	Coverage (Rs Lakhs.)	Expiry date
	Processing Plant, S.No. 38, Village Munipally, Mandal Jakranpally, Nizambad, Andhra Pradesh – 503001	0633	and Shock) Cover			
6.	Marine Cargo Open Policy for insurance of Goods in transit sent from Aurangabad to anywhere in India	16050021 12020000 0019	Transit insurance Cover for transport of goods by Rail/Road	1,24,089	1,000	October 13, 2013
7.	Mr. Raghavendra Joshi, Apoorva, B-10, Indraprastha Enclaves, Jyoti Nagar, Aurangabad, Maharashtra- 431005	Yet to be received	Keyman Insurance policy	5,59,742	75 0	January 16, 2014

Intellectual Property

In order to protect its intellectual property rights, Our Company has registered trademarks for its various products and has also applied for Trade mark registration for various products. It has registered its following products with Trade Marks Registry, Govt. of India and as on the date of this Draft Prospectus they are legally held by the company and all the formalities are complied with

S.No.	Trademark Name	Trademark No.	Class	Date of Trade-mark Registration	Valid Upto
1	Sanjeevani	1977753	31	10 th Jun 2010	10 th June 2020
2	Anushri	1971775	31	28 th May 2010	28 th May 2020
3	Agnishikha	1966175	31	17 th May 2010	17 th May 2020
4	Madhumati	2053989	31	16 th Nov 2010	16 th Nov 2020
5	Black Wonder	2053988	31	16 th Nov 2010	16 th Nov 2020

We have also applied for registration of our following products, trademarks are awaited –

S.No.	Product Name	Provisional Regn No.	Class	Date of application	Current Status
1	RJ's Heena	1966172	31	17 th May 2010	Objected
2	RJ's Avani	1966173	31	17 th May 2010	Objected
3	RJ's Revati	1966174	31	17 th May 2010	Objected
4	RJ's Victoriya	1966176	31	17 th May 2010	Objected
5	RJ's Rajshri	1971774	31	28 th May 2010	Objected
6	RJ Abhijeet	2053990	31	16 th November,	Objected

				2010	
7	RJ Dhanlaxmi	2053991	31	16 th November, 2010	Objected

Land and Property Owned by the Company

Our Company owns following properties which are exclusively used for Research and Development Activities:-

Sr.No.	Land address	Area	Vendors Details	Purchase Consideration	Date of Purchase	Nature of title
1	Gut No.245, At Bidkin, Tq. Paithan, Dist. Aurangabad	1 Ha 62 R	Mr. Parmeshwar Venkatrao Solunke	Rs.40 lacs	29 th May 2008	Clear
2	Gut No.246, At Bidkin, Tq. Paithan, Dist. Aurangabad	2 Ha	Khadkeshwar Breeders Pvt. Ltd.	Rs.50 lacs	5 th Nov 2008	Clear

Land and Properties Taken on Lease by the Company

Sr. No	Location of the property	Document and Date	Licensor/Lessor	Lease Rent/ License Fee	Lease/License period		Activity
					From	To	
1	Survey No.38, Munpally Village, Jakranpally Mandal, Nizamabad District, Andhra Pradesh - 503001 Area:11000 sq.ft	Lease agreement Dated November 19, 2010	Mahalaxmi Seed Processing Plant	Rs.4,95,000 p.a.	November 19, 2010	November 11. 2013	Seed Processing
2	Munpally Village, Jakranpally Mandal, Nizamabad District, Andhra Pradesh, Survey No.38 Area:10500 sq.ft	Lease agreement Dated February 1, 2011	Sri Mahalaxmi Storage Godown	Rs.1,50,000/- per year.	February 01, 2011	January 31, 2018	Storage Godown
3	Gut No.76 & 78,Waladgaon, Aurangabad district Area:19.38 acres	Lease agreement Dated April 11, 2012	Raghuvir S Maher	Rs.3,48,840/- p.a.	April 11, 2012	April 10,- 2015	R & D Farm
4	Gut no 264, 246, Bidkin, Taluka Paithan, District Aurangabad. Area 11 Acres	Lease Agreement dated May, 04,-2012	Dilip Laxamanrao Kothimbire, Jyoti Dilip Kothimbire and	Rs. 121000/- p.a.	April 01, 2012	March 31, 2017	R & D Farm

Sr. No	Location of the property	Document and Date	Licensor/Lessor	Lease Rent/ License Fee	Lease/License period		Activity
					From	To	
			Radhabai Laxamanrao Kothimbire				
5	Gut no 264, Bidkin, Taluka, Paithan District Aurangabad Area 5 acres	Lease Agreement Dated June 04, 2011	Vitthal Rambhau Sonavne	Rs. 50000/- p.a.	April 01, 2011	March 31, 2016	R & D Farm
6	Survey no.272, 273, 274, 279 Aushapur, Mandal Ghakeshar, Rangareddy District, Andhra Pradesh Area:8.5 acres	Lease agreement Dated June 1, 2009	Mr. Padamati Dayananda Reddy	Rs. 68000/- p.a.	June 1, 2009	May 31, 2014	R & D Farm
7	S-35/10 & S-36/10, Transport Nagar, Kanpur road, Lukhnow Area:1600 sq. ft	Leave and license agreement Dated December 1, 2011	Shri Jaspal Singh and Smt. Mahendra Kaur	Rs.180,000/- p.a	December 1, 2011	November, 30, 2014	Marketing Office
8	Plot no.4, Block no.6, Auto nagar, Hyderabad-70	Leave and License agreement Dated 1 Jan 2011	P Ramam	Rs.66,000/- p. a.	1-1-2011	30-11-2011	Marketing Office. Lease under renewal
9	No.15, 2 nd floor, Sunrise apartment, Senapati Bapat Road, Pune-411016	Leave and license agreement Dated June, 20 2009	M/S Laksh Infrastructure (India) Pvt. Ltd	Rs.2,52,000/- p.a.	April 1, 2009	December 31, 2012	West Zone Office. Lease under renewal
10	Godown of 407 sq.ft located at Asho Chowk, Manoharour, Kachhuwara, Pypai Factory Road, Near NRL Petrol Pump, Patna, Bihar	Lease agreement dated February 01, 2011	Mr. Dharmendra Kumar	Rs. 63,492 p.a.	February 01, 2011	January, 31, 2014	Storage Godown
11	Two shops of 114 and 121 sq.ft resp. and Godown of 581 sq.ft located at Asho Chowk, Manoharour, Kachhuwara, Pypai Factory Road, Near NRL Petrol Pump,	Lease agreement Dated February 01, 2011	Mr. Dharmendra Kumar	Rs. 1,27,296 p.a.	February 01, 2011	January, 31, 2014	Marketing Office

Sr. No	Location of the property	Document and Date	Licensor/Lessor	Lease Rent/ License Fee	Lease/License period		Activity
					From	To	
	Patna Bihar						
11	Block No. 3, Plot No. 1, Situated in Auto Nagar, Hyderabad 500035	Lease agreement dated September 8, 2009	Sri C.S.S. Mani	180,000 p.a.	September 8, 2009	September 7, 2014	Storage Godown
12	Gut No. 27 in Village Patoda, Tq. & Dist. Aurangabad 2.5 Acres	Lease agreement dated June 24, 2010	Mr. Swarupchand	Rs. 37,500 p.a.	June 24, 2010	June 23, 2013	R & D Farm
13	Flat No. F-9, 4th Floor, Hyderabad Business Centre, Hyderguda, Hyderabad, Andhra Pradesh	Lease Agreements dated March 20, 2012	Mrs. Seema Rani Waghray	184,800 p.a.	March 1, 2012	January 31, 2013	Marketing Office. Lease under Renewal
15	Plot No. 18, 1 st Floor, Above Samsung Showroom, Friends Colony, Kokanwadi, Aurangabad 431003	NA	NA	NA	NA	NA	Research lab.*

*The lease agreement is in the name of our group company Deogiri Infrastructure Private limited and is being shared with them without payment of rent.

KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to applicants and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the section titled "Government and Other Statutory Approvals" beginning on page 229 of this Prospectus.

The Seeds Act, 1966

The overall policy with regard to seed quality maintenance is determined within the legislative framework of the Seeds Act. The term "seed", as defined by the Seeds Act, refers to seeds of food crops including edible oil seeds and seeds of fruits and vegetables; cotton seeds; seeds of cattle fodder; and includes seedlings, and tubers, bulbs, rhizomes, roots, cuttings, all types of grafts and other vegetative propagated material, of food crops or cattle fodder and jute seeds. The Seeds Act provides for the constitution of a Central Seeds Committee for the purposes of advising the Central and State Governments on matters arising out of the administration of the Seeds Act.

The Seeds Act is an act to provide for regulating the quality of certain seeds for sale, and for matters connected therewith. The Seeds Act provides for notification of certain kinds or varieties of seeds for the purposes of regulating the quality of any kind or variety of seed to be sold for purposes of agriculture. The Seeds Act also provides for minimum limits of germination and purity with respect to any notified kind or variety of seed and the particulars which the mark or label should contain to indicate that such seed conforms to the minimum limits of germination and purity. The Seeds Act prohibits any person, either by himself or by any other person on his behalf, from carrying on the business of selling, keeping for sale, offering for sale, bartering or otherwise supplying any seed of the notified kind or variety of seeds unless such seed is identifiable as to its kind or variety; conforms to the minimum limits of germination and purity as specified under the Seeds Act; the container of such seed bears the mark or label with the correct particulars; and he/she complies with such other requirements as may be prescribed. Similar restrictions are imposed by the Seeds Act with regards to the import and export of seed of any notified variety.

Furthermore, any person selling, keeping for sale, offering for sale, bartering or otherwise supplying any seed of the notified kind or variety of seeds, may, apply for certification to the Central Seed Certification Board constituted under the Seeds Act. The Seeds Act also appoints a Seed Inspector for the purpose of effective regulation and inspection. However, vide Government Order dated February 24, 1983, the Central Government declared seeds of food crops and seeds of fruits and vegetables seeds, seeds of cattle fodder and jute seeds to be essential commodities for the purposes of the Essential Commodities Act, 1955. Further, vide notification dated November 6, 1994, the Central Government in consultation

with the Central Seed Committee, specified the size, contents, colour, label or mark to be affixed on the containers of seeds. On the basis of the aforesaid orders, the Seeds Inspector appointed under the Seeds Act exercises powers to ensure compliance with the provisions of Seeds Act for seeds of a notified variety as well as those being not of a notified kind or variety including truthfully labeled seeds.

The Seeds Rules, 1968

The Seeds Rules provides for the implementation of the provisions of the Seeds Act. The Seeds Rules defines the term “certified seed” as a seed that fulfills all requirements for certification provided by the Seeds Act and the Seeds Rules and to the container of which the certification tag is attached. Also, the term “certified seed producer” has been defined as a person who grows or distributes certified seed in accordance with the procedure and standards of the certification agency.

The Seed Rules determines the function of the Central Seed Committee, Central Seed Laboratory, Seed Certification Agency. It also determines the responsibilities for Marking and labeling, Contents of the Mark or label and the Manner of Marking or labeling the Container. The Seeds Rules prescribes that no person shall sell, keep for sale, offer to sell, barter or otherwise supply any seed of any notified kind or variety, after the date recorded on the container, mark or label. This record date shall be the date upto which, the seed may be expected to retain the germination, which shall not be less than the minimum limits of germination, and purity as prescribed under the Seeds Act. Further, no person shall alter, obliterate or deface any mark or label attached to the container of any seed and shall keep a complete record of each lots of seed sold for a period of three years.

The term “processing”, has been defined by the Seeds Rules as cleaning, drying, treating, grading and other operations which would change the purity and germination of the seed and thus requiring re-testing to determine the quality of the seed, but does not include operations such as packaging and labeling. The Seeds Rules also classifies certified seed into foundation seed, registered seed and certified seed and prescribes standards to be met with by each class of certified seed.

The Seeds (Control) Order, 1983

The Seed (Control) Order issued under the Essential Commodities Act, 1955 enumerates the procedure for registration for every person carrying on the business of selling, exporting or importing seeds, including but not limited to, those of a notified kind or variety. It prescribes that every person carrying on the business of selling, exporting or importing seeds at any place shall do so under the terms and conditions of the license granted under this Seeds (Control) Order. Every person desiring to obtain a license for selling, exporting or importing of seeds shall make an application in duplicate in the prescribed form together with a requisite fee to the licensing authority. Every licence under this Order, shall, unless previously suspended or cancelled, remain valid for three years from the date of its issue and can be renewed by making an application by paying requisite fees. The Seeds (Control) Order empowers the State Government to appoint a Licensing Authority to regulate the sale and distribution of seeds. The Licensing Authority has the power to call for any information from dealer with respect to storage, purchase and sale of seeds by him, enter and search premises of the dealer, seize or detain any seed and to verify the quality of seeds which is claimed by dealer

National Seeds Policy, 2002

The Seeds Act, Seeds Rules, Seeds Control Order and the New Policy on Seeds Development, 1988, formed the basis of promotion and regulation of the seed industry. The National Seeds Policy, 2002 replaced the New Policy on Seeds Development, 1988. The National Seeds Policy, 2002 lays down the foundation for comprehensive reforms in the seed sector. Significant changes in the existing legislative framework will be effected accompanied by programmatic interventions. While unnecessary regulation needs to be dismantled, it must be ensured that gullible farmers are not exploited by unscrupulous elements. A regulatory system of a new genre is, therefore, needed, which will encompass quality assurance mechanisms coupled with facilitation of a vibrant and responsible seed industry. The Policy also provides the parameters for the development of the seed sector in the tenth and subsequent Five Year Plans. The progress of implementation of the Policy will be monitored by a High Level Review Committee.

Key measures resulting from the policy include implementation of an effective sui generis system for intellectual property protection to stimulate investment in research and development of new plant varieties; establishment of a Plant Varieties and Farmers' Rights Protection Authority to undertake registration of extant and new plant varieties through the Plant Variety Registry on the basis of varietal characteristic and consideration of tax rebate/concessions on the expenditure incurred on in house research and development of new varieties and other seed related research aspects. Further, in order to develop a competitive seed market, the states will be encouraged to remove unnecessary local taxation on sales of seeds.

The Thrust Areas described in the policy are varietal development and plant variety protection, seed production, quality assurance, seed distribution and marketing, infrastructure facilities, transgenic plant varieties, import of seeds and planting material, export of seeds, promotion of domestic seed industry, strengthening of monitoring system.

The National Seeds Policy, 2002 facilitates access by private seed production agencies to breeder seed. It provides for the establishment of a National Seeds Board as an apex body in the seeds sector to replace the existing Central Seed Committee and Central Seed Certification Board; mandatory registration of all varieties of seed, both domestic and imported, and planting materials. It made a recommendation that import of transgenic planting material should be allowed only with the approval of the Genetic Engineering Approval Committee. All genetically engineered crops/varieties will be tested for environment and bio-safety before their commercial release, as per the regulations and guidelines of the Environment Protection Act. The policy also calls for the implementation of a gene fund for the benefit sharing arrangement, and payment of compensation to village communities for their contribution to the development and conservation of plant genetic resources and also to promote conservation and sustainable use of genetic resources. The policy also recommends standards for import and export of seeds.

The National Seeds Policy aims at attaining the objectives of doubling food production and making India hunger free. It is expected to revolutionize Indian agriculture by supplying seeds of the best quality to the cultivator.

Seeds Bill, 2004

The seeds sector has witnessed many changes since 1966 when the Seeds Act was passed to address the changes in the seed industry such as new technologies, genetically modified seeds, and the entry of private and foreign seeds companies. The proposed Seeds Bill seeks to replace the existing Seeds Act and bring about changes including regulation and registration of all seeds to be sold (instead of only notified kinds), contains provisions for self-certification and accreditation of private seed testing laboratories, and regulation of transgenic seeds.

The Seeds Bill, 2004 aims to regulate the quality of seeds sold, and replaces the Seeds Act, 1966. Under the Seeds Bill, all varieties of seeds for sale have to be registered. The seeds are required to meet certain prescribed minimum standards. The Bill does not restrict the farmer's right to use or sell his farm seeds and planting material, provided he does not sell them under a brand name. All seeds and planting material sold by farmers will have to conform to the minimum standards applicable to registered seeds.. If a registered variety of seed fails to perform to expected standards, the farmer can claim compensation from the producer or dealer under the Consumer Protection Act, 1986. The Bill permits self certification of seeds by accredited agencies and allows the central government to recognise certification by foreign seed certification agencies. Every seed producer and dealer, and horticulture nursery has to be registered with the state government.

Maharashtra Cotton Seeds (Regulation of Supply, distribution, sale and fixation of sale price) Act, 2009

The Maharashtra Cotton Seeds (Regulation of Supply, distribution, sale and fixation of sale price) Act, 2009 provides for Regulation of supply, distribution, sale and fixation of sale price of BT cotton seed in the state of Maharashtra. Cotton seeds of certain varieties were not notified u/s 5 of the Seeds Act, 1966 and hence were not regulated u/s 7 of Seeds Act, 1966. Cotton seed is not an essential commodity under the Essential Commodities Act, 1955 and also there is no provision in the Environment (Protection) Act, 1986 to regulate of supply, distribution and sale of transgenic and genetically modified cotton seed and to control sale price of such seed in the State of Maharashtra. The traders in cotton seed were charging exorbitant prices to the farmers. Hence the above act was passed by the Government of Maharashtra. The act provides for appointment of a controller for regulation of sale of cotton seeds. Any person who wants to sell Cotton seeds is required to obtain registration from the controller. The government has powers to fix maximum price for sale of cotton seeds.

Grading and Marking Regulations

Agricultural Produce (Grading and Marking) Act, 1937

The Agricultural Produce (Grading and Marking) Act provides for the grading and marking of agricultural and other produce. The Directorate of Marketing & Inspection under the Department of Rural Development in the Ministry of Agriculture is vested with the responsibility to enforce and implement the Agricultural

Produce (Grading and Marking) Act. Under the Agricultural Produce (Grading and Marking) Act, “agricultural produce” includes all produce of agriculture or horticulture and all articles of food or drink wholly or partly manufactured from any such produce, and fleeces and the skins of animals. The objective of the Act is making available quality agricultural produce to the consumers. Under this Act, the Central Government has been authorised to make rules fixing grade designation to indicate the quality of any scheduled article, denning the quality indicated by every grade designation; specifying grade designation mark to represent particular grade designation; authorising interested parties to grade; specifying conditions regarding manner of marking, packaging etc. and providing for the confiscation and disposal of produce marked otherwise than in accordance with the prescribed conditions with a grade designation mark. The insignia used for grading is ‘AGMARK’. Grading under this Act is purely voluntary in nature. Where the Central Government is of the opinion that it is necessary in the public interest or for the protection of consumers that any scheduled article or class of articles shall not be sold or distributed except after such article or class of articles is marked with the grade designation mark, it may, by notification in the Official Gazette, make declaration to that effect.

General Grading and Marking Rules, 1988

The General Grading and Making Rules were notified, as per Section 3 of the Agricultural Produce (Grading and Marking) Act, wherein the detailed procedures of licensing, setting up of laboratories, consumer protection measures etc. have been given. The General Grading and Marking Rules applies to all articles of agricultural and other produce included in the Schedule to the Agricultural Produce (Grading and Marking) Act. An article graded in accordance with the provisions of the Agricultural Produce (Grading and Marking) Act, shall be packed in the manner and using the type of packaging material and the pack sizes, by weight or number as prescribed for the said article.

Wherever a graded produce is found not to be conforming to the definition of the quality prescribed for the grade designation marks on the produce and the grade designation marks are cancelled or removed from such produce belonging to the distributors and not to authorised packers, the latter shall, when so directed by the Agricultural Marketing Adviser, make good to the former any loss sustained as a result of the removal of grade designation mark, the loss being estimated on the basis of the additional value that the properly graded produce would have obtained in the market over and above the current market value of the corresponding quantity of the unguarded produce.

Intellectual Property Rights

The Protection of Plant Varieties and Farmers’ Rights Act, 2001

India's Protection of Plant Varieties and Farmers' Rights Act of 2001 is the most far-reaching legislation with regard to establishing rights for farmers to save, use, exchange and sell farm-saved seed. A unique aspect of the Act is that it confers three concurrent rights - to breeders, to farmers and to researchers. When it comes to Farmers' Rights, the Act recognizes the farmer as cultivator, conserver and breeder. The Act establishes nine rights for farmers, of which the most important in this regard are the right to seed and the right to compensation for crop failure. The Protection of Plant Varieties and Farmers’ Rights Act provides for the establishment of an effective system for protection of plant varieties, the rights of farmers and plant breeders and encourages the development of new varieties of plants. The Protection of Plant Varieties and Farmers’ Rights Act aims at accelerated agricultural development in India, and recognizes the necessity to protect plant breeders’ rights so as to stimulate investment for research and development, both in the public and private sector, for the development of new plant varieties and further growth of the seed industry, which

will ensure the availability of high quality seeds and planting material to the farmers. The term “extant variety” has been defined to mean a variety available in India, which is notified under the Seeds Act; or a farmer’s; variety; or a variety about which there is common knowledge; or any other variety, which is in the public domain. Not only does the Act protect the rights of farmers to save, use, exchange and sell farm-saved seed, it also seeks to ensure that these seeds are of good quality, or at least that farmers are adequately informed about the quality of seed they buy. In addition, safeguards are provided against innocent infringement by farmers. Farmers who unknowingly violate the rights of a breeder are not to be punished if they can prove that they were not aware of the existence of such a breeder’s right.

Registration of a plant variety is on the basis of conformance with the criteria of novelty, distinctiveness, uniformity and stability. An application for registration shall be made by any person claiming to be the breeder of the variety; or any successor of the breeder of the variety; or any person being the assignee of the breeder of the variety in respect of the rights to make such application; or any farmers or group of farmers or community of farmers claiming to be the breeder of the variety; or any person authorized in the prescribed manner by a person to make application on his behalf; or any university or publicly funded agricultural institution claiming to be the breeder of the variety. Where any propagating material of a variety registered under this Act has been sold to a farmer or a group of farmers of any organization of farmers, the breeder of such variety shall disclose to the farmer or the group of farmers or the organization of farmers, as the case may be, the expected performance under given conditions, and if such propagating material fails to provide such performance under such given conditions, the farmer or the group of farmers or the organization of farmers, as the case may be, may claim compensation in the prescribed manner before the Protection of Plant Varieties and Farmers’ Rights Authority after giving due notice to the breeder of the variety. Breeder’s rights extend to production, selling, marketing distribution, export and import of seeds and/or propagating material of the protected variety.

If the breeders’ variety is essentially derived from a farmers’ variety, the breeder needs to obtain the consent of the farmers or communities from whose varieties the protected variety is derived. Researchers shall have the right to use any variety registered under this Act for conducting experiments or research; or as an initial source of variety for the purpose of creating other varieties. However, the authorization of the breeder of a registered variety is required where the repeated use of such variety as a parental line is necessary for the commercial production of such other newly developed variety.

The Protection of Plant Varieties and Farmers’ Rights Regulations, 2006 and the Protection of Plant Varieties and Farmers’ Rights Rules, 2003

The Protection of Plant Varieties and Farmers’ Rights Regulations and the Protection of Plant Varieties and Farmers’ Rights Rules were passed pursuant to the powers conferred by sub-section (1) of section 95 of the Protection of Plant Varieties and Farmers’ Rights Act. These two legislations provide the procedural law for the implementation of the substantive law provided by the Protection of Plant Varieties and Farmers’ Rights Act.

The Patents Act, 1970

The Patents Act, which allowed only process patents and not product patents, provided shorter protection periods and excluded agriculture and other areas from its scope of patentability. However, the Patents Act was amended *vide* the Patents (Amendment) Ordinance, 2004 and the Patents (Amendment) Act, 2005 in order to comply with the TRIPS Agreement.

These amendments introduced the concept of product patents with a protection period of twenty years. Through these amendments, product patents as well as process patents are now permitted, and are now extended to agro-chemicals, food, and biotechnology products including genetically modified organisms, apart from drugs and pharmaceuticals.

Others

The Biological Diversity Act, 2002 and the Biological Diversity Rules, 2003

The Biological Diversity Act 2002 was born out of India's attempt to realise the objectives enshrined in the United Nations Convention on Biological Diversity (CBD) 1992 which recognizes the sovereign rights of states to use their own Biological Resources. The Act aims at the conservation of biological resources and associated knowledge as well as facilitating access to them in a sustainable manner and through a just process. For purposes of implementing the objects of the Act it establishes the National Biodiversity Authority in Chennai. The Biological Diversity Act provides for conservation of biological diversity, sustainable use of its components and fair and equitable sharing of the benefits arising out of the use of biological resources, knowledge and for matters connected therewith or incidental thereto.

Biological resources means plants, animals and micro-organisms or parts thereof, their genetic material and by-products (excluding value added products) with actual or potential use or value, but does not include human genetic material. Persons who are not citizens of India; citizens of India, who are non-residents as defined under the Income-tax Act and body corporates, associations or organizations which are not incorporated or registered in India; or incorporated or registered in India under any law for the time being in force which has any non-Indian participation in its share capital or management, are required to take permission of the National Biological Diversity Authority before obtaining any biological resource occurring in India and for transferring the results of any research relating to any biological resources occurring in, or obtained from, India for monetary consideration or otherwise. The aforesaid provisions shall not apply to collaborative research projects involving transfer or exchange of biological resources or information relating thereto between institutions, including Government sponsored institutions of India, and such institutions in other countries, if such collaborative research projects satisfy the conditions specified in the Biological Diversity Act. However, all collaborative research projects, other than those referred to above, which are based on agreements concluded before the commencement of this Act and in force shall, in the case of any inconsistency with the provisions of the Biological Diversity Act or any guidelines issued under the said Biological Diversity Act, be void. Furthermore, the permission of the National Biological Diversity Authority would be required prior to the granting of intellectual property rights in any invention, in the event that research or information on a biological resource from India has been used for development of such intellectual property. It provides for imposition of charges by way of royalty subject to certain terms and conditions as specified by the Biological Diversity Act. The Biological Diversity Rules were framed pursuant to section 62 of the Biological Diversity Act and provides the procedural aspects of implementing the substantive provisions enumerated in the Biological Diversity Act.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as “R J Bio-Tech Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 28, 2005 bearing registration no. 158420, in Aurangabad, Maharashtra. Subsequently, Our Company was converted into a public limited company vide fresh certificate of incorporation dated March 5, 2012 and consequently the name of our Company was changed to “R J Bio-Tech Limited”.

For information on the Company’s activities, market, growth, technology and managerial competence, please see the sections “Our Management”, “Our Business” and “Our Industry” on pages 148, 117 and 102, respectively

Change in Registered Office

Our Company has not shifted registered office of the Company since incorporation.

Key Events and Milestones in the History of Our Company

Date/Month/year	Event
December 2005	Our Company was Incorporated
January 2006	Our Company started its research and Development Activities
December 2006	Our Company set up its first Seed Processing Plant at Chikalthana, Aurangabad
December 2006	Our Company entered into Collaboration agreement with Global Transgenes Limited for Fusion Bt Cotton Technology
April 2007	Our Company commenced its sales operations
June, 2007	First hybrid Agnishika Chilli was successfully developed by us
April 2010	R&D unit at Paithan was granted recognition by DSIR
August 2010	Turnover of our Company crossed Rs. 10 Crores for the first time
November 2010	Our Company set up its second Seed Processing Plant at Munipally, Nizamabad
February 2011	Registration with NSIC for Government Purchase Enlistment
June 2011	Our company entered into Collaboration agreement with Mahyco Monsanto Limited for Bollgard II Bt Cotton Technology
February 2012	Our Company was converted into public Company
May 2012	Credit Rating of BB+ for our Bank Facilities from Care Ratings Limited

For details on technology, market, technology competence and built up capacity; please refer to chapter titled “Our Business” beginning on page 117 of this Prospectus.

Our Main Objects

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry out business by setting up bio-technology laboratory by collaboration with institutions in this field. To carry out Research & Development Activity in the field of Genetic Engineering, to develop Genetically modified cultivars, to undertake breeding, multiplication, production, marketing of Genetically modified hybrids and other seeds of economical importance. To carry out Research & Development in the area of Gene transfer technology & its application in various fields such as Agriculture, pharmaceuticals, food, feed, vaccines, dairy etc. To develop technologies and transfer the technologies, provide consultancy outsourcing and marketing in the technologies and the products developed through this technology.

2. The Main Objects clause and the Objects incidental or ancillary to the Main Objects of our memorandum enable us to undertake activities for which funds are being raised through this Issue. The existing activities of our Company are in accordance with the Objects clause of our Memorandum of Association.

Amendments to the Memorandum of Association

Since incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholders' Approval	Amendment
30-12-2006	Initial authorized capital of Rs. 5,00,000 (Rupees Five Lakhs Only) was increased to Rs. 50,00,000 (Rupees Fifty Lakhs Only) consisting of 5,00,000 Equity Shares of Rs. 10
15-12-2007	Authorized capital of Rs. 50,00,000 (Rupees Fifty Lakhs Only) was increased to Rs. 2,00,00,000 (Rupees Two Crores Only) consisting of 20,00,000 Equity Shares of Rs. 10
25-10-2008	authorized capital of Rs. 2,00,00,000 (Rupees Two Crores Only) was increased to Rs. 5,00,00,000 (Rupees Five Crores Only) consisting of 50,00,000 Equity Shares of Rs. 10
15-01-2011	Authorized capital of Rs. 5,00,00,000 (Rupees Five Crores Only) was increased to Rs. 10,00,00,000 (Rupees Ten Crores Only) consisting of 1,00,00,000 Equity Shares of Rs. 10
01-02-2012	Clause I of the Memorandum of Association of the company changed to reflect changed name of the company as R J Bio-Tech Limited on conversion of Company into a Public Company.

Holding Company of Our Company

Our Company has no holding company as on the date of filing of this Draft Prospectus.

Subsidiary Company of Our Company

There is no subsidiary of our Company as on this date of filing of this Draft Prospectus.

Injunctions or Restraining Orders

The Company is not operating under any injunction or restraining order.

Details of past performance

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to "Financial Statements" on page 177 of this Draft Prospectus.

Shareholders Agreements

Our Company has not entered into any shareholders agreement as on date of filing of this Draft Prospectus.

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 this Draft Prospectus.

Restrictive Covenants in Loan Agreements

Our Company has entered into agreement with State Bank of India, Agri Commercial Branch, Kranti Chowk, Aurangabad and availed Cash Credit Limit of Rs. 1900 lacs and Term Loan Facilities of Rs 392 lacs. The short term credit availed from State Bank of India, Aurangabad as on September 30, 2012 amounts to Rs. 1706.30 lakhs and the long term credit outstanding from State Bank of India, Aurangabad as on September 30, 2012 amounts to Rs. 174.75 Lakhs. SBI has sanctioned additional term loan of Rs. 100 lacs for R & D expenses, which will be disbursed in April 2013.

These agreements contain certain restrictive covenants which require us to take the prior written consent of State Bank of India before undertaking the following activities throughout the currency of the agreement including but not limited to:

1. Affecting any change in our Company's capital structure;
2. Implementing any scheme of expansion/modernization/diversification/renovation or acquire fixed assets;
3. Formulate any Scheme of Amalgamation or Reconstruction
4. Making investment/advances or depositing amounts with any other concern;
5. Entering into borrowing arrangement with any bank /financial institution/ company;
6. Undertaking guarantee obligations on behalf of any other company; and
7. Declaring any dividend for any year except out of profits relating to that year
8. Effect any drastic change in management setup
9. Effect any change in remuneration payable to director in from of sitting fees or otherwise
10. Pay guarantee commission to guarantors whose guarantees have been stipulated/furnished for credit limit sanctioned by bank.

Pursuant to the aforesaid, we have received a No Objection Certificate from State Bank of India for the Issue vide their letter dated 29th January 2013.

Strategic/ Financial Partners

Our Company does not have any strategic/financial partner as on the date of filing of this Draft Prospectus.

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 Prospectus.

Number of Shareholders

Our Company has 38 shareholders on date of this Draft Prospectus.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have not less than 3 directors and not more than 12 directors, subject to Sections 252 and 259 of the Companies Act. We currently have six directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Prospectus other than Directorship in our Company:

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment and Term	Other Directorships
1.	<p>Mr. Raghavendra Joshi</p> <p>Age: 52 Years</p> <p>Father's Name: Mr. Shripatrao Joshi</p> <p>Designation: Chairman, non-independent and non-executive Director</p> <p>Address : Apoorva, B-10, Indraprastha Enclaves, Jyoti Nagar, Aurangabad, 431005, Maharashtra, India</p> <p>Occupation : Business</p> <p>Nationality : Indian</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 00307124</p> <p>Date of Appointment:</p>	<p>December 28, 2005 Term:</p> <p>Liable to Retire by Rotation</p>	<ol style="list-style-type: none"> 1. Khadkeshwar Hatcheries Limited 2. Maruti Fertochem Limited 3. Maruti Financial Services Private Limited 4. Maruti Ferro-Tech Limited 5. Chintamani Poultry Farms Private Limited 6. Central India Poultry Breeders Private Limited 7. Deogiri Stone Products Private Limited 8. R J Feeds Private Limited 9. Maruti Phosphates Limited
2.	<p>Mrs. Meena Joshi</p> <p>Age: 52 Years</p> <p>Husband's Name: Mr. Raghavendra Joshi</p> <p>Designation: Non-independent and non-executive Director</p> <p>Address : Apoorva, B-10, Indraprastha Enclaves, Jyoti Nagar, Aurangabad, 431005, Maharashtra, India</p> <p>Occupation : Business</p> <p>Nationality : Indian</p> <p>Term: Liable to retire by rotation</p>	<p>December 4, 2006 Term:</p> <p>Liable to Retire by Rotation</p>	<ol style="list-style-type: none"> 1. Maruti Motels Private Limited 2. Maruti Financial Services Private Limited 3. Saikrupa Poultry Private Limited 4. Khadkeshwar Hatcheries Limited 5. Deogiri Infrastructure Private Limited 6. R J Feeds Private Limited 7. Khadkeshwara Breeders Private Limited 8. Maruti Fertochem Limited 9. Khadkeshwar Oil Mill Private Limited 10. Maruti Phosphates Limited

	DIN: 00307708 Date of Appointment: 04-12-2006		
3.	Mr. Shashikant Shastri Age: 52 Years Father's Name: Mr. Vinayakrao Shastri Designation: Non-independent and Non-executive Director Address : E-1, Shishir Apartment, New Shrey Nagar, Aurangabad, 431005, Maharashtra, India Occupation : Business Nationality : Indian Term: Liable to retire by rotation DIN: 00307652 Date of Appointment: 25-06-2007	July 25, 2007 Term: Liable to Retire by Rotation	1. Maruti Motels Private Limited 2. Maruti Fertochem Limited 3. Maruti Ferro-Tech Limited 4. Maruti Phosphates Limited
4.	Mr. Chandra Prakash Tripathi Age: 71 Years Father's Name: Mr. Shanthi Swaroop Tripathi Designation: Non-executive Director and Independent Address : Plot No 25, Nisargamitra Cooperative Housing Society, OPP. St. John School, Paithan Road, Cidco Nagar-4 Aurangabad - 431002 Maharashtra India Occupation : Business Nationality : Indian Term: Liable to retire by rotation DIN: 03150939 Date of Appointment: 17-12-2012	December 17, 2012 Term: Liable to Retire by Rotation	1. Bantri Financial Private Limited 2. Bantri Investments Limited 3. Sanshu Components Private Limited
5.	Mr. Balaji Singh Age: 43 Years	December 17, 2012 Term: Liable to Retire by	None

<p>Father's Name: Mr. Prithviraj Singh</p> <p>Designation: Non-executive and Independent Director</p> <p>Address : Plot. No. 1, Flat. No. 3, Tapi Tirupati Executive, Ulkanagari Gharkheda, Aurangabad – 431005, Maharashtra. India</p> <p>Occupation : Business</p> <p>Nationality : Indian</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 06413344</p> <p>Date of Appointment: 17-12-2012</p>	<p>Rotation</p>	
<p>Mr. Anil Dharmadhikari</p> <p>Age: 61 Years</p> <p>Father's Name: Mr. Vasant Dharmadhikari</p> <p>Designation: Non-executive and Independent Director</p> <p>Address : H. No. C-3 Shrey Nagar, Kasliwal Heritage Behind. Pawan Gas Godown, Aurangabad - 431005 Maharashtra. India</p> <p>Occupation : Business</p> <p>Nationality : Indian</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 06410911</p> <p>Date of Appointment: 17-12-2012</p>	<p>December 17, 2012 Term: Liable to Retire by Rotation</p>	<p>None</p>

Apart from Mr. Raghavendra Joshi and Mrs. Meena Joshi who are related to each other as Husband and Wife, none of the Directors of the Company are related to each other.

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

The Directors of OurCompany have not entered into any service contracts with our company which provides for benefits upon termination of employment

Brief Biographies of our Directors

Mr. Raghvendra Joshi, is the non-executive chairman of our Board. He is a Bachelor in Civil Engineering. He is a first generation serial entrepreneur and has over 25 years of experience in establishing and managing diverse businesses like Poultry breeding, NPK chemical fertilizer manufacturing, Export of Neem based organic pesticides and soil conditioners, Agri-biotech Company involved into research and production of hybrid seeds, Infrastructure Development Company and many more. He is currently the Managing Director of Maruti Fertochem Limited and Khadkeshwar Hatcheries Limited

Mrs. Meena Joshi is a non-executive director of the Company. She has done her Masters in Science. She is currently whole time director of Maruti Fertochem Limited. She has a vast experience of more than 25 years in managing business. In addition to her dedicated involvement in the R J group, she is also involved in social activities and is trustee of the school in Aurangabad namely Arya Chanakya Vidyalaya.

Mr. Shashikant Shastri is a non-executive director of the Company. He has done Diploma in Mechanical Engineering. He is currently whole time director of Maruti Fertochem Limited and has vast experience of more than 20 years and is well verse with the technicalities of business.

Mr. Chandra Prakash Tripathi is a Non executive-Independent Director of the Company. After completing his B.Sc from Agra University, he did B.Tech (Hons) in Mechanical Engineering from Indian Institute of Technology, Kharagpur. He has also obtained Post Graduate Diploma in Internal Combustion Engines and Petroleum Products Application from Indian Institute of Petroleum, Dehradun. He is currently acting as an advisor (Corporate Social Responsibility) to Bajaj Auto Limited. In the past he has worked with Escorts Limited as Chief General Manager and Bajaj Auto Limited as Vice President. He is widely respected in the auto industry and is the recipient of Dr. Ram Rathi Rolling Trophy for the best CEO for QC (Quality Circle) movement in India, which was awarded to him on 7th December 2000.

Mr. Anil Dharmadhikari is a Non executive-Independent Director of the Company. He has done his B.Sc. in biology from Pune University. He has more than three decades of experience in Banking Industry. He has worked with many scheduled Co-operative Banks such as Saraswat Bank, Malkapur Urban Co-op Bank Ltd, Ajantha Urban Co-op Bank Ltd, Punjab & Maharashtra Co-op Bank Ltd and Vaidyanath Urban Co-op. Bank Ltd. During his banking service tenure, he has had exposure to all banking activities from root level to policy making. His experience includes project appraisal and processing, fund management, audit and inspection, foreign exchange transactions, ATM services, recovery procedures including legal aspects and documentation, marketing of deposits and advances etc.

Mr. Balaji Singh is a Non executive-Independent Director of the Company. He is a Practising Chartered Accountant by profession and has more than 15 years of experience in field of accounts and finance. Before taking up practice he was working with Aurangabad Motor Manufacturing Limited as Assistant Manager (Finance).

CONFIRMATIONS

As on the date of the Draft Prospectus:

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 Prospectus 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.

REMUNERATION/COMPENSATION OF DIRECTORS

Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations.

However, during the last financial years ended on 31st March, 2012, no remuneration in cash or kind was paid, to any of the Directors by our Company.

SHAREHOLDING OF OUR 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 Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1	Mr. Raghavendra Joshi	30,50,000	43.79	32.22
2	Mrs. Meena Joshi	9,20,000	13.21%	9.72%
3	Mr. Shashikant Shastri	50,000	0.72%	0.53%
4	Mr. Anil Dharmadhikari	Nil	0.00%	0.00%
5	Mr. Chandra Prakash Tripathi	Nil	0.00%	0.00%
6	Mr. Balaji Singh	Nil	0.00%	0.00%

INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to anybody corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. All of our Directors may also be

deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the section “Our Management” or ‘Related Party Disclosure’ in chapter titled “Financial Statements” on page 148 and 201 of this Draft Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

PROPERTY INTEREST

Our Company has not entered into any contract, agreements or arrangement during the preceding two years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name	Date of event	Nature of event	Reason
Mr. Sanjay Shirsikar	17-12-2012	Cessation	Resignation
Mr. Deepak Jantikar	17-12-2012	Cessation	Resignation
Mr. Anil Dharmadhikari	17-12-2012	Appointment	Appointment as Additional Director
Mr. Chandra Prakash Tripathi	17-12-2012	Appointment	Appointment as Additional Director
Mr. Balaji Singh	17-12-2012	Appointment	Appointment as Additional Director
Mr. Anil Dharmadhikari	28-01-2013	Change in designation	Appointment as ordinary Director
Mr. Chandra Prakash Tripathi	28-01-2013	Change in designation	Appointment as ordinary Director
Mr. Balaji Singh	28-01-2013	Change in designation	Appointment as ordinary Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on January 28, 2013 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 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. 100 Crores.

CORPORATE GOVERNANCE

The provisions of the SME listing agreement, to be entered into by our Company with the Stock Exchanges, will be applicable to our Company immediately upon the listing of our Equity Shares with BSE SME Platform. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the SME listing agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of the audit committee and shareholders'/ investors' grievance committee.. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the SME listing agreement.

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 six Directors. We have three non-executive non independent director and three independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the SME Listing Agreement.

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

- A. Audit Committee
- B. Shareholders/Investors Grievance Committee

A) Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 292A of the Companies Act and Clause 52 of the SME Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on December 31, 2012

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

Mr. Balaji Singh is the Chairman of the Audit Committee.

Name of the Director	Status	Nature of Directorship
Mr. Balaji Singh	Chairman	Independent Director
Mr. Chandra Prakash Tripathi	Member	Independent Director
Mr. Anil Dharmadhikari	Member	Independent Director

The Company Secretary of the Company Acts as the Secretary to the Audit committee.

The role of the audit committee includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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.
 - 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.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors on any significant findings and follow up there on.
10. 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. 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.

The powers of the Audit Committee include the following:

1. Investigating any activity within its terms of reference;
2. Seeking information from any employee;
3. Obtaining outside legal or other professional advice; and
4. Securing attendance of outsiders with relevant expertise, if it considers necessary.

B) 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 31st December 2012.

The Investor Grievances Committee comprises

Name of the Director	Status	Nature of Directorship
Mr. Chandra Prakash Tripathi	Chairman	Independent Director
Mr. Anil Dharmadhikari	Member	Independent Director
Mr. Balaji Singh	Member	Independent Director

The Shareholder/Investors Grievance Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

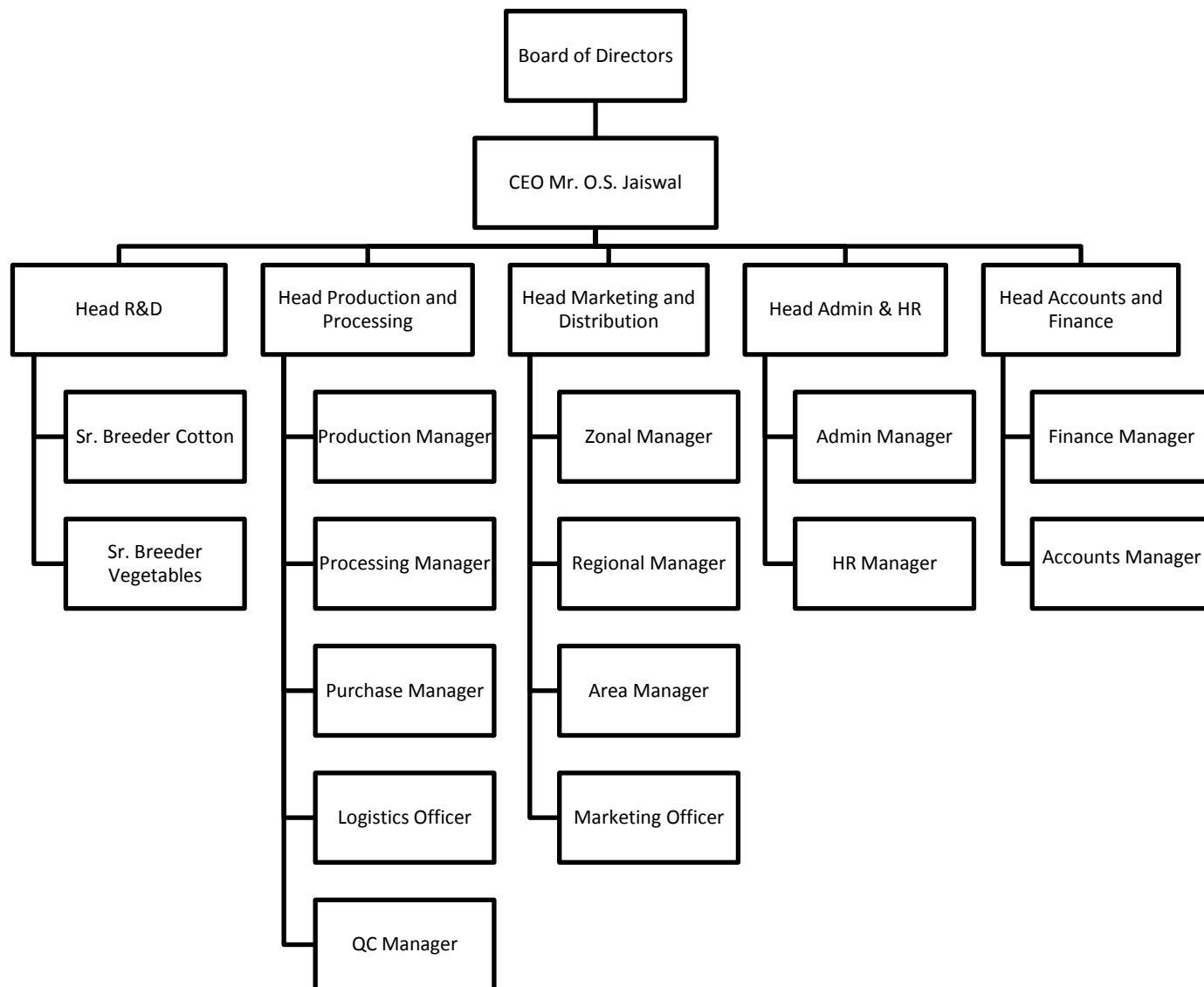
- Redressal of shareholders'/investors' complaints;
 - Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal;
 - Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the Listing Agreement.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange.

Mr. Mitesh Gadhiya, Company Secretary and Compliance Officer, 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.

MANAGEMENT ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Mr. O. S. Jaiswal (*Chief Executive Officer*):

Mr. O.S. Jaiswal, aged 50 years, holds a Master's Degree in agri-science with PG diploma in marketing management. He has over 21 years of experience in seed industry in various senior and top management positions with Indian MNCs and Indian Corporates like Limagrain India, Syngenta India, JK Agri-genetics Limited, Shriram Bioseed Genetics etc. He played a key role in developing strategic direction, achieving rapid expansion at operational level and profitability in a short period in all his earlier engagements. He took over the responsibilities as a CEO of our Company from 20th July, 2012. In the Company, he is responsible for strategy, operations, setting short-term and long term objectives and is involved in overall operations, including finances, marketing, research and development, human resources and processes. The gross compensation paid to him during Fiscal 2012 was Rs Nil. He has been appointed as Manager of the Company u/s 269 of the Companies Act for a period of 3 years with effect from 1st January, 2013 at a gross remuneration of Rs. 2 lakhs per month. He is also entitled to incentive pay of 5% of net profits of the Company.

Dr. Narendra Kulkarni (*Head – Research & Development*):

Dr. Narendra Kulkarni, aged 68 years, holds a Master Degree in agri-science with Ph. D in Genetics & Plant Breeding. He has over four decades of experience in Agri-research space. Prior to RJ Biotech, he was associated with Hyderabad Agriculture University (HAU) for 34 years. During his long stint at HAU, he held many positions like:

- Administrative and technical head of agricultural research station, Warangal (AP),
- In-charge of rice breeding programme, Appellate authority of state seed production,
- Principal scientist for close to 12 years.

He was appointed by Union Agricultural Minister as member of management committee of Directorate of Rice Research, Rajendra Nagar (AP). He also served as an advisor to chief minister of Andhra Pradesh on agriculture policies during 2004. He has acted as referee to various journals viz. "Indian Journal of Agricultural Sciences", "Indian Journal of Genetics and Plant Breeding", "Oryza", "Journal of Research, APAU". He is the chairman of selection committee of Directorate of Rice Research, Rajendra Nagar (AP) for selection of junior and senior research fellows and research associates. He joined our Company on August 10, 2006 and has been with us for 6 years and is leading the R&D function. The gross compensation paid to him during Fiscal 2012 was Rs 7.20 Lakhs.

Mr. Prakash Tupekar (*Head – Production & Processing*):

Mr. Prakash Tupekar, aged 64 years, holds a Bachelor's Degree in Agriculture. He has over four decades of experience in marketing. Prior to joining our Company he was associated with Mahyco, one of the leading seed companies in India. He joined us on September 1, 2009 and has been with us for more than 3 years and is responsible for overall supervision and management of the production and processing function. The gross compensation paid to him during Fiscal 2012 was 7.20 Lakhs.

Relationship between Key Managerial Personnel

There is no family relationship between the Key Managerial Personnel of our Company.

Family relationships of Directors with Key Managerial Personnel

There is no family relationship between the key managerial personnel and Director of our Company.

All of Key Managerial Personnel are permanent employee of our company except Mr. Narendra Kulkarni and Mr. Prakash Tupekar

Arrangements and Understanding with Major Shareholders

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Shareholding of the Key Managerial Personnel

Sr.No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding	Post-Issue Percentage Shareholding
1.	Mr. O. S. Jaiswal	Nil	Nil	Nil
2.	Dr. Narendra Kulkarni	Nil	Nil	Nil
3.	Mr. Prakash Tupekar	Nil	Nil	Nil
Total		Nil	Nil	Nil

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Mr. O.S. Jaiswal Manager and CEO of the Company is entitled to be paid an incentive pay of 5% of Net Profits of the Company during a particular year.

LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not granted any loans to Key Managerial Personnel

INTEREST OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company.

Except as disclosed in this Dr Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

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

The changes in the key managerial personnel in the last three years are as follows:

Name of Key Managerial personnel	Designation	Date of event	Reason
Mr. O. S. Jaiswal	CEO	20 th July, 2012	Appointment

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

PAYMENT OR BENEFIT TO OUR OFFICERS


Except as disclosed in the “Related Party Disclosure” in Financial Statements on page 201 of this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTERS AND PROMOTER GROUP

Our Individual Promoters:


1. Mr. Raghavendra Joshi
2. Mrs. Meena Joshi
3. Mr. Shashikant Shastir

Details of Our Individual Promoters


	<p>Mr. Raghavendra Joshi</p> <p>Mr. Raghavendra Joshi is a Civil Engineer. After completing his Civil Engineering, instead of continuing a secure govt. job, he chose to acquire experience in private sector. After working with private sector for almost two years, with savings of few thousands rupees he started a tyre retreading unit in Marathwada in the year 1987. Getting financial assistance from bank was not easy and he had to struggle and prove his worth to finally get his loan application sanctioned. This unit was instant success because of the latest technology of Tyre Retreading from Oliver Rubber, USA. His dedication and hard work paid off and the unit became one of the top five units in India and even received Best SSI Unit Award from the State Govt. in 1990.</p> <p>Then there was no looking back. He entered in poultry business followed by diverse agro-related business activities. While choosing business activities, instead of choosing his own field i.e. engineering, he opted for agri-based business with an intention to serve the farming community and thus established RJ Group of Companies - a Rs.500 crores corporate house. The operations of the Group are spread across throughout the country and products are being sold across globe.</p> <p>He is the President of Maharashtra Danedar Mishrakhate Association and many other Associations related to different business activities, working for the better interest of respective industries and farming community.</p>
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Particulars	Details
Permanent Account Number	ABGPJ9503N

Passport No.	Z2286132
Voter ID	Not Available
Driving License No.	085/4040/AUG
Bank Account Details	Savings Bank A/C No. 165010100079347 Axis Bank Ltd. Adalat Road, Sakar Building, Aurangabad

	<p>Mrs. Meena Joshi, after completing her Masters degree in Chemistry decided to start her own business along with her husband. They started the poultry breeding company by the name Khadkeshwar Hatcheries Pvt Limited. This is the first poultry breeding company in the region. She personally stayed on the farm for more than two years away from the city life, to understand the complicated day-to-day activities of poultry breeding. The poultry Industry was surprised when this unit's production was better than world standards despite the fact that Aurangabad has hot climatic conditions and whereas poultry breeding activities are mainly taken up at cooler climatic places. Today Mrs. Joshi looks after HRD and welfare activities of the group. She is Director in many group companies and also involved in many social activities. She is Trustee in one of the famous school near Aurangabad namely Arya Chanakya Vidyalaya.</p>
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Particulars	Details
Permanent Account Number	ACSPJ2579H
Passport No.	F3672340
Voter ID	MT/33/193/1134316
Driving License	MH208571/98
Bank Account Details	Savings Bank A/C No. 165010100047560 Axis Bank Ltd. Adalat Road, Sakar Building, Aurangabad

	<p>Mr. Shashikant Shastri has done Diploma in Mechanical Engineering. After completing his education, Mr. Shastri joined Automobile Products of India Ltd. as Purchase Engineer. There he acquired rich experience Product Costing, Vendors' Development, Material requirement, Planning and Purchase activities. He joined Khadkeshwar Hatcheries Pvt. Ltd and Maruti Fertochem Ltd as Director in the year 1992 and 1993 respectively. He is one of the key persons in setting up of market for the Products of Maruti Fertochem Ltd. Initially, he personally took efforts to visit the potential dealers and retailers to develop the network throughout Maharashtra. Presently he is the Non Executive Director of RJ Bio-Tech Limited</p>
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Particulars	Details
Permanent Account Number	AEPPS9691Q
Passport No.	H8007841
Voter ID	Not Available
Driving License	MH2020080014274
Bank Account Details	Savings Bank A/C No. 165010100125185 Axis Bank Ltd. Adalat Road, Sakar Building, Aurangabad

Our Promoter Group

Our Promoter Group in terms of Regulation 2(1)(zb) of SEBI (ICDR) Regulations includes the following persons:

Individual Promoter

The natural persons who are part of our Promoter Group (due to the relationship with our promoters), other than the Promoters named above are as follows:

Sr. No.	Relationship	Mr. Raghvendra Joshi	Mrs. Meena Joshi	Mr. Shashikant Shastri
1.	Father	Late Mr. Shripatrao Joshi	Mr. Vithalrao Gudsoorkar	Mr. Vinayakrao Shastri
2.	Mother	Late Mrs. Sumanbai Joshi	Mrs. Ujwala Gudsoorkar	Mrs. Manorama Shastri

3.	Spouse	Mrs. Meena Joshi	Mr. Raghavendra Joshi	Mrs. Sadhana Shastri
4.	Brother	Mr. Ramkrishna Joshi	Mr. Arun Gudsoorkar Mr. Uday Gudsoorkar Dr. Prakash Gudsoorkar	Mr. Nishikant Shastri
5.	Sister	Mrs. Jyotsna Patwari	NA	Mrs. Jayashri Ramkrishnarao Patil Mrs. Kshama Shantikumar Shastri Mrs. Sanchita Prashant Dharme
6.	Children	Mr. Harshvardhan Joshi Ms. Aditi Joshi	Mr. Harshvardhan Joshi Ms. Aditi Joshi	Ms. Amrita Shastri Ms. Vaibhavi Shastri

b) Companies, firms and HUFs which form part of our Promoter Group are as follows:

Companies

Sr. No	Name
1.	Central India Poultry Breeders Pvt Ltd
2.	Chintamani Poultry Farms Pvt. Ltd.
3.	Deogiri Infrastructure Pvt. Ltd.
4.	Deogiri Stone Products Pvt. Ltd.
5.	Galaxy Breeders Pvt. Ltd.
6.	Gold'n Chicks Limited
7.	Hi-Tek Breeders Pvt. Ltd.
8.	Khadkeshwar Hatcheries Limited
9.	Khadkeshwar Oil Mill Pvt. Ltd.
10.	Khadkeshwara Breeders Pvt. Ltd.
11.	Maruti Fertochem Limited
12.	Maruti Ferro Tech Ltd.
13.	Maruti Financial Services Pvt. Ltd.
14.	Maruti Motels Pvt. Ltd.
15.	Maruti Phosphates Limited
16.	Maruti Tyres Pvt Ltd
17.	Modern Breeders Pvt. Ltd.
18.	Navjeevan Hatcheries Pvt. Ltd.
19.	Navjeevan Tyres Pvt. Ltd.

20.	Neem India Products Pvt. Ltd.
21.	R J Feeds Pvt. Ltd.
22.	R. J. Breeders Pvt. Ltd.
23.	Saikrupa Poultry Pvt. Ltd.
24.	Shaliwahan Farms Pvt. Ltd.

HUFs

1. Raghavendra Joshi HUF

Partnerships

- a) Maruti Agro Services
- b) Anmol Marketing

Sole Proprietorships

1. Maruti Tyres

TRUSTS

1. Maharashtra Danedar Mishrakhate Utpadak Association
2. Khadkeshwar Shikshan Sanstha
3. Shri Sai Educational Trust
4. Rashmi Education Society

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 BSE SME Platform, where the securities of our Company are proposed to be listed at the time of submission of Draft Prospectus.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters have a partnership firm by the name of Maruti Agro Services which is engaged in the business of Marketing of agricultural products and may be regarded as having business similar to those carried out by our Company.

INTEREST OF THE PROMOTERS

Interest in the promotion of Our Company

Our promoters are Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri. 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, Mr.

Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri, being Directors, 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.

Interest in the property of Our Company

Our Promoters do not have any interest in any property acquired by Our Company in last Two years or proposed to be acquired by our Company.

Interest as Member of our Company

As on the date of this Draft Prospectus, our Promoters together hold 40,20,000 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 our Promoters does not hold any other interest in our Company.

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 this Draft Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on page 148, 177 and 67 respectively of this Draft Prospectus. Further as on the date of this Draft Prospectus, 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 218 this Draft Prospectus. 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 "Related Party Transactions" beginning on page 201 of this Draft Prospectus, our Company has not entered into any related party transactions with our Promoters.

OUR GROUP ENTITIES

No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

A. Top five Our Group Entities (based on turnover)

The details of our top five Our Group Entities (based on turnover) are provided below:

1. Maruti Fertochem Limited

Corporate Information

Maruti Fertochem Ltd is a public company incorporated on September 17,1992 under the provisions of Companies Act. It is engaged in the business of manufacturing of NPK granulated mixed fertilisers. Our Promoters Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri respectively hold 5.46%, 6.94% and 1.26% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)			
PARTICULARS	2012	2011	2010
Equity Capital	515.00	515.00	510.00
Reserve (Excluding Revaluation Reserve)	1003.49	939.50	790.65
Sales	3606.53	6365.11	6434.28
Profit after Tax	63.99	103.84	109.43
Earning Per Share (Basic)	12.43	20.36	39.00
Earning Per Share (Diluted)	12.43	20.36	39.00
Net Asset Value Per share (Rs.)	294.60	282.30	254.83

2. Khadkeshwar Hatcheries Limited

Corporate Information

Khadkeshwar Hatcheries Limited is a public company incorporated on October 08,1990 under the provisions of Companies Act. It is engaged in the business of poultry farming and hatcheries. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 29.46% and 10.06% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)			
PARTICULARS	2012	2011	2010
Equity Capital	2179.87	265.48	238.98
Reserve (Excluding Revaluation Reserve)	322.75	2013.70	1571.15
Sales	14646.43	16749.11	15242.83
Profit after Tax	55.29	185.28	178.98
Earnings Per Share (Basic)	1.59	5.78	74.89
Earnings Per Share (Diluted)	1.59	5.78	74.89
Net Asset Value (Rs. Lakhs)*	2502.63	2279.18	1810.13

Company has two classes of equity shares with different face values. Hence Net Asset Value per share is not given

3. R J Feeds Private Limited

Corporate Information

R J Feeds Private Limited is a private company incorporated on October 05,2007 under the provisions of Companies Act. It is engaged in the business of manufacturing of poultry feeds. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 3.14% and 1.08% in the equity share capital of the Company. Raghavendra Joshi HUF holds 54.86% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)

PARTICULARS	2012	2011	2010
Equity Capital	419.98	345.92	331.32
Reserve (Excluding Revaluation Reserve)	803.87	425.53	303.06
Sales	10366.22	8795.12	7323.37
Profit after Tax	82.1	95.59	72.78
Earnings Per Share (Basic)	2.34	2.76	2.20
Earnings Per Share (Diluted)	2.34	2.76	2.20
Net Asset Value Per share (Rs.)	29.11	22.23	19.08

4. Deogiri Infrastructure Private Limited

Corporate Information

Deogiri Infrastructure Private Limited is a private company incorporated on January 11,2007 under the provisions of Companies Act. It is engaged in the business of civil constructions. Our Promoter Mrs. Meena Joshi respectively holds 1.25% in the equity share capital of the Company. Raghavendra Joshi HUF holds 6.25% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)

PARTICULARS	2012	2011	2010
Equity Capital	160.00	160.00	156.10
Reserve (Excluding Revaluation Reserve)	211.78	158.82	85.05
Sales	1245.75	975.05	746.23
Profit after Tax	52.95	38.67	34.52
Earnings Per Share (Basic)	3.31	2.42	2.21
Earnings Per Share (Diluted)	3.31	2.42	2.21
Net Asset Value Per share (Rs.)	23.24	19.92	15.45

5. Navjeevan Hatcheries Private Limited

Corporate Information

Navjeevan Hatcheries Private Limited is a private company incorporated on September 25, 1998 under the provisions of Companies Act. It is engaged in the business of hatcheries. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 13.10% and 8.28% in the equity share capital of the Company.

Financial Information

(Rupees In Lakhs)			
PARTICULARS	2012	2011	2010
Equity Capital	194.16	19.52	19.52
Reserve (Excluding Revaluation Reserve)	209.88	168.78	149.28
Sales	4419.58	4304.51	4377.36
Profit after Tax	25.73	19.51	35.47
Earnings Per Share (Basic)	1.33	9.99	18.17
Earnings Per Share (Diluted)	1.33	9.99	18.17
Net Asset Value Per share (Rs.)	20.70	96.46	86.47

B. Other Our Group Entities

The details of the rest of our Our Group Entities are provided below:

6. Central India Poultry Breeders Private Limited

Corporate Information

Central India Poultry Breeders Private Limited is a private company incorporated on March, 26, 2003 under the provisions of Companies Act. It is engaged in the business of poultry breeding. Our promoters do not directly hold any share in this Company but our group company Khadkeshwar Hatcheries Limited holds 49% in the equity share capital of the Company

7. Chintamani Poultry Farms Private Limited

Corporate Information

Chintamani Poultry Farms Private Limited is a private company incorporated on October 09, 2001 under the provisions of Companies Act. It is engaged in the business of poultry farming. Our Promoter Mr. Raghavendra Joshi holds 15.00% in the equity share capital of the Company. The Company is currently not carrying on any business.

8. Deogiri Stone Products Private Limited

Corporate Information

Deogiri Stone Products Private Limited is a private company incorporated on April 05, 2007 under the provisions of Companies Act. It is engaged in the business of dealing in stone products. Our Promoter Mr. Raghavendra Joshi holds 40.00% in the equity share capital of the Company.

9. Galaxy Breeders Private Limited

Corporate Information

Galaxy Breeders Private Limited is a private company incorporated on September 25, 1998 under the provisions of Companies Act. It is engaged in the business of poultry breeding. Our promoters Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri respectively hold 16.06%, 5.77% and 2.95% in the equity share capital of the Company.

10. Gold'n Chicks Limited

Corporate Information

Gold'n Chicks Limited is a public company incorporated on February 19, 2007 under the laws of Tanzania. It is engaged in the business of poultry farming. Our Promoters Mr. Raghavendra Joshi holds 12.78% in the equity share capital of the Company. The Company has incurred a loss for the Year ended June 30, 2012.

11. Hi -Tek Breeders Private Limited

Corporate Information

Hi-Tek Breeders Private Limited is a private company incorporated on December 24, 1998 under the provisions of Companies Act. It is engaged in the business of poultry breeding. Our promoter Mr. Raghavendra Joshi holds 0.34% in the equity share capital of the Company. During the Financial Year Ended March 31, 2012. Hi-Tek Breeders Private Limited has incurred a loss.

12. Khadkeshwar Oil Mills Private Limited

Corporate Information

Khadkeshwar Oil Mills Private Limited is a private company incorporated on June 10, 1998 under the provisions of Companies Act. It is engaged in the business of manufacturing pesticides. Our promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 6.67% and 1.83% in the equity share capital of the Company.

13. Khadkeshwars Breeders Private Limited

Corporate Information

Khadkeshwar Breeders Private Limited is a private company incorporated on February 08, 1995 under the provisions of Companies Act. It is engaged in the business of poultry breeding. Our promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 6.50% and 14.53% in the equity share capital of the Company. The Company has incurred a loss during financial year ended, March 31, 2012.

14. Maruti Ferro-Tech Private Limited

Corporate Information

Maruti Ferro-Tech Private Limited is a private company incorporated on February 8, 1995 under the provisions of Companies Act. It is engaged in the business of manufacturing sponge iron. Our promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 1.58% and 5.14% in the equity share capital of the Company. The Company is currently not carrying on any business.

15. Maruti Financial Services Private Limited

Corporate Information

Maruti Financial Services Private Limited is a private company incorporated on January 11, 1995 under the provisions of Companies Act. It is engaged in the business of making investments. Our promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 71.54% and 25.39% in the equity share capital of the Company. The Company has incurred a loss during financial year ended, March 31, 2012.

16. Maruti Motels Private Limited

Corporate Information

Maruti Motels Private Limited is a private company incorporated on February 03, 1993 under the provisions of Companies Act. It is engaged in the business of hotels. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 30.91% and 10.00% in the equity share capital of the Company. The Company is currently not carrying on any business.

17. Maruti Phosphates Limited

Corporate Information

Maruti Phosphates Limited is a public company incorporated on September 12, 2012 under the provisions of Companies Act. It has been formed to do business of manufacturing fertilizers and it is yet to commence its business. Our Promoters Mr. Raghavendra Joshi, Mrs. Meena Joshi and Mr. Shashikant Shastri holds 16.13% each in the equity share capital of the Company.

18. Maruti Tyres Private Limited

Corporate Information

Maruti Tyres Private Limited is a private company incorporated on May 24, 1989 under the provisions of Companies Act. It is engaged in the business of tyre retreading. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 7.92% and 5.45% in the equity share capital of the Company.

19. Modern Breeders Private Limited

Corporate Information

Modern Breeders Private Limited is a private company incorporated on September 25,-1998 under the provisions of Companies Act. It is engaged in the business of poultry breeding. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 2.63% and 7.96% in the equity share capital of the Company.

20. Navjeevan Tyres Private Limited

Corporate Information

Navjeevan Tyres Private Limited is a private company incorporated on May 09, 1991 under the provisions of Companies Act. It is engaged in the business of tyre retreading. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 33.33% and 16.67% in the equity share capital of the Company.

21. Neem India Products Private Limited

Corporate Information

Neem India Products Private Limited is a private company incorporated on January 17, 2002 under the provisions of Companies Act. It is engaged in the business of manufacturing Neem based organic fertilizers/soil conditioners and natural pesticides. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 5.26% and 2.63% in the equity share capital of the Company.

22. R J Breeders Private Limited

Corporate Information

R J Breeders Private Limited is a private company incorporated on December 24, 1998 under the provisions of Companies Act. It is engaged in the business of poultry breeding. Our Promoters Mr. Raghavendra Joshi and Mr. Shashikant Shastri respectively hold 3.37% and 0.16% in the equity share capital of the Company. The Company has incurred a loss during the Financial Year Ended March 31, 2012.

23. Saikrupa Poultry Private Limited

Corporate Information

Saikrupa Poultry Private Limited is a private company incorporated on October 09, 2001 under the provisions of Companies Act. It is engaged in the business of poultry farming. Our Promoter Mrs. Meena Joshi respectively holds 15.00% in the equity share capital of the Company. The Company is currently not carrying on any business.

24. Shaliwahan Farms Private Limited

Corporate Information

Shaliwahan Farms Private Limited is a private company incorporated on December 24, 1998 under the provisions of Companies Act. It is engaged in the business of poultry farming. Our Promoters Mr. Raghavendra Joshi and Mrs. Meena Joshi respectively hold 9.28% and 6.34% in the equity share capital of the Company. The Company has incurred a loss during the Financial Year Ended March 31, 2012.

25. Raghavendra Joshi HUF

Corporate Information

M/s. Raghavendra Joshi HUF is a Hindu Undivided Family having address at B-10, Indraprasth Enclave, Jyoti Nagar, Aurangabad – 431005, whose Karta is Mr. Raghavendra Joshi.

26. Maruti Agro Services

Corporate Information

M/s. Maruti Agro Services is a registered partnership firm, which was formed vide Partnership Deed dated January 20, 1998, having its office at Siddharth Arcade, Opp. Holiday Camp, Station Road, Aurangabad Maharashtra - 431005. M/s. Maruti Agro Services is engaged inter alia in the business of trading in fertilizers and other agricultural products. M/s. Maruti Agro Services has five partners and their profit sharing ratios are as under:

Sr. No	Name of Partners	Percentage (%)
1.	Mr. Raghavendra Joshi	10
2.	Mr. Shashikant Shastri	10
3.	Mr. Ramesh Rodepatil	25
4.	Mr. Abhay Pande	25
5.	Mr. Deelip Reddy	30

27. Anmol Marketing Services

Corporate Information

M/s. Anmol Marketing services is a registered partnership firm, which is formed vide Partnership Deed dated April 3, 1990, having its office at C/o Maruti Tyres, Jalna Road, Aurangabad, Maharashtra - 431005. M/s. Anmol Marketing Services is engaged inter alia in the business of trading in poultry feeds. M/s. Anmol Marketing Services has two partners and their profit sharing ratios are as under:

Sr. No	Name of Partners	Percentage (%)
1.	Mr. Raghavendra Joshi	60
2.	Mr. Sanjay Nalgirkar	40

28. Maruti Tyres

Corporate Information

Maruti Tyres is a proprietary concern of Mrs. Meena Joshi which was started on December 8, 1987M/s. Maruti Tyres having its address at shop at Plot No. J1/9, MIDC area, Chikalthana, Aurangabad, Maharashtra - 431210. Maruti Tyres is engaged inter alia in the business of retreading of Tyres.

29. Khadkeshwar Shikshan Sanstha

Corporate Information

Khadkeshwar Shikshan Sanstha, is a trust, which is formed vide trust deed dated [●] under the Bombay Public Charitable Trust Act, 1950 bearing registration no. F-4764 dated [●] and having its address at "Manali", Plot No. 94, Nathpuram, Itkheda, Aurangabad.

The Present Trustees of the said trust as on September 30, 2012 are as follows:

- | | | |
|----|------------------------|------------------|
| 1) | Mr. Raghavendra Joshi | President |
| 2) | Mrs. Meena Joshi | Vice President |
| 3) | Mr. Parmeshwar Solunke | Secretary |
| 4) | Mr. Vilas Tanpure | Treasurer |
| 5) | Mr. Shashikant Shastri | Executive Member |
| 6) | Mr. Sanjay Nalgirkar | Executive Member |
| 7) | Mr. Santosh Muttepawar | Executive Member |

30. Shri Sai Educational Trust

Corporate Information

Shri Sai Educational Trust, is a trust, which is formed vide trust deed dated [●] under the Bombay Public Charitable Trust Act, 1950 bearing registration no. E-412 dated [●] and having its address at Siddharth Arcade, Opp. Holiday Camp, Station Road, Aurangabad, Maharashtra – 431005.

The Present Trustees of the said trust as on September 30, 2012 are as follows:

- | | |
|---------------------------|------------------|
| 1) Mr. Raghavendra Joshi | Managing Trustee |
| 2) Mr. Parmeshwar Solunke | Trustee |
| 3) Mr. Vilas Tanpure | Trustee |
| 4) Mr. Gangadhar Mane | Executive Member |
| 5) Mr. Prashant Deshpande | Executive Member |

31. Rashmi Education Society

Corporate Information

Rashmi Education Society, is a trust, which is formed vide trust deed dated [●] under the Bombay Public Charitable Trust Act, 1950 bearing registration no. F-2973 (Pune) dated [●] and having its address at Survey No. 90, Alandi Road, Yerwada, Pune.

The Present Trustees of the said trust as on September 30, 2012 are as follows:

- | | |
|---------------------------|-----------------|
| 1) Mr. Raghavendra Joshi | President |
| 2) Mr. Neela Gupta | Vice President |
| 3) Mr. Sanjay Shirsikar | Secretary |
| 4) Mr. Parmeshwar Solunke | Joint Secretary |
| 5) Mr. Deelip Reddy | Treasurer |

None of the above companies have made any public/right issue in the preceding three years.

Further, none of the above companies are sick Companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor under winding up.

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 Entities has a negative net worth as of the date of the respective last audited financial statements.

SICK COMPANIES

No Promoter Group Entities listed above have been declared as a sick company under the SICA. There are no winding up proceedings against any of the Promoter Group Entities. Except as disclosed in this chapter the Promoter Group Entities do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

LITIGATION

For details on litigations and disputes pending against the Promoters and Promoter Group entities and defaults made by them, please refer to the chapter titled, 'Outstanding Litigations and Material Developments' on page 218 of this Draft Prospectus.

DISASSOCIATED BY THE PROMOTER IN THE LAST THREE YEAR

None of our Promoters have disassociated themselves from any of the companies/partnership firms during preceding three years except as follows:

Sr. No	Name of the Promoter	Name of Concern	Date of Dissociation	Reason
1.	Mr. Raghavendra Joshi*	Navjeevan Tyres Private Limited	April 05, 2011	Resignation from Directorship
2.	Mr. Raghavendra Joshi*	R J Breeders Private Limited	September 10, 2012	Resignation from Directorship
3.	Mr. Raghavendra Joshi*	Navjeevan Hatcheries Private Limited	January 10, 2012	Resignation from Directorship
4.	Mrs. Meena Joshi**	Navjeevan Tyres Private Limited	April 05, 2011	Resignation from Directorship
5.	Mrs. Meena Joshi**	Navjeevan Hatcheries Private Limited	January 10, 2012	Resignation from Directorship
6.	Mrs. Meena Joshi**	Central India Poultry Breeders Private Limited	March 31, 2011	Resignation from Directorship
7.	Mrs. Meena Joshi**	Maruti Tyres Private Limited	February 10, 2012	Resignation from Directorship
8.	Mr. Shashikant Shastri	Neem India Products Private Limited	June 14, 2011	Resignation from Directorship
9.	Mr. Shashikant Shastri	Khadkeshwar Oil Mill Private Limited	June 11, 2011	Resignation from Directorship

*Mr. Raghavendra Joshi continues to be the shareholder in all of the above companies from which he has resigned during last three years.

**Mrs. Meena Joshi continues to be the shareholder in all of the above companies from which he has resigned during last three years except Central India Poultry Breeders Private Limited.

SALES/PURCHASES BETWEEN OUR COMPANY AND PROMOTER COMPANY & PROMOTER GROUP ENTITIES

There are no sales or purchases between our Company and Promoter Group entities which exceeds in value aggregating ten per cent of the total sales or purchases of our Company.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure XI of restated financial statement under the section titled, '*Financial Statements*' on page 201 of this Draft Prospectus.

DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the board of directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Fiscal Years or out of both.

Our Company does not have a formal dividend policy. Any dividends declared are recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend in the previous five Financial Years.

Dividends are payable within 30 days of approval by the Equity Shareholders at its annual general meeting. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION V- FINANCIAL STATEMENTS

FINANCIAL STATEMENTS, AS RESTATED

Auditor's Report

To

The Board of Directors

RJ Bio-tech Limited

Siddharth Arcade, Opp. Holiday Camp,
Station Road, Aurangabad - 431005

We have examined the Standalone Restated Summary Financial Statements and Other Financial Information of **R J Bio-tech Ltd (Formerly known as RJ Bio-Tech Pvt. Ltd.)** (the Company) annexed to this Report which has been prepared for the purposes of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- i. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the Act);
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the Regulation') issued by the Securities and Exchange Board of India ('SEBI') and amendments made thereto from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;
- iii. The Guidance note on "Reports in Company's Prospectus" (Revised) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note'); and
- iv. The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Offer Document of the Company in connection with its proposed initial public offer of Equity Shares.

The Restated Summary Financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

A. Restated Summary Financial Statements:

1. We have examined the attached Stand alone Summary Statement of Assets and Liabilities, as Restated of the Company as at 30th September 2012, 31st March 2012, 2011, 2010, 2009 & 2008 (**Annexure "I"**); Stand alone Summary Statement of Profits and Losses, as Restated of the Company for the financial period ended on 30th September 2012 and financial year(s) ended on 31st March 2012, 2011, 2010, 2009 & 2008 for the period ended (**Annexure "II"**); the Standalone Summary Statement of Cash Flows, as Restated for the financial period ended on 30th September 2012 and financial year(s) ended on 31st March 2012, 2011, 2010, 2009 & 2008 (**Annexure "III"**); Significant Accounting Policies (**Annexure "IV"**) and Notes to the Restated Financial Statements (**Annexure "V"**) together referred to as 'Summary Statements' as prepared by the Company and approved by the Board of Directors. These statements reflect the assets and liabilities and profits and losses for each of the relevant periods as extracted from the Financial Statements audited by Statutory Auditor of the company, after making therein the disclosures and adjustments required to be made in accordance with the provisions of Schedule VIII Part-A (IX) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
2. Based on our examination of these Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the

Significant Accounting Policies (Annexure “IV”) and Notes to the Restated Financial Statements (Annexure “V”) respectively.

3. The Company has not declared any dividend on Equity Shares in any of the period/year.
4. We have examined the following regrouped/rearranged financial information relating to the Company, proposed to be included in the Offer Document, as approved by the Board of Directors of the Company and attached to this report:
 - a. Statement of secured borrowings with terms & conditions and assets charged as security **(Annexure “VI”)**.
 - b. Statement of unsecured borrowings taken by the Company **(Annexure “VII”)**.
 - c. Statement of Loans & Advances **(Annexure “VIII”)**.
 - d. Statement of Trade Receivables showing Age-wise analysis from the date they are due for payment **(Annexure “IX”)**.
 - e. Statement of Other Income **(Annexure “X”)**.
 - f. Related Party Disclosures under Accounting Standard 18 **(Annexure “XI”)**.
 - g. Summary of Accounting Ratios based on the adjusted profits/losses, relating to earnings per share, net asset value per share and return on net worth **(Annexure “XII”)**.
 - h. Statement of Capitalization as at 30th September 2012 (Pre-Issue) **(Annexure “XIII”)**.
 - i. Statement of Tax Shelter **(Annexure “XIV”)**.
 - j. Statement of Earnings Per Share **(Annexure “XV”)**.
5. In our opinion, the Restated Summary Financial Statements and the Other Financial Information set forth in Annexure I to XV read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.
6. This report should not in any way construed as a re-issuance or redrafting of any of the previous audit report issued by us or by any other firm of Chartered Accountants nor should this report be construed as new opinion on any of the financial statement referred to therein.
7. This Report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Sunil Salunke & Associates
Chartered Accountants
Firm Reg no: 118372W

Sd/-
(S. R. Salunke)
Proprietor
Membership No. 105421

Place: Aurangabad
Date: 24/01/2013

Annexure I – Statement of Assets and Liabilities, as restated

							Rs. In Lakhs
Particulars	Notes	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Assets							
Non Current Assets							
Fixed Assets	1						
Tangible Assets		309.18	291.75	277.99	270.07	182.63	20.12
Intangible Assets		0.11	0.13	0.22	0.37	0.61	
Capital work in Progress		-	13.26	7.93	-	-	-
Non Current Investments		-	-	-	-	-	-
Long Term Loans and Advances	2	20.79	20.97	20.92	16.64	10.20	9.25
Other Non Current Assets	3	298.59	315.20	230.70	238.47	128.34	1.59
Current Assets		-	-	-	-	-	-
Inventories	4	1,714.94	1,983.88	1,744.02	965.41	592.26	198.12
Trade Receivables	5	1,268.09	621.64	249.27	133.68	119.00	19.93
Cash and Cash Equivalents	6	139.54	135.83	114.75	56.79	54.14	20.53
Short Term Loans and Advances	7	488.03	410.70	71.10	31.55	25.63	47.01
Other Current Assets	8	53.70	61.48	45.40	19.01	2.56	0.67
Total Assets (A)		4,292.96	3,854.85	2,762.30	1,731.99	1,115.38	317.22
Liabilities							
Non Current Liabilities							
Long Term Borrowings	9	576.04	329.94	319.12	304.18	105.28	8.40
Deferred Tax Liabilities (net)	10	94.01	73.76	48.59	29.48	20.55	-
Other Long Term Liabilities	11	43.04	35.06	29.25	20.65	15.70	9.18
Current Liabilities							
Trade Payables	12	162.04	110.56	101.65	72.26	46.75	31.18
Short Term Borrowings	13	1,706.30	1,669.64	1,049.55	581.32	406.99	-
Other Current Liabilities	14	293.98	434.32	400.72	161.31	81.27	205.25
Short Term Provisions	15	96.95	66.04	51.14	38.38	22.54	10.90
Total Liabilities (B)		2,972.36	2,719.33	2,000.03	1,207.56	699.07	264.91
Total Net Assets (A-B)		1,320.60	1,135.52	762.27	524.43	416.31	52.31
Represented by							
Share Capital	16	696.56	642.56	483.06	463.40	395.00	51.00
Reserves and Surplus	17	624.04	492.96	279.21	61.03	21.31	1.31
		1,320.60	1,135.52	762.27	524.43	416.31	52.31

Annexure II - Statement of Profit and Loss Account, as restated

							Rs. In Lakhs
Particulars	Notes	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Income							
Revenue from Operation	18	1,844.15	1,609.69	1,344.47	911.44	550.01	90.08
Other Income	19	-	-	-	0.37	0.03	0.37
Total Revenue		1,844.15	1,609.69	1,344.47	911.82	550.04	90.45
Expenses							
Cost of Materials Consumed	20	824.92	725.92	578.13	570.16	342.85	61.74
Purchases of Stock-in-Trade		-	-	-	-	-	-
Changes in Inventories of Finished goods,	21	(132.23)	(228.91)	(178.59)	(273.41)	(100.00)	-
work-in-progress and Stock- in-Trade		-	-	-	-	-	-
Employee Benefit Expenses	22	92.08	159.11	128.67	86.67	28.78	-
Finance Costs	23	133.02	203.10	171.98	93.96	19.60	0.32
Depreciation & Amortization Expenses	24	17.28	37.89	36.17	20.38	7.58	0.40
Other Expenses	25	789.19	631.64	546.48	370.26	202.83	24.44
Total Expenses		1,724.26	1,528.75	1,282.84	868.02	501.64	86.90
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		119.89	80.94	61.63	43.80	48.41	3.56
Exceptional Items	26	0.17	0.55	-	-	-	-
Profit before tax (VII-VIII)		119.71	80.39	61.63	43.80	48.41	3.56
Tax Expense:							
(1) Income tax		0.05	0.03	0.75	0.14	2.42	0.98
(2) Current tax		24.00	16.26	11.95	6.76	5.44	1.27
(3) Deferred tax		20.25	25.17	19.12	8.93	20.55	-
(4) MAT Credit		(1.66)	(15.32)	(11.43)	(11.74)	-	-
Profit/(Loss) for the year/ period		77.08	54.25	41.25	39.71	20.00	1.31

Annexure III - Statement of Cash Flow as restated

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
A)	Cash flow from operating activities:						
	Net Profit before tax as per Profit And Loss A/c	119.89	80.94	61.63	43.80	48.41	3.56
	Adjusted for:						
	Depreciation	16.72	36.37	34.65	19.56	6.76	-
	Interest & Finance Cost	133.02	203.10	171.98	93.96	19.60	0.32
	R &D Exp and Deferred Exp. W/off	122.80	252.03	120.41	92.75	41.82	-
	Preliminary Exp. Written Off	0.56	1.52	1.52	0.82	0.82	0.39
	Operating Profit Before Working Capital Changes	392.99	573.96	390.19	250.89	117.41	4.27
	Adjusted for:						
	Inventories	268.94	(239.86)	(778.61)	(373.15)	(394.15)	(161.90)
	Trade Receivables	(646.44)	(372.36)	(114.79)	(14.69)	(99.06)	(19.93)
	Loans and advances and other assets	(67.70)	(340.42)	(49.57)	(13.04)	18.54	(21.57)
	Liabilities & Provisions	(57.72)	58.90	195.79	119.59	(98.09)	194.38
	Cash Generated From Operations	(109.94)	(319.78)	(356.99)	(30.40)	(455.35)	(4.75)
	Direct Tax Paid	(16.31)	(11.97)	(10.75)	(0.14)	(0.03)	(1.27)
	Net Cash Flow from/(used in) Operating Activities:	(126.25)	(331.75)	(367.74)	(30.54)	(455.38)	(6.02)
B)	Cash Flow From Investing Activities:						
	Purchase of Fixed Assets	(22.32)	(57.31)	(50.36)	(106.76)	(190.00)	-
	Sale of Fixed Assets	1.29	1.38	-			-
	Misc. expenses for R & D & deferred expenses	(106.75)	(338.06)	(114.16)	(203.70)	(169.40)	-
	Proceeds from other investment	-	-	-	(4.00)	20.12	(9.00)
	Net Cash flow from /(Used in) Investing Activities	(127.78)	(393.99)	(164.52)	(314.46)	(339.28)	(9.00)
C)	Cash Flow from Financing Activities:						
	Proceeds From Share Capital & Share Premium	108.00	319.00	196.60	68.40	344.00	24.00
	Proceeds from Long Term Borrowing (Net)	246.09	10.83	97.37	198.90	96.88	8.40
	Proceeds from short-term borrowings	36.66	620.09	468.23	174.31	406.99	-
	Interest & Financial Charges	(133.02)	(203.10)	(171.98)	(93.96)	(19.60)	(0.32)

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Net Cash Flow from/(used in) Financing Activities	257.74	746.82	590.22	347.65	828.27	32.08
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	3.71	21.08	57.96	2.65	33.61	17.06
	Cash & Cash Equivalents As At Beginning of the Year	135.83	114.75	56.79	54.14	20.53	3.47
	Cash & Cash Equivalents As At End of the Year	139.54	135.83	114.75	56.79	54.14	20.53

Annexure IV - Statement of Significant Accounting Policies

1. Basis of Accounting

- The accounts of the Company are prepared in accordance with the accounting principles generally accepted in India. The company has maintained its accounts on mercantile system of accounting.
- The financial statements have been prepared under the historical cost conventions and in accordance with generally accepted accounting principles. Accounting policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles.

2. Use of Estimates

- The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenue and expenses during the reporting period.
- Difference between actual results and estimates are recognised in the periods in which the results are known/ materialize.

3. Valuation of Inventories

- The inventory consists of seed stock.
- The company has valued the Inventory at cost or market price, whichever is lower and on the basis of physical verification of stock by the management at the end of the year.

4. Revenue Recognition

- Sales are recognised when all significant risks and reward of ownership of goods are passed on to the buyer.
- Other Income is recorded on accrual basis.

5. Fixed Assets

- a. Fixed assets are stated at actual cost less accumulated depreciation.
- b. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

6. Depreciation

Depreciation on all Fixed Assets is provided on Written Down Value method as per the rates and in the manner specified in Schedule XVI of the Companies Act, 1956.

7. Foreign Currency Transactions

- a. The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transactions.
- b. The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realisation is charged to the statement of Profit and Loss.

8. Borrowing Costs

Borrowing costs that are directly attributable to acquisition of assets has been capitalized and other borrowing costs has been treated as an expense during the period in which they have incurred.

9. Accounting for Taxes on Income

- a. Income Tax comprises of current tax, deferred tax. Provision for current income tax is made on the assessable income/benefits at the rate applicable to relevant assessment year. Deferred tax asset & liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets & liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date. The carrying amount of deferred tax asset/liability are reviewed at each Balance Sheet date & recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.
- b. Payment of MAT results in tax credit according to the Income Tax Act, 1961; can be carried forward for subsequent ten years & adjusted against future tax liabilities. On the basis of estimates made by the company, the management is of the view that it would have sufficient tax liabilities to offset the MAT Credit during the prescribed carry forward period.

10. Current Assets, Loans & Advances

In the opinion of the management, the value of all current assets, loans & advances and other realizable are not less than their realizable value in the ordinary course of business.

11. Contingencies and events occurred after the Balance sheet date

- a. No such liabilities were noticed which are contingent in nature.
- b. There are no such events occurred after the Balance sheet date which will have bearing on profitability and / or State of Affairs of the company.

12. Research and Development Expenditure

The company is following the policy of deferring revenue R & D Expenses incurred for a total period of 4 years. Out of total revenue R & D expenses incurred in a particular year, 1/4 is debited to profit and loss A/c in that year & balance 3/4 is carried as deferred revenue expenditure & transfer to profit and loss A/c , equally over a period of subsequent 3 years.

13. Deferment of Expenditure

The company is following the policy of deferring revenue expenses related to Travelling, Marketing & Sales promotion expenses incurred for a total period of 2 years. Out of total revenue expenses related to travelling, Marketing & sales promotion expenses Incurred in a particular year, 1/2 is debited to profit and loss A/c in that year & balance 1/2 is carried as deferred revenue expenditure & transferred to profit and loss A/c , equally over a period of subsequent year.

14. Segment Reporting

The company manufactures and deals primarily in Seeds and as such there is a single business segment. Further, the company is engaged in providing and selling its products in single economic environment in India i.e. there is a single geographical segment. Hence, no further disclosures are made.

15. Retirement Benefits

Retirement Benefits in the form of Provident Fund contributions and Family Pension Fund are charged to the Profit & Loss Account of the period when the contributions to the funds are due.

16. Cash Flow Statement

Cash Flows are reported using the Indirect method, whereby Profit Before Tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of Income or expense associated with investing or financing Cash flows.

17. Impairment of Assets

The carrying amount of asset is reviewed periodically for any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price & value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

18. Prior Period Items

Prior Period Items are included in the respective heads of accounts and material items are disclosed by way of notes to the accounts.

Annexure V - Notes to restated Financial Statements

Note 1: Fixed Assets

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
I	<u>Tangible Assets</u>	-					
1	Land at Pharola						
	Gross Block	93.01	93.01	93.01	93.01	93.01	-
	Less: Accumulated Depreciation	-	-	-	-	-	-
	Net Block	93.01	93.01	93.01	93.01	93.01	-
2	Land Development & Internal Roads						
	Gross Block	40.94	40.94	40.94	40.94	40.94	-
	Less: Accumulated Depreciation	-	-	-	-	-	-
	Net Block	40.94	40.94	40.94	40.94	40.94	-
3	Polyhouse						
	Gross Block	29.24	27.96	26.64	25.34	14.04	3.72
	Less: Accumulated Depreciation	8.26	7.17	4.94	2.58	0.39	-
	Net Block	20.98	20.79	21.71	22.77	13.65	3.72
4	Cold Storage						
	Gross Block	13.49	12.06	2.91	-	-	-
	Less: Accumulated Depreciation	1.50	0.93	0.01	-	-	-
	Net Block	11.99	11.12	2.90	-	-	-
5	Electrical Fittings						
	Gross Block	1.31	0.98	0.98	0.49	0.49	0.49
	Less: Accumulated Depreciation	0.28	0.22	0.14	0.09	0.05	-
	Net Block	1.04	0.76	0.84	0.39	0.44	0.49
6	Plant & Machineries						
	Gross Block	52.03	37.59	31.00	17.35	1.88	1.04
	Less: Accumulated Depreciation	10.68	7.94	3.79	0.91	0.17	-
	Net Block	41.35	29.64	27.21	16.43	1.71	1.04
7	Laboratory Equipments						
	Gross Block	8.58	8.58	8.27	4.34	0.75	0.75
	Less: Accumulated Depreciation	2.50	2.05	1.00	0.31	0.10	-
	Net Block	6.08	6.53	7.26	4.04	0.65	0.75
8	Tools & Equipments						
	Gross Block	19.15	18.65	15.10	14.65	10.47	-
	Less: Accumulated Depreciation	7.14	6.25	4.60	2.95	1.33	-
	Net Block	12.01	12.40	10.49	11.70	9.13	-
9	Office Equipments						
	Gross Block	3.53	2.26	2.26	2.18	1.10	1.10

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Less: Accumulated Depreciation	0.96	0.82	0.59	0.32	0.15	-
	Net Block	2.57	1.44	1.68	1.86	0.95	1.10
10	Air Conditioner						
	Gross Block	0.75	0.75	0.15	-	-	-
	Less: Accumulated Depreciation	0.15	0.10	0.01	-	-	-
	Net Block	0.60	0.64	0.14	-	-	-
11	Furniture & Fittings						
	Gross Block	30.01	29.66	29.32	28.31	2.57	1.52
	Less: Accumulated Depreciation	12.73	11.04	6.94	2.13	0.32	-
	Net Block	17.28	18.62	22.38	26.18	2.25	1.52
12	Vehicles						
	Gross Block	79.04	67.03	42.17	28.62	21.09	10.63
	Less: Accumulated Depreciation	29.31	25.47	16.00	8.64	3.52	-
	Net Block	49.73	41.56	26.17	19.98	17.58	10.63
13	Computers & Softwares						
	Gross Block	46.48	46.29	45.78	40.86	2.99	0.87
	Less: Accumulated Depreciation	34.86	31.99	22.51	8.09	0.66	-
	Net Block	11.62	14.30	23.28	32.77	2.33	0.87
	Total Tangible Assets	309.18	291.75	277.99	270.07	182.63	20.12
ii	Intangible Assets						
1	Website						
	Gross Block	0.68	0.68	0.68	0.68	0.68	-
	Less: Accumulated Depreciation	0.57	0.54	0.46	0.31	0.06	-
	Net Block	0.11	0.13	0.22	0.37	0.61	-
	Total Intangible Assets	0.11	0.13	0.22	0.37	0.61	-
iii	Work in Progress						
1	Cold storage	-	-	7.93	-	-	-
2	Plant and Machinery	-	13.26	-	-	-	-
	Total Capital Work in Progress	-	13.26	7.93	-	-	-
	Grand Total	309.29	305.15	286.14	270.44	183.24	20.12

Note 2: Long Term Loans and Advances

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Deposits	20.79	20.97	20.92	16.64	10.20	9.25
	Grand Total	20.79	20.97	20.92	16.64	10.20	9.25

Note 3: Other Non Current Assets

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	<u>Miscellaneous Expenditure</u>	-					
	a) Preliminary Expenses						
	Opening Balance	2.52	3.69	1.36	1.83	0.19	0.24
	Add : Expenses incurred during the year	-	-	3.51	-	2.11	
	Less: Written off during the year	0.56	1.17	1.17	0.47	0.47	0.05
	Closing Balance	1.96	2.52	3.69	1.36	1.83	0.19
	b) Pre-operative Expenses						
	Opening Balance	-	0.35	0.70	1.04	1.39	1.74
	Less: Written off during the year	-	0.35	0.35	0.35	0.35	0.35
	Closing Balance	-	-	0.35	0.70	1.04	1.39
	c) Research & Development Cost						
	Opening Balance	218.46	226.65	236.42	125.47	-	-
	Add : Expenses incurred during the year	70.79	149.62	110.65	203.70	167.29	-
	Less: Amount trf. To Statement of Profit & Loss	75.69	157.81	120.41	92.75	41.82	-
	Closing Balance	213.56	218.46	226.65	236.42	125.47	-
2	<u>Deferment of Expenses -</u>	-					
	Field Programme Expenses	12.54	11.07	-	-	-	-
	Sales Promotion Expenses	14.94	16.36	-	-	-	-
	Travelling Expenses	55.58	66.79	-	-	-	-
	Total	83.07	94.22	-	-	-	-
	Grand Total	298.59	315.20	230.70	238.47	128.34	1.59

Note 4: Inventories

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Finished Goods	913.14	1,202.97	1,192.02	965.41	480.73	45.06
2	Raw Material	801.80	780.91	552.00	-	-	-
3	Work in Progress	-	-	-	-	111.53	153.06
	Grand Total	1,714.94	1,983.88	1,744.02	965.41	592.26	198.12

Note 5: Trade Receivable

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Outstanding exceeding Six months	49.98	42.25	83.06	17.66	19.22	3.02
2	Others	-	-	-	-	-	-
	a) Secured, considered good	-	-	-	-	-	-
	b) Unsecured, considered good	1,218.10	579.39	166.22	116.02	99.78	16.91
	c) Doubtful	-	-	-	-	-	-
	Grand Total	1,268.09	621.64	249.27	133.68	119.00	19.93

Note 6: Cash and Cash Equivalents

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	<u>Balances with Banks</u>						
	a) Current A/c - IDBI Bank No. 1205	-	-	21.98	0.50	0.14	-
	b) Current A/c - IDBI Bank, HYBD No. 52535	-	0.10	0.21	-	-	-
	c) Current A/c - SBH, A'bad No. 93129	0.19	2.71	2.31	6.20	2.51	15.70
	d) Current A/c - SBH, Himayatnagar No. 70278	0.15	1.06	2.22	1.11	1.03	-
	e) Current A/c - SBI Agri. Br. A'bad No. 94099	1.88	0.03	-	-	-	-
	f) Current A/c - SBI, Ankapur No. 53829	0.10	0.11	-	-	-	-
	g) Current A/c - SBI, A'bad No. 63837	3.36	4.71	2.54	3.56	2.63	-
	h) Current A/c - ICICI Bank	1.77	-	-	-	-	-
2	<u>Cash on Hand</u>	132.08	127.12	85.49	45.43	47.84	4.83
	Grand Total	139.54	135.83	114.75	56.79	54.14	20.53

Note 7: Short Term Loans and Advances

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Staff Advances	6.96	2.78	7.98	6.36	2.92	4.15
2	Advances to Suppliers	481.07	407.92	63.12	24.39	21.84	42.30
3	Other Advances	-	-	-	0.80	0.88	0.55
	Grand Total	488.03	410.70	71.10	31.55	25.63	47.01

Note 8: Other Current Assets

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Balances with Govt. Authorities						
	a) Advance Income Tax	-	10.00	10.00	-	-	-
	b) MAT Credit Entitlement	40.16	38.49	23.17	11.74	-	
	c) VAT Refund Receivable	8.18	7.98	6.81	4.61	0.58	0.31
2	Prepaid Expenses & Others						
	a) Prepaid Insurance	2.22	3.55	3.70	2.35	1.92	0.36
	b) Prepaid Expenses	2.98	1.30	1.59	0.30	0.06	-
	e) Cholamandalam - TDS Deduction Receivable	0.17	0.16	0.13	-	-	-
	Grand Total	53.70	61.48	45.40	19.01	2.56	0.67

Note 9: Long Term Borrowings

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Secured Loans						
	a) Vehicle Loans -						
	Cholamandalam-DBS Finance Ltd - MH 20 BT 269	-	0.04	1.57	3.93	-	-
	HDFC Bank Car Loan - Maxx 10	1.45	2.17	-	-	-	-
	ICICI Bank - Bolero Loan I	1.09	1.98	-	-	-	-
	ICICI Bank - Bolero Loan II	1.09	1.98	-	-	-	-
	ICICI Bank Ltd., V/L Loan - Bolero	-	-	-	1.43	3.16	4.66
	ICICI Bank Ltd., V/L Loan - Bolero	-	-	-	1.96	3.45	-
	ICICI Bank - Indica Vista Loan I	2.32	2.66	-	-	-	-
	ICICI Bank - Indica Vista Loan II	2.32	2.66	-	-	-	-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	ICICI Bank Ltd., V/L Loan - Tata Indica	-	-	-	1.44	2.73	3.74
	ICICI Bank Ltd., V/L Loan - Tata Indica	-	-	-	1.89	2.76	-
	ICICI Bank - Bolero Loan A/c (Hybd)	1.31	1.69	3.23	-	-	-
	ICICI Bank - Swift Loan (Hybd)	-	-	1.79	-	-	-
	State Bank of Hyderabad - TATA Magic	-	-	0.25	1.98	-	-
	ICICI Bank - Toyota Etios Loan	6.27	-	-	-	-	-
	ICICI Bank - Vista EV2 Loan	3.59	-	-	-	-	-
	b) Term Loans -	-	-	-	-	-	-
	IDBI Bank Term Loan-I A/c 1083	-	-	34.73	91.55	93.17	-
	IDBI Bank Term Loan-II A/c 1458	-	-	100.71	200.00	-	-
	State Bank of India Term Loan A/c No. 55280	16.00	56.00	-	-	-	-
	State Bank of India Term Loan A/c No. 91079	158.75	91.75	-	-	-	-
2	Unsecured Loans :-	-	-	-	-	-	-
	a) Khadkeshwar Hatcheries Ltd.	-	-	5.13	-	-	-
	b) Maruti Agro Services	165.00	165.00	45.00	-	-	-
	c) Maruti Fertochem Limited	114.85	-	99.46	-	-	-
	d) Mrs. Rashmi R. Deshmukh	1.00	1.00	3.00	-	-	-
	e) Mr. Ramesh Y. Deshmukh	3.00	3.00	3.00	-	-	-
	f) Neem India Products Pvt. Ltd	-	-	21.24	-	-	-
	g) Meena R. Joshi	98.00	-	-	-	-	-
	Grand Total	576.04	329.94	319.12	304.18	105.28	8.40

Note 10: Deferred Tax Liabilities

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Opening Balance (DTL)	73.76	48.59	29.48	20.55	-	-
	Add: Deferred Tax charge/(credit) for the year	20.25	25.17	19.12	8.93	20.55	-
	Grand Total	94.01	73.76	48.59	29.48	20.55	-

Note 11 : Other Long Term Liabilities

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
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Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Dealers Security Deposit	43.04	35.06	29.25	20.65	15.70	9.18
	Grand Total	43.04	35.06	29.25	20.65	15.70	9.18

Note 12 : Trade Payables

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Trade Payables	162.04	110.56	101.65	72.26	46.75	31.18
	Grand Total	162.04	110.56	101.65	72.26	46.75	31.18

Note 13 : Short Term Borrowings

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Cash Credit - State Bank of India A/c No. 24088	1,706.30	1,669.64	-	-	-	-
2	Cash Credit - IDBI Bank A/c No. 161	-	-	1,049.55	581.32	406.99	-
	Grand Total	1,706.30	1,669.64	1,049.55	581.32	406.99	-

Note 14 : Other Current Liabilities

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Current Maturities of Long term debts						
	a) Vehicle Loans-						
	Cholamandalam DBS Finance	0.86	1.54	1.29	-	-	-
	HDFC Bank Limited Maxx 10	1.39	1.30	-	-	-	-
	ICICI Bank - Bolero Loan I	1.73	1.63	-	-	-	-
	ICICI Bank - Bolero Loan II	1.73	1.63	-	-	-	-
	ICICI Bank - Indica Vista Loan I	0.67	0.63	-	-	-	-
	ICICI Bank - Indica Vista Loan II	0.67	0.63	-	-	-	-
	ICICI Bank - Bolero Loan (A'bad)	-	-	0.30	-	-	-
	ICICI Bank - Indica Loan (MP)	-	-	0.87	-	-	-
	ICICI Bank - Bolero Loan (HYBD)	1.31	1.54	1.11	-	-	-
	ICICI Bank - Swift Loan (HYBD)	0.90	1.79	1.65	-	-	-
	SBH Bank - TATA Magic Loan	0.00	0.25	0.91	-	-	-
	ICICI Bank - Toyota Etios Loan	1.25	-	-	-	-	-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	ICICI Bank - Vista EV2 Loan	1.08	-	-	-	-	-
	b) Term Loans -						
	IDBI Bank I A/c No. 1083	-	-	26.30	-	-	-
	IDBI Bank II A/c No. 1458	-	-	50.00	-	-	-
	State Bank of India A/c No. 55280	100.00	80.00	-	-	-	-
	Interest Payable on Term Loan - SBI - I	1.27	1.77	-	-	-	-
	State Bank of India A/c No. 91079	41.25	8.25	-	-	-	-
	Interest Payable on Term Loan - SBI - II	2.19	1.24	-	-	-	-
		-	-	-	-	-	-
2	Other Payables	-	-	-	-	-	-
	Advances from Customers	137.66	332.15	318.30	161.31	81.27	205.25
	Grand Total	293.98	434.32	400.72	161.31	81.27	205.25

Note 15: Short Term Provisions

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Provision for Employees Benefits						
	PF Employees Payable	0.91	0.81	0.77	0.54	0.34	0.21
	PF Employers Payable	1.03	0.91	0.87	0.61	0.38	0.24
	Bonus Payable	6.76	6.82	8.96	3.70	-	-
	Deogiri Nagari Sah. Bank Ltd	-	0.02	0.07	-	-	-
	R.J.Group Employees Credit Co-op. Society	0.22	0.21	0.22	0.20	0.00	-
	R.J.Group Employees Society Loan	0.39	0.39	0.38	0.10	-	-
	Salary Payable	15.76	11.89	12.56	10.18	5.97	3.96
2	Provision for Govt. Dues		-	-	-	-	-
	Payable TDS on Commission	-	0.15	0.20	-	0.09	-
	Payable TDS on Contractors	0.20	0.03	0.04	0.01	0.09	0.00
	Payable TDS on Interest	0.03	0.05	1.50	-	-	-
	Payable TDS on Professional Fees	1.58	0.37	0.57	0.34	0.18	0.10
	Payable TDS on Salary	2.44	0.20	0.27	0.04	0.09	0.12
	Payable TDS on Rent	0.89	-	0.06	0.04	-	-
	Provision for Income Tax	24.00	16.26	11.95	6.76	5.44	1.27
	Payable Employees Profession Tax	0.39	0.17	0.16	0.15	0.10	0.06
	Payable Local Body Tax	4.89	-	-	-	-	-
	Fringe Benefit Tax Payable	-	-	-	-	2.39	0.97

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
3	Others						
	Electricity charges Payable	0.31	0.13	-	-	-	-
	Interest on Unsecured Loans Payable	0.05	0.05	0.05	-	-	-
	Travelling Expenses Payable	21.98	10.74	10.43	13.70	6.68	3.61
	Auditors Remuneration Payable	3.52	2.01	0.91	1.31	0.29	0.08
	Power & Fuel Payable	1.61	0.58	0.30	-	-	-
	Rent Payable	0.30	2.09	0.53	0.26	0.12	-
	Telephone Charges Payable	0.23	0.56	0.34	0.37	0.26	0.19
	Consultancy charges payable	9.47	11.60	-	-	0.10	0.09
	Postage, Stamp & Courier Charges Payable	-	-	-	0.07	0.02	-
	Grand Total	96.95	66.04	51.14	38.38	22.54	10.90

Note 16: Share Capital

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Authorised Share Capital						
	Equity Shares of Rs. 10/- each	1,000.00	1,000.00	1,000.00	500.00	500.00	200.00
2	Issued, Subscribed and Paid Up Capital						
	Equity Shares of Rs. 10/- each	696.56	642.56	483.06	463.40	395.00	51.00
	(Out of above, 9,00,000 equity shares issued for consideration other than cash in F.Y.2008-09.)						
	Grand Total	696.56	642.56	483.06	463.40	395.00	51.00

Note 17: Reserves and Surplus

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Securities Premium A/c						
	Balance as per Last Balance Sheet	336.44	176.94	-	-	-	-
	Add: Amount credited during the year	54.00	159.50	176.94	-	-	-
	Closing Balance	390.44	336.44	176.94	-	-	-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
2	Surplus in Statement of Profit and Loss Account						
	Balance as per Last Balance Sheet	156.52	102.27	61.03	21.31	1.31	-
	Add: Profit for the year	77.08	54.25	41.25	39.71	20.00	1.31
	Closing Balance	233.60	156.52	102.27	61.03	21.31	1.31
	Grand Total	624.04	492.96	279.21	61.03	21.31	1.31

Note 18: Revenue from Operation

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Sale of Seeds	1,844.15	1,609.69	1,344.47	911.44	550.01	90.08
	Grand Total	1,844.15	1,609.69	1,344.47	911.44	550.01	90.08

Note 19: Other Income

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Discount Received	-	-	-	0.06	0.01	0.37
2	Foreign Exchange Gain	-	-	-	0.31	-	-
3	Interest Received	-	-	-	0.00	0.02	-
	Grand Total		-	-	0.37	0.03	0.37

Note 20 : Cost of Material consumed

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Opening Stock	1,202.97	1,192.02	592.00	380.73	45.06	11.81
	Add: Purchases	423.75	736.87	1,178.15	781.43	678.53	94.99
	Closing stock	801.80	1,202.97	1,192.02	592.00	380.73	45.06
	Grand Total	824.92	725.92	578.13	570.16	342.85	61.74

Note 21: Changes in Inventories of Finished goods, work-in-progress and Stock-in-Trade

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Opening Stock	780.91	552.00	373.41	100.00	-	-
	Less: Closing stock	913.14	780.91	552.00	373.41	100.00	-
	Grand Total	(132.23)	(228.91)	(178.59)	(273.41)	(100.00)	-

Note 22: Employee Benefit Expenses

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Salary & Wages	84.62	137.76	113.81	74.48	26.70	-
2	Provident Fund [Employers Contribution]	6.82	11.11	8.62	6.08	1.66	-
3	Group Insurance	-	0.44	0.50	1.43	0.14	-
4	Staff Welfare	0.38	1.17	0.41	0.92	0.29	-
5	Staff Bonus	-	6.82	5.26	3.70	-	-
6	Mediclaim Insurance	0.22	1.74	0.01	-	-	-
7	Labour Welfare Fund	0.04	0.06	0.06	0.05	-	-
	Grand Total	92.08	159.11	128.67	86.67	28.78	-

Note 23: Finance Costs

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Bank Commission & Charges	0.25	2.10	0.74	7.64	2.80	0.23
2	Finance charges	0.39	9.25	3.86	-	-	-
3	Interest on Vehicle Loans	1.70	2.98	1.64	1.34	1.17	0.08
4	Interest on Term Loans	21.68	28.54	33.04	23.12	-	-
5	Interest on Unsecured Loans	0.22	0.89	15.22	-	-	-
6	Interest on Cash Credit	108.76	159.07	117.50	61.86	15.63	-
7	Interest on TDS	0.03	0.27	-	-	-	-
	Grand Total	133.02	203.10	171.98	93.96	19.60	0.32

Note 24: Depreciation and Amortization Costs

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Depreciation	16.72	36.37	34.65	19.56	6.76	-
2	Preliminary Expenses Written off	0.56	1.52	1.52	0.82	0.82	0.40
	Grand Total	17.28	37.89	36.17	20.38	7.58	0.40

Note 25: Other expenses

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Direct Expenses						
	Power & Fuel Charges	2.33	4.10	2.55	1.43	-	0.01
	Processing & Designing Charges	9.13	18.80	8.63	1.35	1.24	2.58
	Consumables	10.71	11.34	26.71	2.39	2.58	-
	Commission on Purchases	-	1.08	0.85	-	-	-
	Repairs & Maintenance - Machinery	0.56	1.74	3.13	0.68	0.05	0.05
	Security Charges	0.61	3.38	2.92	1.97	0.74	1.35
	Research & Development Expenses	75.69	157.81	120.41	92.75	41.82	-
2	Office & Administrative Expenses						
	Local Conveyance	1.26	2.20	1.38	0.69	0.30	0.53
	Profession Tax Company	0.03	0.03	0.03	0.03	0.03	0.03
	Electricity Charges	1.07	2.42	1.14	0.56	0.06	-
	Insurance Charges	2.88	4.24	4.15	3.34	1.32	0.04
	Postage & Telegram	0.71	1.54	1.12	1.06	0.77	0.18
	Printing & Stationery	1.18	2.85	2.45	2.10	1.32	0.92
	Membership Subscriptions	0.21	0.37	0.45	0.24	-	0.15
	Legal & Professional Fees	1.22	2.35	4.84	1.34	0.46	1.55
	Telephone charges	2.31	4.93	4.51	4.70	3.16	1.41
	Repairs & Maintenance - Vehicle	1.25	2.94	3.46	1.76	0.90	-
	Repairs & Maintenance - Others General	0.95	0.83	1.51	0.91	0.51	0.20
	Repairs & Maintenance - Computers	0.58	0.86	0.49	0.13	0.04	-
	Repairs & Maintenance - Building	-	1.05	1.94	1.27	-	-
	Office Rent	4.43	8.99	6.13	6.26	1.69	0.14
	Registration Expenses	-	6.01	-	0.10	-	-
	Office & Misc. Expenses	3.63	3.71	2.81	1.72	0.94	0.22
	Fines & Penalties	-	0.35	-	-	-	0.06

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Hospitality Expenses	-	-	-	0.74	0.68	0.14
	Auditors Remuneration	-	-	-	-	-	-
	Audit Fees	0.90	0.66	-	0.28	0.11	0.03
	VAT Audit Fees	0.45	0.28	-	0.22	0.11	0.06
	Legal & Professional Fees	0.34	0.28	-	0.28	0.11	0.02
3	Selling & Distribution Expenses						
	Advertisement & Publicity	9.23	10.63	17.68	12.60	7.94	1.09
	Carriage Outward	51.31	68.88	69.48	30.13	14.61	3.97
	Discount Allowed	493.08	172.67	95.06	59.62	82.95	7.20
	Travelling Expenses	55.58	66.79	77.28	81.11	27.98	-
	Godown Rent & Charges	8.14	14.41	10.70	2.68	1.18	-
	Booking Incentives	15.45	23.76	16.65	16.57	-	-
	Sales Commission & Brokerage	-	1.48	2.67	-	1.94	-
	Sales Promotion expenses	14.94	16.36	25.00	6.97	5.15	2.53
	Field Programme & Exhibition Exp	12.54	11.07	29.94	32.29	1.87	-
	Value Added Tax	0.34	0.48	0.43	-	0.27	-
	Local Body Taxes	6.14	-	-	-	-	-
	Grand Total	789.19	631.64	546.48	370.26	202.83	24.44

Note 26: Exceptional Items

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Loss on sale of Motor Car	0.17	0.55	-	-	-	-
	Grand Total	0.17	0.55	-	-	-	-

Accompanying Notes to the restated Financial Statements

1. Background

- The company is mainly engaged in the business of producing, marketing, research and development of seeds.
- The Restated Statements of Assets and Liabilities as at 30th September 2012, 31st March, 2012, 2011, 2010, 2009, 2008 and the related Restated statement of Profit and Loss and Restated statement of Cash Flow for the period ended 30th September, 2012, years ended 31st March, 2012, 2011, 2010, 2009 and the period ended 31st March, 2008 (hereinafter collectively referred to as -Restated Financial Statements) related to the company have been prepared specifically for inclusion in the offer document to be filed by the company with Securities Exchange Board of India (SEBI) in connection with proposed initial public offering of equity shares of the Company.

- c. The Restated Financial statements have been prepared to comply in all material respects with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (the SEBI Regulations) issued by SEBI in pursuance of Section 11 of Securities and Exchange Board of India Act, 1992.

2. Material Regroupings

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

3. Trade Receivables, Trade Payables and some of the loans and advances and unsecured borrowings are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect in the books of account in the year of such adjustments.
4. Related Party Disclosures as required in terms of Accounting Standard - 18 are given in Annexure XI
5. Earnings Per Share (EPS) as required in terms of Accounting Standard - 20 are given in Annexure XV
6. During the Financial Year 2011-2012, the Company has been converted into Public Limited Company from Private Limited Company.
7. During the Financial Year 2006-07, the company at its Extra Ordinary General Meeting held on 30/12/2006 increased its authorised Share Capital from Rs. 5 lakhs (divided into 50 lakh equity shares of Face Value Rs. 10/- per share) to 50 lakhs (divided into 5 lakh equity shares of face value of Rs. 10/-per share)
8. During the Financial Year 2007-08, the company at its Extra Ordinary General Meeting held on 15/12/2007 increased its authorised Share Capital from Rs. 50 lakhs (divided into 5 lakh equity shares of Face Value Rs.10/- per share) to 200 lakhs (divided into 20 lakh equity shares of face value of Rs. 10/-per share)
9. During the Financial Year 2008-09, the company at its Extra Ordinary General Meeting held on 25/10/2008 increased its authorised Share Capital from Rs. 200 lakhs (divided into 20 lakh equity shares of Face Value Rs.10/- per share) to 500 lakhs (divided into 50 lakh equity shares of face value of Rs. 10/-per share)
10. During the Financial Year 2010-11, the company at its Extra Ordinary General Meeting held on 15/01/2011 increased its authorised Share Capital from Rs. 500 lakhs (divided into 50 lakh equity shares of Face Value Rs.10/- per share) to 1000 lakhs (divided into 100 lakh equity shares of face value of Rs. 10/-per share)

11. Research & Development Expenses : -

As the company is engaged in the business of producing, marketing, research and development of seeds , it has incurred heavy expenditure on research & development, even though revenue expenditure is incurred on R & D in one year, its benefit may be derived by the company not only in the year in which it is incurred but over some further period. Therefore company has adopted the policy to claim total revenue expenditure incurred on R & D as deduction while computing taxable income in the year in which this expense is incurred . But in books of accounts, it is deferred for a total period of four years & accordingly it is disclosed in the balance sheet & Profit & Loss account. The expenditure which is deferred as above is added back in the relevant years, while computing taxable income, as it is claimed 100 % in the year in which it is incurred.

12. Deferment of Expenses :-

As the company is engaged in the business of producing, marketing, research and development of seeds, it has incurred heavy expenditure on Travelling, Marketing & sales promotion expenses, even though revenue expenditure incurred on said expenses in one year, its benefit may be derived by the company not only in the year in which it is incurred but over some further period. Therefore company has adopted the policy to claim total revenue expenditure incurred on said expenses as deduction while computing taxable income in the year in which this expense is incurred. But in books of accounts, it is deferred for a total period of two years & accordingly it is disclosed in the balance sheet & Profit & Loss account. The expenditure which is deferred as above is added back in the relevant years, while computing taxable income, as it is claimed 100 % in the year in which it is incurred.

13. Micro, Small & Medium Enterprises Development Act, 2006 :

Under the Micro, Small & Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Company is in the process of compiling relevant information from its supplier about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts.

Annexure VI - Statement of Secured borrowings outstanding as at 30th September, 2012

Rs. In Lakhs										
Lender	Nature of Loan	Sanctioned Amount	Primary Security	Collateral security	Balance as at 30.09.12	Balance as at 31.03.12	Interest rate	No. of EMI	Amount of EMI	Starting Date of Repayment
SBI	Term Loan	156.00	Refer Note 1	Refer Note 2	116.00	136.00	13.40%	8	20.00	March 31, 2012
SBI	Term Loan	200.00	Refer Note 1	Refer Note 2	200.00	100.00	13.40%	13	16.50	June 30, 2013
SBI	Working Capital Loan	1,700.00	Refer Note 1	Refer Note 2	1,706.30	1,669.64	12.90%	N.A.	N.A.	N.A.
HDFC BANK	Hire Purchase Loan	4.19	Hypothecation of Vehicle	Nil	2.84	3.46	11.50%	36	0.14	November 7, 2011
Cholaman dalam DBS Finance	Hire Purchase Loan	3.93	Hypothecation of Vehicle	Nil	0.86	1.57	14.00%	36	0.13	April 1, 2010
SBH	Hire Purchase Loan	2.50	Hypothecation of Vehicle	Nil	0.00	0.25	10.50%	36	0.08	July 1, 2010
ICICI BANK	Hire Purchase Loan	5.00	Hypothecation of Vehicle	Nil	2.82	3.61	12.50%	36	0.17	June 1, 2011
ICICI BANK	Hire Purchase Loan	5.00	Hypothecation of Vehicle	Nil	2.82	3.61	12.50%	36	0.17	June 1, 2011
ICICI BANK	Hire Purchase Loan	3.80	Hypothecation of Vehicle	Nil	2.99	3.29	14.00%	60	0.09	July 1, 2011
ICICI BANK	Hire Purchase Loan	3.80	Hypothecation of Vehicle	Nil	2.99	3.29	14.00%	60	0.09	July 1, 2011
ICICI BANK	Hire Purchase Loan	5.00	Hypothecation of Vehicle	Nil	0.90	1.79	9.50%	48	0.16	May 15, 2010
ICICI BANK	Hire Purchase Loan	5.00	Hypothecation of Vehicle	Nil	2.62	3.23	11.00%	48	0.13	October 1, 2010
ICICI BANK	Hire Purchase Loan	5.00	Hypothecation of Vehicle	Nil	4.67	-	12.01%	48	0.13	June 15, 2012
ICICI BANK	Hire Purchase Loan	7.75	Hypothecation of Vehicle	Nil	7.53	-	11.50%	60	0.17	August 15, 2012

Note No. 1:- Hypothecation of existing as well as future entire stock of raw material, finished goods, stock in process, stores and spares , packing materials of the unit at their factory premises or at some other places including goods in transit, outstanding moneys, book debts, receivables.

Equitable mortgage of land and Building in the name of M/s RJ Bio-Tech Ltd. At Gut no. 245 and 246, village Pharola, Paithan Road, Paithan, Aurangabad(Area 9.02 acres)

Note No. 2:- Equitable mortgage of industrial plot and factory building, etc in the name of Khadkeshwar Oil Mills Pvt. Ltd. Situated at Plot no J-1/8 MIDC, Chikalthana, Aurangabad (Area 2992 sq mtr.)

Personal guarantee of Mr. Raghavendra Joshi and Mr.Shashikant Shastri and corporate Guarantee of Khadkeshwar Oil Mills Pvt. Ltd. Represted by Mrs. Meena Joshi (Director)

Annexure VII - Statement of Unsecured Borrowings Taken by the Company

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
A	Promoters						
	Meena R. Joshi	98.00	-	-	-	-	-
B	Group Entities						
	Khadkeshwar Hatcheries Ltd.	-	-	5.13	-	-	-
	Maruti Agro Services	165.00	165.00	45.00	-	-	-
	Maruti Fertochem Limited	114.85	-	99.46	-	-	-
	Neem India Products Pvt. Ltd	-	-	21.24	-	-	-
C	Shareholders						
	Mrs. Rashmi R. Deshmukh	1.00	1.00	3.00	-	-	-
	Mr. Ramesh Y. Deshmukh	3.00	3.00	3.00	-	-	-
	Grand Total	381.85	169.00	176.84	-	-	-

The loans have been given by the lenders unconditionally and without requiring payment of interest. The loans will not be withdrawn by the lenders until requested by the Company.

Annexure VIII - Statement of Loans and Advances

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
A	Long term Loans and Advances (Unsecured, Considered Good)						
	Deposits	20.79	20.97	20.92	16.64	10.20	9.25
	Total A	20.79	20.97	20.92	16.64	10.20	9.25
B	Short Term Loans and Advances (Unsecured, Considered Good)						
	To Staff	6.96	2.78	7.98	6.36	2.92	4.15
	To others	481.07	407.92	63.12	25.19	22.72	42.86
	Advance Receivable in Cash or kind	488.03	410.70	71.10	31.55	25.63	47.01
C	Total Loans and Advances (A+B)	508.81	431.67	92.01	48.19	35.84	56.26

Annexure IX - Statement of Trade Receivables

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Trade Receivables (Unsecured, Considered Good)						
A	Due for a period exceeding six months from the date they are due for payment	49.98	42.25	83.06	17.66	19.22	3.02
B	Other Debts	1,218.10	579.39	166.22	116.02	99.78	16.91
	Total	1,268.09	621.64	249.27	133.68	119.00	19.93

Annexure X - Statement of Other Income

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
A	Discount Received	-	-	-	0.06	0.01	0.37
B	Foreign Exchange Gain	-	-	-	0.31	-	-
C	Interest Received	-	-	-	0.00	0.02	-
	Total	-	-	-	0.37	0.03	0.37

Annexure XI - Related Party Disclosures

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

A. List of Related Parties and Relationships

Meena Joshi	Promoter
Khadkeshwar Hatcheries Ltd.	Enterprise under Significant Influence
Maruti Agro Services	Enterprise under Significant Influence
Maruti Fertochem Limited	Enterprise under Significant Influence
Neem India Products Pvt. Ltd	Enterprise under Significant Influence
Maruti Tyres	Enterprise under Significant Influence
Khadkeshwar Oil Mills Pvt. Ltd.	Enterprise under Significant Influence

B. Loans taken and repayment thereof

Rs. In Lakhs

Sr. No	Particulars	Opening Balance	Loans Taken	Repayment	Amount due from related Parties
1	For the period ended 30th September, 2012				
	Maruti Agro Services	165.00	-	-	165.00
	Maruti Fertochem Limited	-	174.85	60.00	114.85
	Meena Joshi	-	198.00	100.00	98.00
	Total	165.00	372.85	160.00	377.85

2	For the Year ended 31st March, 2012				
	Khadkeshwar Hatcheries Ltd.	5.13	-	5.13	-
	Maruti Agro Services	45.00	165.00	45.00	165.00
	Maruti Fertochem Limited	99.46	562.78	662.25	-
	Neem India Products Pvt. Ltd	21.24	-	21.24	-
	Total	170.84	727.78	733.62	165.00
3	For the Year ended 31st March, 2011				
	Khadkeshwar Hatcheries Ltd.	-	96.13	91.00	5.13
	Maruti Agro Services	-	45.00	-	45.00
	Maruti Fertochem Limited	-	129.46	30.00	99.46
	Neem India Products Pvt. Ltd	-	21.24	-	21.24
	Total	-	291.84	121.00	170.84
4	For the Year ended 31st March, 2010				
	Maruti Fertochem Limited	-	255.25	255.25	-
	Khadkeshwar Hatcheries Ltd.	-	10.35	10.35	-
	Total	-	265.60	265.60	-

C. Payments made to related parties

Rs. In Lakhs			
Sr. No	Particulars	Details of Expenses incurred	Amount
1	For the period ended 30th September, 2012		
	Maruti Tyres	Repairs and Maintenance - Vehicle	0.16
	Total		0.16
2	For the Year ended 31st March, 2011		
	Maruti Tyres	Repairs and Maintenance - Vehicle	0.06
	Khadkeshwar Oil Mills Pvt. Ltd.	Repairs and Maintenance - Vehicle	0.02
	Khadkeshwar Hatcheries Ltd.	Interest paid on Unsecured Loan	5.70
	Maruti Fertochem Limited	Interest paid on Unsecured Loan	1.49
	Neem India Products Pvt. Ltd	Interest paid on Unsecured Loan	7.73
	Total		15.01
3	For the Year ended 31st March, 2009		
	Maruti Agro Services	Raw Material Purchase	30.00
	Total		30.00
4	For the Year ended 31st March, 2008		
	Maruti Fertochem Limited	Purchase of Pacing Material	0.11
	Maruti Tyres	Repairs and Maintenance - Four Wheeler	0.01
	Total		0.12

Annexure XII - Summary of Accounting Ratios

Rs. In Lakhs							
Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
1	Net Profit Attributable to Equity Shareholders						
	Earnings Per share Rs						
	Basic(B/C)	2.39	1.12	0.89	1.00	1.24	8.68
	Diluted(B/C)	2.39	1.12	0.89	1.00	1.24	8.68
2	Return on Networth (B/E)%	7.56%	6.66%	7.76%	13.89%	6.95%	2.58%
3	Net Asset Value Per Share (F/D)Rs	14.67	12.77	11.00	6.17	7.29	9.95
4	Weighted Average No. of Equity Shares	32.35	48.78	46.38	39.52	16.15	0.15
5	No. of Equity Shares Outstanding at the end of the period/year	69.66	64.26	48.31	46.34	39.50	5.10

Working Notes :-

Rs. In Lakhs							
Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
A	Net Profit attributable to Equity Shares	77.08	54.25	41.25	39.71	20.00	1.31
B	Net Profit after Tax Adjustments	77.25	54.80	41.25	39.71	20.00	1.31
C	Weighted Average Number of Shares	32.35	48.78	46.38	39.52	16.15	0.15
D	Weighted Average Number of Shares for Calculating Diluted EPS	32.35	48.78	46.38	39.52	16.15	0.15
E	Total Number of Equity Shares at the end of the period/year	69.66	64.26	48.31	46.34	39.50	5.10
F	Networth at the end of the year/ period	1,022.01	820.32	531.57	285.95	287.97	50.72
G	Net Asset	1,022.01	820.32	531.57	285.95	287.97	50.72

Formula :

1	Earnings Per Share (Rs.)	$\frac{\text{Net Profit attributable to Equity Shares (After adjustment of extra ordinary items)}}{\text{Weighted Average Number of Equity Shares Outstanding during the period}}$
2	Return on Net Worth (%)	$\frac{\text{Net Profit after Tax Adjustments \& (After adjustment of extra ordinary items)}}{\text{Net worth at the end of the year/ period}}$
3	Net Asset Value Per Share	$\frac{\text{Net Worth excluding Revaluation Reserve at the end of the period}}{\text{Total Number of Equity Shares Outstanding at the end of the year/period}}$
4	Net Assets	Equity Share Capital plus reserves and Surplus less Misc. Expenditure to the extend not written off

Annexure XIII - Statement of Capitalisation

Rs. In Lakhs

Sr. No	Particulars	Pre issue as at 30.09.2012	Pre issue as at 31.03.2012	Pre issue as at 31.03.2012
A	Debts			
	Long Term Debt	576.04	329.94	329.94
	Short Term Debt	1,706.30	1,669.64	1,669.64
	Total Debt	2,282.34	1,999.58	1,999.58
B	Equity Shareholders Funds			
	Equity Share Capital	696.56	642.56	657.56
	Reserves and Surplus	624.04	492.96	507.96
	Total Equity	1,320.60	1,135.52	1,165.52
C	Total Capitalisation			
	Long Term Debt/ Equity Ratio	0.44	0.29	0.28
	Total Debt/ Equity Ratio	1.73	1.76	1.72

Annexure XIV - Statement of Tax Shelter

Rs. In Lakhs

Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Profits as per Books	77.08	54.25	41.25	39.71	20.00	1.31
Normal Rate (%)	32.45%	30.90%	30.90%	30.90%	30.90%	30.90%
MAT Rate (%)	20.01%	19.06%	18.54%	15.45%	10.30%	-
Tax at Normal Rate	25.01	16.76	12.74	12.27	6.18	0.40
Adjustments						
Depreciation as per books	(16.72)	(36.37)	(34.65)	(19.56)	(6.76)	-
Depreciation as per IT	15.45	29.70	33.58	28.42	7.54	-
Research development expenses (Incurred in Previous Year)	(75.69)	(157.81)	(120.41)	(41.82)	-	-
Research development expenses (Incurred during the Year)	70.79	149.62	110.65	152.77	125.47	-
Deferred Expenses (Incurred in Previous Year)	(47.11)	94.22	-	-	(30.58)	-
Deferred Expenses (Incurred during the Year)	35.96	-	-	-	-	-
Other Adjustments	(42.77)	(25.61)	(25.89)	(8.79)	-	(2.56)
Brought Forward Losses	68.48	0.52	77.97	-	-	-
Net Adjustments	8.38	54.25	41.25	111.01	95.66	(2.56)
Tax Saving Thereon	2.72	16.76	12.74	34.30	29.56	(0.79)
Tax as per Normal provisions	22.00	-	-	-	-	1.00
Tax as per MAT						
Profits as per Books	77.08	54.25	41.25	39.71	20.00	1.31
Add: Current Tax	24.00	16.26	11.95	6.76	5.44	1.27
Income Tax	0.05	0.03	0.75	0.10	2.42	0.98
Deferred Tax	20.25	25.17	19.12	8.93	20.55	-
MAT Credit availed	(1.66)	(15.32)	(11.43)	(11.74)	-	-
Taxable Profit	119.71	80.39	61.63	43.75	48.41	3.56
TAX as per MAT	24.00	15.00	11.00	7.00	5.00	-
Income Tax	0.05	0.03	0.75	0.14	2.42	0.98
Provision for current Tax	24.00	16.26	11.95	6.76	5.44	1.27
Deferred Tax Liability / (Assets)	20.25	25.17	19.12	8.93	20.55	-
MAT Credit Entitlement	(1.66)	(15.32)	(11.43)	(11.74)	-	-

Annexure XV - Earning Per Share

Rs. In Lakhs							
Sr. No	Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
	Weighted average number of equity shares of Rs. 10/- each	32.35	48.79	47.40	39.50	39.50	0.15
A	Number of Shares at the end of the year	69.66	64.26	48.31	46.34	39.50	5.10
B	Weighted average number of equity shares outstanding during the year	32.35	48.79	47.40	39.50	39.50	0.15
C	Net Profit after Tax available for Equity Shareholders	77.08	54.25	41.25	39.71	20.00	1.31
D	Earnings Per Share (C/B)	2.38	1.11	0.87	1.01	0.51	8.46

Financial Information of Group Companies

For details regarding financial information of group companies please refer to chapter titled “Our Group Entites” beginning of page 167 of this Draft Prospectus.

Changes in Accounting Policies in the Last Three Years

Except as stated in “Annexure IV – Statement of Significant Accounting Policies” beginning on page 183 of this Draft Prospectus there have been no changes in accounting policies during last 3 years

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 and six months ended September, 2012 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in “Financial Statements” on page 177 of this Draft Prospectus beginning.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in

these forward-looking statements as a result of certain factors such as those set forth in “**Risk Factors**” and “**Forward-Looking Statements**” on pages 17 and 15, of this Draft Prospectus beginning respectively.

Overview

Our Company is an Aurangabad based agri-biotechnology company focusing on crop genetics and developing superior hybrids. We have focused on R&D since incorporation in 2005 and started trial marketing of our proprietary products in 2008. Presently, we are engaged in research, crop improvement, production and marketing of superior quality hybrid seeds in 8 field crops and 16 vegetable crops.

Mr. Raghavendra Joshi, a first generation entrepreneur having interests in various sectors like poultry breeding, poultry feeds, granulated mixed fertilizers, neem based natural pesticides, organic manure, infrastructure etc, is the founder promoter of our Company. Our Company is one of the group companies of RJ Group, an Aurangabad based fast growing business conglomerate.

We are being driven by strong research backed growth strategy. We have approx 55 acres of farm area for R&D activity and an array of in-house capabilities and state-of-the art R&D infrastructure facilities which include Grow-out Test (GoT) centers, open poly houses, control poly houses, screen houses and cold chamber for germplasm storage etc. At present, the Company has a collection of more than 2700 varieties of germplasm in various crops.

A key element of production infrastructure is tie-ups with production farmers. We have access to over 700 seed growers and around 2000 acres of production area through our 20 organizers as well as direct contacts with the farmers for planting of vegetables. We also have 3 processing plants with aggregate processing capacity of 14 MT per hour, 9 product testing locations and a storage facility of more than 40,000 square feet.

Currently we have more than 1000 dealers & distributors operating in 10 States. We are focusing on building long-standing relationships with major distributors who focus on providing better services to the grower.

We have about 110 employees out of which over 45% (50 employees) are under the sales and marketing function to support future expansion plans and 20% (22 Employees) in R&D activities. Since seed marketing is a seasonal business, the marketing staff works in close connection with channel partners and end users for disseminating the new agriculture technology as well as researching the market for future trends and demand estimation.

Significant developments subsequent to the last financial year

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. Our lenders i.e SBI have sanctioned the increase in working capital limits by Rs. 2 Crores and term loan of Rs. 1 Crore. The term loan will be disbursed in April, 2013.
2. We have appointed Mr. O S Jaiswal as the CEO of the Company w.e.f July 20, 2012

3. We have in April, 2012 entered into non exclusive agreement with Monsanto India Limited for marketing of its popular maize products.
4. The credit rating of our long term bank facilities by Care Ratings Limited has been reaffirmed at BB+.
5. We have applied to DSIR for claiming weighted deduction of 200% of the R&D expenditure incurred in a particular year for Income tax purposes.
6. We will surrender the lease of our processing plant located at Munipally Village Nizamabad beginning the next financial year and have instead entered in to an agreement with Ultra Seedtech Private Limited for processing of seeds on Job Work basis. We believe that this arrangement will helps us operate more efficiently.

Significant Factors affecting our results of operations

Our business is subjected to various risks and uncertainties, including those discussed i.e., the section titled “Risk Factor” beginning on page 17 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

Demand for Seeds

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. Improvements in quality and production of seeds along with an improved agronomy have brought about several modern agricultural productivity improvements, including increased food production to keep pace with increased domestic demand from population and economic growth. Rapid urbanization and development over the last few decades has reduced the total area of land under cultivation, substantially higher crop yields and multiple cropping have become increasingly important for meeting domestic demand for food. The demand for seeds that augment production of crops is expected to continue. Our ability to capitalize on this increasing demand will be the key factor to our success of operations.

Competition

We operate in a very competitive market and face substantial competition. R&D activities required to maintain constant edge over the competition are capital intensive. Multinational/large corporations who have deep pockets and invest huge amounts of money, considerable resources on R&D and in technology are able to come out with very effective and highly improved versions of hybrids. For example, Bt. Cotton, a very effective hybrid has been developed by Monsanto which has given very tough competition to all other seed companies. Like many other seed companies in India, Our Company makes use this technology from Monsanto on commercial basis.

Our Company has made an investment of Rs. 702.04 lakhs in R&D till September 30, 2012. Our competitors include MNCs like Monsanto, Syngenta, Advanta and Indian Companies like Kaveri Seeds, Camson Bio-technologies, Nuziveedu seeds etc. Further, the introduction of biotechnology has resulted in the entry of various agro-input companies into the seed industry, thus increasing the competition in the industry.

Generally the period for developing and commercializing a hybrid is 3-5 years. If our competitor introduces a product more suited to farmer needs, it could take a long period for us to develop a suitably competing product, which could have a material adverse effect on our business, results of operations and financial condition.

Some of our competitors may have, or are subsidiaries of large international corporations having, significantly greater resources than those available with us. If we are unable to compete effectively, including in terms of pricing or providing quality products, our market share may decline, which could have a material adverse effect on our financial condition and results of operations.

Seasonality and weather conditions

The seeds business is highly seasonal. Both raw material supplies and sales are seasonal, reason being that majority of our products, at present, are sold in the Kharif season although some products are also sold in the Rabi season. In India, majority of the farmers depend on rain for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which make our operational results very unpredictable. We recognize revenues only upon the sale of our products.

For us, sales takes place only after the seeds have been planted, harvested and prepared for sale. Empirically, the revenues recorded during planting and harvesting seasons are lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we continue to incur substantial operating expenses, but our revenues remain usually lower. Due to the inherent seasonality of our business, results of one reporting period (half year/year) may not be necessarily comparable with preceding or succeeding reporting periods. Sometimes, even if there is a slight change in timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year.

Ability to attract, recruit and retain key personnel.

The Seeds business is highly specialized in nature and the availability, especially of skilled R&D, technical and marketing, talent pool is limited. Further it takes substantial time and resources to adequately train the personnel to understand and adapt to the producer's business. The future success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled technical and managerial personnel, who may be highly sought by competing entities. If we fail to hire and retain sufficient numbers of key personnel, primarily skilled R&D, technical, sales and marketing personnel, our business operating results and financial condition could be adversely affected.

For a detailed discussion on the factors that affect our results of operations, please refer to the chapter titled 'Risk Factors' beginning on page 17 of this Draft Prospectus.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Our Company's total income consists primarily of revenues from sales operations. Our Company's sales income principally consists of sales of hybrid seeds produced by our Company. We have no other additional sources of income.

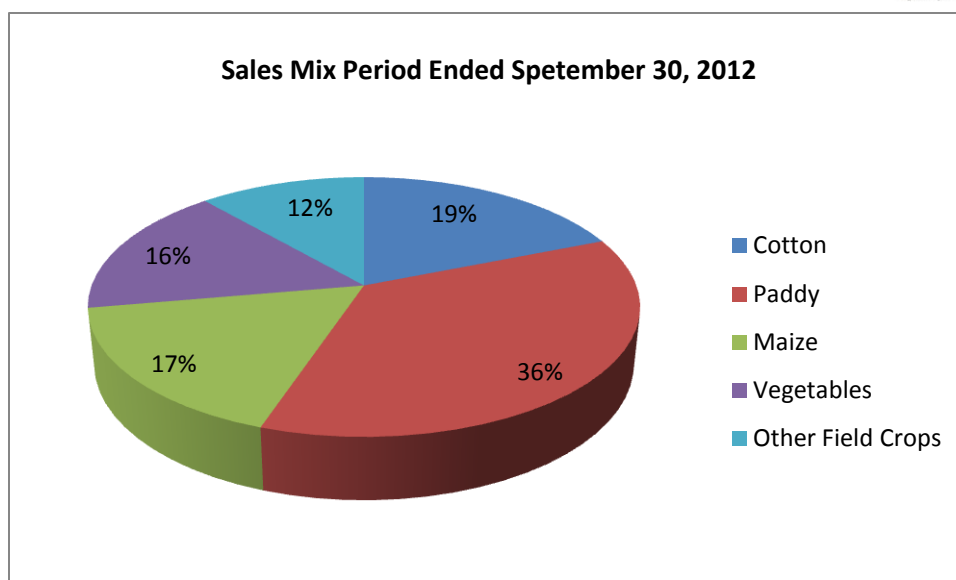
Rs. In Lakhs						
Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Income						
Revenue from Operation	1,844.15	1,609.69	1,344.47	911.44	550.01	90.08
Increase/Decrease in %	15%	20%	48%	66%	511%	NA
Other Income	-	-	-	0.37	0.03	0.37
Increase/Decrease in %	0.00	0.00	-100%	1040%	-91%	NA
Total Revenue	1,844.15	1,609.69	1,344.47	911.82	550.04	90.45

Our Company derives revenues from sale of hybrid seeds produced by the Company, including Cotton, Paddy, Maize, Vegetables etc. The following is the sales mix in terms of value of total sales of our Company for different products

Rs. In Lakhs						
Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Cotton	349.28	198.51	57.45	13.93	227.78	24.92
Paddy	668.40	483.19	642.83	575.37	122.06	15.53
Maize	314.68	376.11	195.47	118.34	93.11	10.25
Vegetables	301.06	244.89	194.18	99.61	68.16	23.84
Other Field Crops	210.73	307.00	254.54	104.21	38.90	15.55
Total	1,844.15	1,609.69	1,344.47	911.82	550.04	90.08

The following is the sales mix in terms of percentage of total sales of our Company for different products

Rs. In Lakhs						
Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Cotton	18.94%	12.33%	4.27%	1.53%	41.41%	27.66%
Paddy	36.24%	30.02%	47.81%	63.13%	22.19%	17.24%
Maize	17.06%	23.37%	14.54%	12.98%	16.93%	11.38%
Vegetables	16.32%	15.21%	14.44%	10.93%	12.39%	26.46%
Other Field Crops	11.43%	19.07%	18.93%	11.43%	7.07%	17.27%
Total	100.00	100.00	100.00	100.00	100.00	100.00



Other Income

Our Company's has had no other income since last 2 financial years.

Sundry Debtors

The following table presents the details of our Company's sundry debtors.

Rs. In Lakhs						
Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Debts outstanding for a period exceeding six months	49.98	42.25	83.06	17.66	19.22	3.02
As a % of total Debtors	4%	7%	33%	13%	16%	15%
Debts outstanding for a period not exceeding six months	1,218.10	579.39	166.22	116.02	99.78	16.91
As a % of total Debtors	96%	93%	67%	87%	84%	85%
Total – Sundry Debtors	1,268.09	621.64	249.27	133.68	119.00	19.93
Avg. Debtors	944.86	435.46	191.48	126.34	69.47	NA
Debtor Turnover Ratio	1.45	2.59	5.39	6.82	4.62	4.52
Average Collection Period (in days)	184	139	51	50	45	NA

Expenditure

Our Company's operating expenditure consists of (i) Cost of Material consumed, (ii) Employee Benefit Expenses, (iii) Finance Cost (iv) Depreciation and Amortization Expenses and (v) Other Expenses.

Cost of Material consumed: Cost of Material consumed is Sum of Opening stock, purchases made during the year after deduction the value of closing stock. Purchase cost basically includes seed procurement charges from contract growers.

Employee Benefit Expenses: Employment Benefit Expenses related to employee remuneration and benefits include (i) salaries, wages and performance bonus payments to our employees, (ii)

contributions made to provident, gratuity funds, (iii) expenses relating to staff welfare, Mediclaim Insurance etc.

Finance Costs: Finance Cost include (i) interest payable on loans (secured and unsecured) and credit facilities (ii) other miscellaneous bank charges.

Depreciation and Amortization Expenses: It includes depreciation on plant and machinery and write off of preliminary expenses.

Other Expenses:- Other Expenses includes Direct expenses such office & administration expenses and Selling and Distribution Expenses. Direct expenses include power & fuel charges, R & D Expenses, processing and designing charges and other direct expenses directly attributable to our operation.

RESULTS OF OPERATIONS

Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue

Rs. In Lakhs						
Particulars	As at 30.09.12	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09	As at 31.03.08
Income						
Revenue from Operation	1,844.15	1,609.69	1,344.47	911.44	550.01	90.08
Increase/Decrease in %	15%	20%	48%	66%	511%	NA
Other Income	-	-	-	0.37	0.03	0.37
Increase/Decrease in %	0.00	0.00	-100%	1040%	-91%	NA
Total Revenue	1,844.15	1,609.69	1,344.47	911.82	550.04	90.45
Expenses						
Cost of Materials Consumed	824.92	725.92	578.13	570.16	342.85	61.74
As a % of Total Revenue	45%	45%	43%	63%	62%	68%
Purchases of Stock-in-Trade	-	-	-	-	-	-
As a % of Total Revenue	0%	0%	0%	0%	0%	0%
Changes in Inventories of Finished goods,	(132.23)	(228.91)	(178.59)	(273.41)	(100.00)	-
As a % of Total Revenue	-7%	-14%	-13%	-30%	-18%	0%
work-in-progress and Stock-in-Trade	-	-	-	-	-	-
As a % of Total Revenue	0%	0%	0%	0%	0%	0%
Employee Benefit Expenses	92.08	159.11	128.67	86.67	28.78	-
As a % of Total Revenue	5%	10%	10%	10%	5%	0%
Finance Costs	133.02	203.10	171.98	93.96	19.60	0.32
As a % of Total Revenue	7%	13%	13%	10%	4%	0%
Depreciation & Amortization Expenses	17.28	37.89	36.17	20.38	7.58	0.40
As a % of Total Revenue	1%	2%	3%	2%	1%	0%
Other Expenses						

Direct Expenses	99.03	198.24	165.19	100.57	46.43	3.99
As a % of Total Revenue	5%	12%	12%	11%	8%	4%
Office & Administrative Expenses	23.39	46.89	36.41	27.72	12.50	5.66
As a % of Total Revenue	1%	3%	3%	3%	2%	6%
Selling & Distribution Expenses	666.77	386.52	344.88	241.96	143.90	14.78
As a % of Total Revenue	36%	24%	26%	27%	26%	16%
Total Other Expenses	789.19	631.64	546.48	370.26	202.83	24.44
As a % of Total Revenue	43%	39%	41%	41%	37%	27%
Total Expenses	1,724.26	1,528.75	1,282.84	868.02	501.64	86.90
As a % of Total Revenue	93%	95%	95%	95%	91%	96%
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	119.89	80.94	61.63	43.80	48.41	3.56
Exceptional Items	0.17	0.55	-	-	-	-
Profit before tax (VII-VIII)	119.71	80.39	61.63	43.80	48.41	3.56
PBT Margin	6%	5%	5%	5%	9%	4%
<u>Tax Expense:</u>						
(1) Income tax	0.05	0.03	0.75	0.14	2.42	0.98
(2) Current tax	24.00	16.26	11.95	6.76	5.44	1.27
(3) Deferred tax	20.25	25.17	19.12	8.93	20.55	-
(4) MAT Credit	(1.66)	(15.32)	(11.43)	(11.74)	-	-
Total	42.64	26.14	20.39	4.08	28.40	2.25
As a % of Total Revenue	2%	2%	2%	0%	5%	2%
Profit/(Loss) for the year/ period	77.08	54.25	41.25	39.71	20.00	1.31
PAT Margin	4%	3%	3%	4%	4%	1%

Fiscal year ended March 31, 2012 compared with the fiscal year ended March 31, 2011

Income

Total revenue increased by Rs. 265.22 lakhs or 20%, from Rs. 1,344.47 lakhs in the fiscal year ended March 31, 2011 to Rs. 1609.69 lakhs in the fiscal year ended March 31, 2012. The sales of Cotton seeds witnessed a tremendous increase during FY 11-12. Sales of maize also have shown a good growth. Sales of Vegetables and other field crops also grew at a steady rate. Sales of paddy declined during FY 11-12 on account of poor rainfall and changes in cropping pattern.

Expenditure

Total Expenditure increased by Rs. 245.91 Lakhs, or 19%, from Rs. 1282.84 Lakhs in the fiscal year ended March 31, 2011 to Rs. 1528.75 Lakhs in the fiscal year ended March 31, 2012. Overall expenditure has increased mainly because of the increase in cost of material consumed, Finance costs, Employee benefit expenses, office & administration and selling & distribution expense Overall all the expenses as a percentage of sales have remained more or less the same.

Material Consumption

Material consumption in terms of value and percentage increased by Rs.147.79 Lakhs and 26%, from Rs. 578.13 Lakhs in the fiscal year ended March 31, 2011 to Rs. 725.92 lakhs in the fiscal year ended March 31, 2012. The reason for increase in the same is increased growth of the Company which has lead to increased material consumption.

Employee Benefit Expenses

Employee benefit Expenses in terms of value and percentage increased by Rs. 30.44 Lakhs and 24%, from Rs. 128.67 Lakhs in the fiscal year ended March 31, 2011 to Rs. 159.11 lakhs in the fiscal year ended March 31, 2012. The reason for increase in the same is that the company recruited more employees to support growing operations of the Company

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 31.12 Lakhs and 18%, from Rs. 171.98 Lakhs in the fiscal year ended March 31, 2011 to Rs. 203.10 lakhs in the fiscal year ended March 31, 2012. The reason for increase in the same is that the company has increased its borrowing to support the growth of the business.

Research and development expenditure

During the financial year our Company has incurred expenditure on research and development amounting to Rs. 149.61 lakhs compared to Rs. 110.65 lakhs in the previous year. As per the policy of the company the company has charged an amount of Rs. 157.81 lakhs in the profit and loss account for the current year.

Selling & Distribution Expenses

Selling & Distribution Expenses in terms of value and percentage increased by Rs. 41.64 Lakhs and 16%, from Rs. 344.88 Lakhs in the fiscal year ended March 31, 2011 to Rs. 386.52 lakhs in the fiscal year ended March 31, 2012. The reason for increase in the same is that the company has given more incentives and discounts to the dealers to promote the sales of Company's products.

Net Profit after Tax and Extraordinary items

Net profit has increased by 13.01 lakhs or 32%, from Rs. 41.25 lakhs in the fiscal year ended March 31, 2011 to Rs.54.25 lakhs in the fiscal year ended March 31, 2012.

Fiscal year ended March 31, 2011 compared with the fiscal year ended March 31, 2010

Income

Total revenue increased by Rs. 433.03 lakhs or 48%, from Rs. 911.44 lakhs in the fiscal year ended March 31, 2010 to Rs. 1,344.47 lakhs in the fiscal year ended March 31, 2011. The sales of Cotton seeds witnessed a tremendous increase during FY 10-11. Sales of Maize, Vegetables and other field crops also have shown a good growth. Sales of paddy also grew at a satisfactory rate.

Expenditure

Total Expenditure increased by Rs. 414.82 Lakhs, or 48%, from Rs. 1282.84 Lakhs in the fiscal year ended March 31, 2010 to Rs. 1528.75 Lakhs in the fiscal year ended March 31, 2011. Overall expenditure has increased mainly because of the increase in Finance costs, Employee benefit expenses, direct expenses, office & administration and selling & distribution expense. Overall all the expenses as a percentage of sales have remained more or less the same.

Material Consumption

Material consumption in terms of value and percentage increased by Rs.7.97 Lakhs and 1%, from Rs. 570.16 Lakhs in the fiscal year ended March 31, 2010 to Rs. 578.13 lakhs in the fiscal year ended March 31, 2011.

Employee Benefit Expenses

Employee benefit Expenses in terms of value and percentage increased by Rs. 42.00 Lakhs and 48%, from Rs. 86.67 Lakhs in the fiscal year ended March 31, 2010 to Rs. 128.67 lakhs in the fiscal year ended March 31, 2011. The reason for increase in the same is that the company recruited more employees to support growing operations of the Company

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 78.02 Lakhs and 83%, from Rs. 93.96 Lakhs in the fiscal year ended March 31, 2010 to Rs. 171.98 lakhs in the fiscal year ended March 31, 2011. The reason for increase in the same is that the company has increased its borrowing to support the growth of the business.

Research and development expenditure

During the financial year our Company has incurred expenditure on research and development amounting to Rs. 110.65 lakhs compared to Rs. 203.70 lakhs in the previous year. As per the policy of the company the company has charged an amount of Rs. 120.41 lakhs in the profit and loss account for the current year.

Selling & Distribution Expenses

Selling & Distribution Expenses in terms of value and percentage increased by Rs. 102.91 Lakhs and 48%, from Rs. 241.96 Lakhs in the fiscal year ended March 31, 2010 to Rs. 344.88 lakhs in the fiscal year ended March 31, 2011. The reason for increase in the same is that the company has expanded into new territories and hence the carriage and godown charges have gone up. Also company has incurred substantial sales promotion expenditure to promote the sales in new territories.

Net Profit after Tax and Extraordinary items

Net profit has increased by 1.53 lakhs or 4%, from Rs. 39.71 lakhs in the fiscal year ended March 31, 2010 to Rs. 41.25 lakhs in the fiscal year ended March 31, 2011.

Fiscal year ended March 31, 2010 compared with the fiscal year ended March 31, 2009

Income

Total revenue increased by Rs. 361.44 lakhs or 66%, from Rs. 550.01 lakhs in the fiscal year ended March 31, 2009 to Rs. 911.44 lakhs in the fiscal year ended March 31, 2010. The sales of paddy and other field crops witnessed a tremendous increase during FY 09-10. Sales of Maize and Vegetables crops also have shown a good growth. Sales of cotton have witnessed a sharp decline this year due to erratic rainfall.

Expenditure

Total Expenditure increased by Rs. 366.39 Lakhs, or 73%, from Rs. 868.02 Lakhs in the fiscal year ended March 31, 2009 to Rs. 1282.84 Lakhs in the fiscal year ended March 31, 2010. Overall expenditure has increased mainly because of the increase in Cost of Materials consumed, Finance costs, Employee benefit expenses, direct expenses, office & administration and selling & distribution expense. Overall all the expenses as a percentage of sales have remained more or less the same.

Material Consumption

Material consumption in terms of value and percentage increased by Rs.227.31 Lakhs and 66%, from Rs. 342.85 Lakhs in the fiscal year ended March 31, 2009 to Rs. 570.16 lakhs in the fiscal year ended March 31, 2010. The reason for increase in the same is increased growth of the Company which has lead to increased material consumption.

Employee Benefit Expenses

Employee benefit Expenses in terms of value and percentage increased by Rs. 28.78 Lakhs and 201%, from Rs. Lakhs in the fiscal year ended March 31, 2009 to Rs. 86.67 lakhs in the fiscal year ended March 31, 2010. The reason for increase in the same is that the company recruited more employees to support growing operations of the Company

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 74.27 Lakhs and 379%, from Rs. 19.60 Lakhs in the fiscal year ended March 31, 2009 to Rs. 93.96 lakhs in the fiscal year ended March 31, 2010. The reason for increase in the same is that the company has increased its borrowing to support the growth of the business.

Research and development expenditure

During the financial year our Company has incurred expenditure on research and development amounting to Rs. 203.70 lakhs compared to Rs. 125.76 lakhs in the previous year. As per the policy of the company the company has charged an amount of Rs. 92.75 lakhs in the profit and loss account for the current year.

Selling & Distribution Expenses

Selling & Distribution Expenses in terms of value and percentage increased by Rs. 98.07 Lakhs and 83%, from Rs. 143.90 Lakhs in the fiscal year ended March 31, 2009 to Rs. 241.96 lakhs in the fiscal year ended March 31, 2010. The reason for increase in the same is that the company has incurred substantial sales promotion expenditure to promote the sales.

Net Profit after Tax and Extraordinary items

Net profit has increased by 19.71 lakhs or 99%, from Rs. 20.00 lakhs in the fiscal year ended March 31, 2009 to Rs. 39.71 lakhs in the fiscal year ended March 31, 2010.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the chapters titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, beginning on pages 17 and 206 respectively of this Draft Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as described in the chapter titled *“Risk Factors”* and *“Management’s Discussion and Analysis of Financial Condition and Result of Operations”*, beginning on pages 17 and 206 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled *“Risk Factors”* on page 17 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in seed industry. Relevant industry data, as available, has been included in the chapter titled *“Our Industry”* beginning on page 102 of this Draft Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled *“Our Business”* beginning on page 117 of this Draft Prospectus.

8. The extent to which the business is seasonal

The business of the company is seasonal because many of its products are sold in Kharif season even though some products are also sold in Rabi season. Also, majority of farmers depend on rain for cultivation. Usually rainfall occurs during Kharif season and hence, the timing of rainfall also has significant impact on the business of the Company. If there is a slight change in timing of rain fall, the sales will get deferred from one reporting period to another reporting period.

Our business operations may be materially and adversely affected by seasonal and weather factors, which can materially and adversely affect the quality and quantity of seeds produced. The weather can also affect the presence of disease and pests. Any sudden changes in the local weather could potentially affect a substantial portion of our production in any year and have a material and adverse affect our business, results of operations and financial condition.

9. Any significant dependence on a single or few suppliers or customers

There is no dependence on a single or few suppliers or customers.

10. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled *“Our Business”* on page 117 of this Draft Prospectus

SECTION VI- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors, our Promoters and Group Entities and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 lakh, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters, our Directors and Group Entities.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, the Directors or the Promoter Group Entities, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigations, defaults etc. in respect of Companies/firms/Ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Further, apart from those as stated below, there are no show-cause notices / claims served on our Company, our Promoters, our Directors or Group Entities from any statutory authority / revenue authority that would have a material adverse affect on our business.

Litigation against our Company

Criminal Cases

1. There is one criminal case bearing no. Reg Cri.Case No.301796/2009 filed against the our company and Mr. Prakash Nagorao Tupekar, G.M. (Quality Assurance) by the Syed Hamid Ali, Seed Inspector and District Quality Control Inspector before Honorable Chief Judicial Magistrate, Aurangabad (“**Court**”) complaining of offence committed under 19 (a) (i) of Seeds Act 1966 read with the provision of section 7(b) of the Seeds Act 1966 and Rules 7 and 10 of Seeds Rules, 1968. The complainant had on 25-3-09 visited the seed producing & selling premises of our company at Siddharth Arcade, Station Road, Aurangabad for the purpose of Seeds Act & Rules made there under. During the course of inspection, the inspector had drawn samples of Coriander seeds for analysis. The seed sample was sent to seed testing laboratory Parbhani for testing. As per the report the germination of seed was way below the minimum prescribed standards of germination for this particular crop under the Seeds Act. The inspector has prayed before the Honorable Court for registering the offence committed under the Seeds Act and for initiating prosecution against our Company. Currently the matter is posted for hearing on February 13, 2013.
2. There is criminal case bearing no. Reg Cri.Case No. 2945/2012 filed against M/s Tirumala Enterprises, M/s Vasundhara Seeds & Pesticides and our Company by Sri S. Bikasham, Asst. Director of Agriculture, Chevella, Ranga Reddy District before Honorable Judicial First Class Magistrate L.B.

Nagar, Ranga Reddy District, ("**Court**") complaining of offence committed by contravention of section 7 of seed Act 1966 and are punishable under the section 19 of Seeds Act 1966. The complainant had on 19.8.2011 visited M/s Tirumala Enterprises, Shankarpalli Mandal and drawn seed sample of coriander variety bulbul bearing the lot no 110701-6052 from available stock for analysis. The seed sample was analysed by the Assistant Director of Agriculture STL, Yemmiganur. As per the report the germination of seed was way below the minimum prescribed standards of germination for this particular crop under the Seeds Act. The inspector has prayed before the Honorable Court for registering the offence committed under the Seeds Act and for initiating prosecution against our Company. Currently the matter is pending before the Court for evidence before framing of charge.

Consumer Cases

1. There is one consumer case bearing no. CC/11/732 filed against our company, M/s Chaudhari Agrotech, Nagpur and M/s Jindal Crop Sciences Pvt. Ltd., Jalna by the Mr. Shalakrao Domaji Khanave, Nagpur a farmer before Hon'ble Consumer Disputes Redressal Forum ("**Forum**") at Nagpur under section 12 of Consumer Protection Act complaining of supply of sub-standard quality of Coriander seeds of the Variety Mrudul. Our company has in its reply filed before the consumer forum denied the all allegations made by the complainant. Currently the matter is pending before the forum for final hearing.
2. There is consumer case bearing no. CC/261/2012 filed against our company, M/s Maharashtra Krushi Seva Kendra, Navi Peth, Jalgaon, by Mr. Jitendra Hukumchand Khinvasara, R/o Tondapur, Tq. Jamner, Dist. Jalgaon a farmer before Hon'ble Consumer Disputes Redressal Forum ("**Forum**") at Jalgaon under section 12 of Consumer Protection Act complaining of supply of sub-standard quality of maize. Our company has received the summons of the Forum for appearing in the above matter on February 6, 2013

Litigation by our Company

Criminal Cases

1. Our Company filed a complaint bearing Sum Case No.300389/2012 dated 19th January, 2012 before the Chief Judicial Magistrate at Aurangabad, ("**Court**") against Mr. Dilip Kumar, Prop. Kisan Seva Kendra, referred to as the "Accused") under section 138 of the Negotiable Instruments Act ("**Act**") for dishonor of a cheque for an amount of Rs.1,07,603/-. Our company was negotiating with the accused for settlement of case outside the Court but the talks have failed. The matter posted for next hearing on February 20, 2013.
2. Our Company filed a complaint bearing Sum Case No. 301247/2012 dated 16th March, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. P Narayan Reddy, referred to as the "Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs.2,00,000/-. The matter is currently pending has been fixed for appearance on February 8, 2013.
3. Our Company filed a complaint bearing Sum Case No. 300421/2012 dated 21st January, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. G Srinivasalu, (referred to as the "Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 20,61,446/- The accused had approached our company and offered to organize Hybrid Cotton Seed Production Program. As per the terms of the agreement, the plantation was to be carried out on an area admeasuring 118 Acres. After releasing the advance and supply of Foundation Seeds to the accused, our Company through its officials and representatives had carried out inspection and found that the accused had not carried out plantation in the area of 118 acres and also the plots under plantation were carelessly managed. The accused was required to produce

quality seeds, having genetic purity of 90% and to have minimum 75% germination capacity. The accused had neither supplied the seeds in adequate quantity nor maintained the quality standards as mentioned above and also not refunded the advance to our Company. After much persuasion the accused had issued a cheque for an amount of Rs. 20,61,446/- which was returned unpaid. The matter is currently pending has been fixed for adducing evidence on February 2, 2013.

4. Our Company filed a complaint Reg.Cri.Case. No 1395/2012 dated August 14, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. G Srinivasalu and Mr. Prashant Panchmahalkar (referred to as the "Accused") alleging that both accused have committed offences of cheating and fraud on the Company punishable U/s 406, 420, 409, 426, r/w 34 of I.P.C. for an amount of Rs. 1,90,88,700/-. We have prayed to the court for directing investigation into the case by police officer. The Court vide order dated September 25, 2012 ordered there was no need for custodial interrogation and sending the matter to police/s 156. Hence prayer for investigation u/s 156 (3) was rejected. Cognizance of matter has been taken by the court and Complainant has been asked to remain present for recording his statement u/s 200 of Cr.P.C. on next date. The matter has been posted for hearing on February 2, 2012
5. Our Company filed a complaint Reg.Cri.Case. No 1395/2012 dated August 14, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. G Srinivasalu and Mr. Prashant Panchmahalkar (referred to as the "Accused") alleging that both accused have committed offence of cheating and fraud on the Company punishable U/s 406, 420, 409, 426, r/w 34 of I.P.C for an amount of Rs. 1,90,88,700/-. We have prayed to the court for directing investigation into the case by police officer. The Court vide order dated September 25, 2012 ordered there was no need for custodial interrogation and sending the matter to police/s 156. Hence prayer for investigation u/s 156 (3) was rejected. In response to the order of the C.J.M Aurangabad we have filed a Criminal Revision application U/s 397 of Cr. P. C. having no. Cri.Rev.App. 248/2012 on October 4, 2012 before the Honourable Sessions Court at Aurangabad praying that the order of the Learned Lower Court be revised and Kranti Chowk Police or the Police Inspector of Crime branch of Police Commissionarate may be directed to investigate the complaint which is registered in the Court of Learned C.J.M. Aurangabad.
6. Our Company filed a complaint bearing Sum Case No. 300387/2012 dated 19th January, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Rajeev Pathak, Prop. Krishna Kisan Seva Kendra referred to as the "Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,53,000/-. The matter is currently pending has been fixed for appearance on March 7, 2013.
7. Our Company filed a complaint bearing Sum Case No. 302778/2012 dated 30th July, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Bandaru Lakshamana Rao, referred to as the "Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 90,500/-. The matter is currently pending has been fixed for appearance on February 25, 2013.
8. Our Company filed a complaint bearing Sum Case No. 300908/2012 dated 8th June, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Sudhir Singh, Prop. Lal Seeds, referred to as the "Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 70,834 The matter is currently pending has been fixed for appearance on February 2, 2013.

Civil Cases

1. Our Company filed a complaint bearing Spl.Civ.Suit No.286/2012 dated 7th September, 2012 before the Civil Judge – Senior Division at Aurangabad, (“Court”) against Mr. G. Srinivasalu Gopalappa, referred to as the “Accused”) for recovery of an amount of Rs. 20,61,446/-. The accused had approached our company and offered to organize Hybrid Cotton Seed Production Program. As per the terms of the agreement, the plantation was to be carried out on an area admeasuring 118 Acres. After releasing the advance and supply of Foundation Seeds to the accused, our Company through its officials and representatives had carried out inspection and found that the accused had not carried out plantation in the area of 118 acres and also the plots under plantation were carelessly managed. The accused was required to produce quality seeds, having genetic purity of 90% and to have minimum 75% germination capacity. The accused had neither supplied the seeds in adequate quantity nor maintained the quality standards as mentioned above and also not refunded the advance to our Company. After much persuasion the accused had issued a cheque for an amount of Rs. 20,61,446/- which was returned unpaid. The matter is currently pending for report of service of summons.

Litigation Involving Our Group Entities

Cases against Maruti Fertochem Limited

Criminal Cases

1. Criminal case bearing Reg.Cri.Case No. 301519/2010 has been filed against Maruti Fertochem Limited by Syed Hamid Ali, District Quality Control Inspector before Honorable Chief Judicial Magistrate, Aurangabad (“Court”) complaining offence committed under clause 13 (2) and 19 (b) of Fertilizer (Control Order, 1985 R/W sec. 3 of Essential Commodities Act 1955 & punishable U/s 7 (1) a (ii). The complainant had on July 04, 2008 visited M/s Khadkeshwar Krushi Seva Sahakari Sanstha Maryadit, Aurangabad and drawn sample of fertiliser for analysis purpose. According to the Analysis report no 605 of Fertiliser Testing Laboratory, Aurangabad above said fertiliser sample was found to be non-standard fails. The total P2O5 is found 13.92% as against 18% specified, NACS P2O5 is found 13.65% as against 18% specified & W.S. P2O5 is found 7.05% as against 9% specified. The Complainant has prayed before the Honorable Court for registering the offence committed under Fertilizer Control Order 1985 R/W sec. 3 of Essential Commodities Act, 1955 for initiating prosecution against our Company. Currently the matter is pending before the Court.
2. Criminal case bearing Reg.Cri.Case No. 1200122/2010 has been filed against Maruti Fertochem Limited Mr. D. M. Joshi Agriculture Officer & Fertilizer Inspector before Honorable Judicial Magistrate First Class at Phulambri (“Court”) complaining of offence committed under section 19 (a) & 13 (1) & (2) of Fertilizer Control Order 1985 R/w sec 3 of Essential Commodities Act, 1955 & punishable u/sec 7 (1) (a) (ii) of Essential Commodities Act, 1955. The complainant had on July 10, 2008 visited and inspected the fertilizer selling premises of M/s Sanjay Fertilizers, Phulambri and drawn sample of fertilizer for analysis. Analytical Chemist, Fertilizer Testing Laboratory, Aurangabad vide his report No. 671 dated July 31, 2008 in Form L informed that the above said sample is not as per prescribed standard and total nitrogen content is below prescribed standards. The inspector has prayed before the Honorable Court for registering the offence committed under the clause 19 (b) of Fertilizer Control Order, 1985 r/w sec. 3 of Essential Commodities Act, 1955 and punishable u/s 7 (1) (a) (ii) of Essential Commodities Act, 1955 and prosecuting our company. Currently the matter is pending before the Court.
3. Criminal case bearing Reg.Cri.Case No. 272/2004 has been filed on March 26, 2004 against Maruti Fertochem Limited by Mr. D. K Kapadnis, Fertilizer Inspector-cum-District Quality Control Inspector before Honorable Judicial Magistrate First Class at Nashik (“Court”) complaining of offence

committed under clause 13 (2) and 19(b) of Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. As per Analysis Report from Fertilizer Testing Lab Untawadi, Nashik in L Form vide its office Letter No. 638/03 dated December 2, 2003, which was received by MFL on December 4, 2003 has declared the Fertilizer sample as non standard as total content of Poshphates and N.A.C.S. P2O5 is below standard. The matter has been fixed up for hearing of April 18, 2013 for framing of charges.

4. Criminal case bearing Reg.Cri.Case No. 09/2003 has been filed on February 18, 2003 against Maruti Fertochem Limited by Mr. S. V. Gadhave, Fertilizer Inspector before Honorable Judicial Magistrate First Class at Ambegaon ("Court") complaining of offence committed under clause 19 (1) of Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The Analytical chemist fertilizer testing laboratory, Pune sent the analytical report of the sample in form L No. 2041 dated November 20, 2002 which declare fertilizer mixture 20:10:10 as sub standard. As per Analytical report total P2 O5 is 7.16% i.e. 2.84% less than the prescribed standard which is not in accordance with specifications given by State Government as per clause 13 sub clause 2 of Fertilizer Control Order 1985. The court has given opportunity to MFL for filing its final statement before final hearing of the case.
5. Summary Case No. 422/2006 has been filed on September 11, 2006 against Maruti Fertochem Limited by Mr. B. J. Mahire, Fertilizer Inspector before Honorable Judicial Magistrate First Class at Taloda ("Court") complaining of offence committed under clause 19 (1)(a)(b) of Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. According to analysis report in Form L sample is not according to specification and hence declared non standard by Fertilizer Quality Control Laboratory, Untwadi, Nashik-2 vide their report no. 2378 dated July 30, 2005. The analysis report shows that the sample has failed in the content of total K2O which is 0% as against value of 20% with the variation of 20% in grade. 10:20:20 fertilizer is higher than permissible tolerance limits, hence the sample has been found as non standard fertilizer. The current status of this case is awaiting for summons.
6. Summary Case No. 721/2007 has been filed on October 10, 2007 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Newasa ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The current status of this case is awaiting for summons.
7. Reg. Cri. Case No. 41/2006 has been filed on February 24, 2006 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Satana ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The current status of this case is awaiting for summons.
8. Summary Case No. 766/2008 has been filed on November 26, 2008 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Achalpur ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The court has issued a bailable warrant and currently the matter is pending before the Court.
9. Reg. Criminal Case No. 228/2002 has been filed on November 30, 2002 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Nandurbar ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The current status of this case is awaiting for summons.
10. Reg. Criminal Case No. 99/2004 has been filed on July 01, 2004 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Tuljapur ("Court")

complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. Currently the matter is pending before the Court.

11. Reg. Criminal Case No. 106/2003 has been filed on May 30, 2003 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Tuljapur ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The case has been fixed for appearance on next hearing date.
12. Reg. Criminal Case No. 230/2006 has been filed on May 04, 2006 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Ichalkaranji ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The current status of this case is awaiting for summons.
13. Reg. Criminal Case No. 21/2000 has been filed on March 29, 2000 against Maruti Fertochem Limited by Mr. S. K. Porje, Fertilizer Inspector before Honorable Judicial Magistrate First Class at Yeola ("Court") complaining of offence committed under clause 5,19 (a)(b) & 37 of Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. Currently the matter is pending before the Court.
14. Reg. Criminal Case No. 80/2005 has been filed on December 08, 2005 against Maruti Fertochem Limited by Fertilizer Inspector before Honorable Judicial Magistrate First Class at Gargoti ("Court") complaining of offence committed under clause 19(a) of (B) of Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. Currently the matter is pending before the Court.
15. Essential Commodities Act Special Case No. 03/2002 has been filed on July 30, 2002 against Maruti Fertochem Limited by Mr. M. S. Dhawale, Fertilizer Inspector before Honorable Judicial Magistrate First Class at Ambad ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The matter is posted for adducing evidence before framing of charge at the next hearing date.
16. Reg. Criminal Case No. 54/2006 has been filed on March 03, 2006 against Maruti Fertochem Limited by Mr. P. E. Mahajan, Fertilizer Inspector before Honorable Judicial Magistrate First Class at Karjat ("Court") complaining of offence committed under Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The Court has orders issuance of process of summons
17. Reg. Criminal Case No. 122/2010 has been filed on June 09, 2010 against Maruti Fertochem Limited by Mr. D. M. Joshi, Fertilizer Inspector before Honorable Judicial Magistrate First Class at Phulambri ("Court") complaining of offence committed under section 19(a) & 13(1) & (2) of Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. The matter is posted for adducing evidence at the next hearing date.
18. Reg. Criminal Case No. 29/2002 has been filed on March 02, 2002 against Maruti Fertochem Limited by Mr. B. J. Gawit, Fertilizer Inspector before Honorable Judicial Magistrate First Class at Sakri ("Court") complaining of offence committed under Clause 19 (1)(a)(b) of Fertilizer Control Order 1985 punishable u/s 3 & 7 Essential Commodities Act, 1955. Currently the matter is pending before the Court.

Cases by Maruti Fertochem Limited

Criminal Cases

1. Maruti Fertochem Limited has filed a complaint bearing Sum Case No. 304863/2008 dated 30th June, 2008 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Suresh Shankar Chavan Prop of Shriram Agro Services, referred to as the ("Accused") under section 138 of

the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 67,500/-. The matter has been fixed for Appearance on March 20, 2013.

2. Maruti Fertochem Limited has filed a complaint bearing Sum Case No. 302765/2008 dated 4th April, 2008 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Jaiprakash Vasant Kadam, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,86,508/-. Summons have been issued and the matter is kept pending awaiting the report of service of summons.
3. Maruti Fertochem Limited has filed a complaint bearing Sum Case No. 308667/2007 dated 16th November, 2011 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Ramdas Shivaji Pawar, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 30,538/-. The matter has been fixed for hearing on February 26, 2013
4. Maruti Fertochem Limited has filed a complaint bearing Sum Case No. 308157/2006 dated 3rd November, 2006 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Narsing Mohanrao Gond, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,32,345.50/-. The matter is pending for receipt of report from concerned authority
5. Maruti Fertochem Limited has filed a complaint bearing Sum Case No. 301544/2006 dated 8th March, 2006 before the Chief Judicial Magistrate at Aurangabad, ("Court") against M/s Shriram Krishi Seva Kendra, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,88,423/-. The matter has been posted for appearance on February 28, 2013.
6. Maruti Fertochem Limited has filed a complaint bearing Sum Case No. 302037/2005 dated 8rd March, 2005 before the Chief Judicial Magistrate at Aurangabad, ("Court") against M/s Pethkar Krishi Seva Kendra, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 2,13,530/-. The matter has been posted for appearance on February 21, 2013.

Cases against Khadkeshwar Hatcheries Limited

Motor Accident Cases

1. Motor Vehicle Act case bearing no. M.A.C.P. 180/2011 filed against Khadkeshwar Hatcheries Limited (KHL) by Mr. Jagannath Sitaram Chand, Jalna before Hon'ble Motor Vehicle Accident Claim Tribunal, Jalna ("Tribunal") under section 140 of Motor Vehicle Act. He has claimed compensation u/s 140 of Motor Vehicle Act Rs. 25000/-. KHL has submitted an Affidavit that it is in no way concerned to the said accident and its vehicle was not involved in the said accident. Currently the matter is pending before the Tribunal.
2. Motor Vehicle Act case bearing no. M.A.C.P. 88/2012 filed against Khadkeshwar Hatcheries Limited(KHL) by Mrs. Sarla Nivrutti Khapare, Niphad before Hon'ble Motor Vehicle Accident Claim Tribunal, Niphad ("Tribunal") under section 166 of Motor Vehicle Act. She has claimed compensation u/s 166 of Motor Vehicle Act of Rs. 4,00,000/-. KHL has appeared in the said matter and submitted insurance and all other relevant papers before the Tribunal to shift this liability on Insurance Company. Currently the matter is pending before the Tribunal.
3. Motor Vehicle Act case bearing no. M.A.C.P. 89/2012 filed against Khadkeshwar Hatcheries Limited(KHL) by Mr. Aswad Nivrutti Khapare, Niphad before Hon'ble Motor Vehicle Accident Claim Tribunal, Niphad ("Tribunal") under section 166 of Motor Vehicle Act. He has claimed compensation u/s 166 of Motor Vehicle Act of Rs. 4,00,000/-. KHL has appeared in the said matter and submitted

insurance and all other relevant papers before the Tribunal to shift this liability on Insurance Company. Currently the matter is pending before the Tribunal.

Cases by Khadkeshwar Hatcheries Ltd

Criminal Cases

1. Khadkeshwar Hatcheries Ltd has filed a complaint bearing Sum Case No. 305679/2011 dated November 1, 2011 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Dilip Mahadeo Gawade, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,07,045/-.The matter has been fixed for appearance on February 25, 2013.
2. Khadkeshwar Hatcheries Ltd has filed a complaint bearing Sum Case No. 305023/2010 dated 9th September, 2010 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Ashok T. Thorat, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 46,625/- The matter has been fixed for appearance on April 5, 2013.
3. Khadkeshwar Hatcheries Ltd has filed a complaint bearing Sum Case No. 301010/2008 dated 5th February , 2008 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Ashok Nimba Sonwane, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 11,717/- The matter has been fixed for appearance on January 30, 2013.
4. Khadkeshwar Hatcheries Ltd has filed a complaint bearing Sum Case No. 301009/2008 dated 5th February , 2008 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Balasaheb Gangaram Khandbhor, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. Rs.68,099/- Summons have been issued and the matter is kept pending awaiting report of service of such summons.
5. Khadkeshwar Hatcheries Ltd has filed a complaint bearing Sum Case No. 301008/2008 dated 5th February, 2008 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Kishore Manikroa Pawar, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,06,062/- The matter has been fixed for appearance on March 7, 2013.
6. Khadkeshwar Hatcheries Ltd has filed a complaint bearing Sum Case No. 302628/2006 dated 15th April, 2006 before the Chief Judicial Magistrate at Aurangabad, ("Court") against M/s Ganesh Broiler Breeder, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,25,000/- The court has ordered the company to take certain steps in connection with the proceedings and the matter is kept pending for the purpose of steps.
7. Khadkeshwar Hatcheries Ltd has filed a complaint bearing Sum Case No. 300479/2005 dated 15th January, 2005 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Shaikh Ratif Shaikh Sheru, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 44000 The matter has been fixed for appearance on February 6, 2013.

Cases against Navjeevan Hatcheries Private Limited

Motor Accident Cases

1. There is one Motor Vehicle Act case bearing no. M.A.C.P. 318/2010 filed against Navjeevan Hatcheries Private Limited (NHPL) by Mr. Dnyandev Balasaheb Garje, Thane before Hon'ble Motor Accident Claim Tribunal, Ahmednagar ("Tribunal") under section 166 and 140 of Motor Vehicle Act. He has claimed compensation u/s 166 of M.V. Act of Rs. 4.00 lacs and u/s 140 of M.V. Act of Rs. 25000/-. NHPL has appeared in the said matter and submitted insurance and all other relevant papers before the Tribunal to shift this liability on Insurance Company. Currently the matter is pending before the Tribunal.

Cases by Navjeevan Hatcheries Pvt. Ltd

Criminal Cases

1. Navjeevan Hatcheries Pvt. Ltd has filed a complaint bearing Sum Case No. 301390/2009 dated March 21, 2009 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Avinash Raghunath Bhor, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 3,10,082/-. The matter has been fixed for hearing on March 28, 2013.
2. Navjeevan Hatcheries Pvt. Ltd has filed a complaint bearing Sum Case No. 305654/2010 dated 25th October, 2010 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Sharad Dnyaneshwar Gunjal, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 85,524/-. The matter has been posted for verification on February 5, 2013
3. Navjeevan Hatcheries Pvt. Ltd has filed a complaint bearing Sum Case No. 303042/2011 dated 7th July, 2011 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mrs. Himani Ravindra Konikara, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,61,231/-. The matter has been posted for appearance on February 6, 2013
4. Navjeevan Hatcheries Pvt. Ltd has filed a complaint bearing Sum Case No. 300819/2010 dated 30th January, 2010 before the Chief Judicial Magistrate at Aurangabad, ("Court") against Mr. Kisan Ramji Rokde, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 54,848/- The matter has been fixed for hearing on February 12, 2013.

Cases by RJ Feeds Pvt. Ltd

Criminal Cases

1. RJ Feeds Pvt. Ltd has filed a complaint bearing Sum Case No. 302196/2012 dated 21st May, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against M/s Soundarya Jadhav Agencies, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs.65,668/-. The matter has been posted for verification on March 20, 2013
2. RJ Feeds Pvt. Ltd has filed a complaint bearing Sum Case No. 301424/2012 dated 2nd April, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against M/s Alifia Enterprise, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 1,47,599/-. The matter has been posted for appearance on February 6, 2013.

Cases by Maruti Tyres

Criminal Cases

1. Maruti Tyres has filed a complaint bearing Sum Case No. 309272/2006 dated 13th December, 2006 before the Chief Judicial Magistrate at Aurangabad, ("Court") against M/s Pritam Transport, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 60,000/-. The court has asked Maruti Tyres to take certain steps in connection with the proceedings and the matter is pending for the purpose of steps.

Cases by Anmol Marketing Services

Criminal Cases

1. Anmol Marketing Services has filed a complaint bearing Sum Case No. 300713/2012 dated 6th Feb, 2012 before the Chief Judicial Magistrate at Aurangabad, ("Court") against M/s Marva Poultry Farm Pvt Ltd, referred to as the ("Accused") under section 138 of the Negotiable Instruments Act ("Act") for dishonor of a cheque for an amount of Rs. 3,75,000/- .The matter is posted for appearance on February 18, 2013.

Cases against R. J. Breeders Private Limited

Workmen Compensation Cases

1. Labour case under Workmen Compensation Act bearing case no. W.C. 31/2006 filed against R. J. Breeders Private Limited (RJBRL) by Mr. Dashrath Sakham Kalaskar and Mrs. Laxmibai Dashrath Kalaskar parents of deceased Mr. Shivnath Dashrath Kalaskar before the Labour Court at Aurangabad. Deceased Mr. Shivnath was not an employee of RJBRL but had consumed poison on the premises of company. Parents of deceased have filed above case for demanding a compensation of Rs. 2,27,490/-. As deceased was not an employee of RJBRL, it has denied the claims raised by the parents of deceased. The Honourable court has passed an order directing the company to pay compensation of Rs. 2,27,490/- along with penalty of 25% and interest of 9% from the due date. The Company has in response to the order of the Commissioner filed Appeal before the Bombay High Court Bench at Aurangabad. The Honourable High Court vide its order dated January 16, 2013 has quashed and set aside the order of the Commissioner and directed the Commissioner to decide the matter afresh.
2. Labour Case under Workmen Compensation Act bearing case no. W.C. 65/2003 filed against R. J. Breeders Private Limited (RJBRL) by Mr. Baban Bhausaheb Kamble. On January 5, 2003 an accident was took place in the premises of the company while digging the well and Mr. Baban was got injured. Mr. Baban is not an employee of the RJBRL but was a by stander who had come to the spot to see the well digging work. He without any permission entered into the well at his own risk and got injured. He has filed the above case for compensation of Rs. 4,00,000/- with interest @ 12% pa and 50% penalty thereon. RJBRL has filed its reply and is awaiting further directions from the court.

Cases against Deogiri Infrastructure Private Limited

Tax Cases

1. Deogiri Infrastructure Private Limited has filed Appeal before Customs Excise and Service Tax Appellate Tribunal West Zonal Bench at Mumbai on October 19, 2012 against order passed by Commissioner of Central Excise & Customs (Appeals), Aurangabad ("Commissioner") for raising a demand of Service Tax and penalty on the same of Rs. 27.99 Lacs. Out of the Said amount the Company has paid Rs. 4.50 Lacs under protest. The Customs Excise and Service Tax Appellate

Tribunal West Zonal Bench at Mumbai has on January 14, 2013 granted a conditional stay against the order of the Commissioner recovery during the pendency of the appeal.

AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

As on September 30, 2012, except as enumerated below, our Company does not owe a sum exceeding Rs. 1 lakh to any small scale undertaking or other creditor which is outstanding for more than 30 days:

Sr. No	Names of Creditors	Amount in Rs. Lakhs
1.	Monsanto India Limited	52.47
2.	S.V. Pattanashetti, Irkalga	10.38
3.	Shrinath Rotopack Private Limited	15.16
4.	Naman Flexipack Industries	8.89
5.	Integrated Coating And Seed Technology (I) Pvt. Ltd	6.29
6.	Sri Rama Road Lines	2.15
7.	Pushpak Overseas & Tourism	0.79
8.	Satya Electricals - Aurangabad	1.11
9.	Swagat Seeds Pvt. Ltd. - Hyderabad	2.73
10.	K Gopal Reddy	1.44
	Total	101.41

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as of the date of the DRHP.

I. Approvals for the Issue

Corporate Approvals

1. Our Board has, pursuant to a resolution passed at its meeting held on December 31, 2012 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting dated January 28, 2013 under Section 81(1A) of the Companies Act, authorised the Issue.

Approvals from Stock Exchange

1. The Company has obtained approval from SME platform of the Bombay Stock Exchange of India Limited vide letter dated [•] to use the name of the Stock Exchange in the DRHP for listing of Equity Shares on the Stock Exchange.

Approvals from Lenders

1. All approvals required from the lenders in relation to the Issue have been obtained.

II. Incorporation Details

1. Corporate Identity Number: U24234MH2005PLC158420
2. Certificate of Incorporation dated 28th December, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra.
3. Fresh Certificate of Incorporation dated March 5, 2012, issued by the Registrar of Companies, Mumbai, Maharashtra consequent upon change of name of our Company upon conversion to public limited company.

III. Tax Related Registrations

1. Permanent Account Number: AADCR1924L
2. Tax Deduction Account Number: NSKR02311B
3. Professional Tax Registration: 27750574697P
4. Maharashtra VAT Registration: 27550574697V
5. Central Sales Tax Registration: 27750574697C
6. Local Body Tax Registration: 1629177135

IV. Labour Laws related Registrations

1. Employees Provident Fund Registration No. MH/AB/82748/Cir51/ENF/PF/07/744
2. Maharashtra Labour Welfare Board Code No. AUR28111

V. Intellectual Property

In order to protect its intellectual property rights the Company has registered trademarks for its various products and has also applied for Trade mark registration for various products. It has registered its following products with Trade Marks Registry, Govt. of India and as on the date of this Draft Prospectus they are legally held by the company and all the formalities are complied with.

S.No.	Trademark Name	Trademark No.	Class	Date of Trade-mark Registration	Valid Upto
1	Sanjeevani	1977753	31	10 th Jun 2010	10 th June 2020
2	Anushri	1971775	31	28 th May 2010	28 th May 2020
3	Agnishikha	1966175	31	17 th May 2010	17 th May 2020
4	Madhumati	2053989	31	16 th Nov 2010	16 th Nov 2020
5	Black Wonder	2053988	31	16 th Nov 2010	16 th Nov 2020

We have also applied for registration of our following trademarks–

S.No.	Product Name	Provisional Regn No.	Class	Date of application	Current Status
1	RJ's Heena	1966172	31	17 th May 2010	Objected
2	RJ's Avani	1966173	31	17 th May 2010	Objected
3	RJ's Revati	1966174	31	17 th May 2010	Objected
4	RJ's Victoriya	1966176	31	17 th May 2010	Objected
5	RJ's Rajshri	1971774	31	28 th May 2010	Objected
6	RJ Abhijeet	2053990	31	16 th November, 2010	Objected
7	RJ Dhanlaxmi	2053991	31	16 th November, 2010	Objected

VI. Approvals/ licenses in relation to the business of our Company

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

1. Bt Cotton Seed license no. QC/Cotton/QC-7/8/OW437/2011 dated June 4, 2011 from Commissionerate of Agriculture, Maharashtra State, Pune. The license is valid till June 03, 2014.
2. License no. 1971 from Commissionerate of Agriculture, Gujarat State, Ahmadabad. The license is valid till June 06, 2014.
3. License no. 010/930/240 from Commissionerate of Agriculture, Uttar Pradesh, Lucknow. The license is valid till April 04, 2014.
4. License no. DA/S-58/2009-10 from State Director of Agriculture, Jharkhand, Ranchi. The license is valid till February 03, 2015.
5. License no. 143/2009 from State Director of Agriculture, Bihar, Patna. The license is valid till July 29, 2015.

6. License no. 946 from State Director of Agriculture, Madhya Pradesh, Indore. The license is valid till January 20, 2015.
7. Certificate of registration no.5/IMP/88-89/NSC dated August 11, 2010 for import of seeds and planting material as permitted under 'New Policy on Seed Development 1988' of Government of India.
8. Recognition of In-house R&D Unit of the Company located at Gut No. 264, A&P: Pharola Paithan Road, Tal. Paithan, Aurangabad having reference no. F.No. TU/IV-RD/2671/2010 dated April 16, 2010. The recognition is valid up till March 31, 2014.
9. Importer Exporter Code no. 0308066278
10. Government Purchase Enlistment Certificate No. NSIC/AUR/GP.CERTIFICATE/22/N-10/10-11 dated February 2nd, 2011 issue by The National Small Industries Corporation Limited.
11. Entrepreneurs Memorandum No. 270191200263

VII. Approvals/ licenses in relation to Branches of our Company

The marketing offices of the Company as per details given below are required to be registered under the Shops and Establishment Acts of the respective states. The company has is under the process of registering the same

Name of the Office	Address
Andhra Pradesh Offices	Flat No. F-9, 4th Floor, Hyderabad Business Centre, Hyderguda, Hyderabad, Andhra Pradesh
	Plot no.4,Block no.6,Auto nagar,Hyedrabad-70
	Block No. 3, Plot No. 1, Situated in Auto Nagar, Hyderabad 500035
Bihar Office	Asho Chowk, Manoharpur, Kachhuwara, Pypai Factory Road, Near NRL Petrol Pump, Patna, Bihar
Madhya Pradesh Office	206, Sapphire House, Sapna Sangeeta Road, Indore, Madhya Pradesh
Uttar Pradesh Office	S-35 & 36/10, Transport Nagar, Kanpur Road, Lucknow, Uttar Pradesh
Pune Office	Office No.-15, Sunrise Apartment, Near Chaturshringi Temple, Senapati Bapat Road, Pune, Maharashtra

VIII. Application made for License

1. Our Company has made an application for renewal of Licence to carry on the Business of dealer in seeds to the Commissioner of Agriculture, Maharashtra State. The renewal of license is awaited.

IX. Application Yet to be made for License

1. The company is in the process of obtaining the license to act as dealer in seeds in the State of Karnataka and Tamil Nadu
2. Our Company is in the process of application for renewal of Licence to carry on the Business of dealer in seeds to the Commissioner of Agriculture, Chhatisgarh.
3. License to run a factory for processing plant at Survey No.38, Munpally Village, Jakranpally Mandal, Nizamabad District, Andhra Pradesh – 503001

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution passed by our Board of Directors at their meeting held on December 31, 2012 and by the shareholders of our Company by a special resolution, pursuant to Section 81(1A) of the Companies Act, passed at the EGM of our Company held on January 28, 2013, at Aurangabad.

We have received in-principle approval from the Stock Exchange for the listing of our Equity Shares pursuant to letter no. [•] dated [•].

Prohibition by SEBI, RBI or Other Governmental Authorities

Our Company, our Promoters, our Directors, our Promoter Group and Group Entities, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

Prohibition by RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Entities have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for this Issue

Our Company is eligible for the Issue in accordance with regulation 106M(1) and other provisions of chapter XB of the SEBI ICDR Regulations as the post issue face value capital does not exceed Rs. 2,500 lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue will be hundred percent underwritten and that the LM will underwrite atleast 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 59 of this Draft Prospectus.

2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "General Information" on page 59 of this Draft Prospectus.
5. The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 1 crore as per the latest audited financial results.
7. The Company has track record of distributable profits in terms of sec. 205 of Companies Act for at least two years out of immediately preceding three financial years and each financial year has a period of at least 12 months.
8. The Company has not been referred to Board for Industrial and Financial Reconstruction.
9. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
10. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
11. The Company has a website <http://www.rjbiotech.com/>

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.

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.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR

FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. 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 THIS DRAFT PROSPECTUS, THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE 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 PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID. *WE UNDERSTAND THAT ICICI BANK HAS SOUGHT RENEWAL OF ITS REGISTRATION FROM SEBI. ICICI BANK, HOWEVER, UNDERTAKES THAT IT CAN ACT AS ESCROW BANKERS AND REFUND BANKER FOR THE ISSUE. WE HAVE REGISTRATION CERTIFICATE OF ALL INTERMEDIARIES AND THE AFORESAID UNDERTAKING OF ICICI BANK.*
4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED

SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS)

REGULATIONS, 2009 WHILE MAKING THE ISSUE.- NOTED FOR COMPLIANCE

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR- NOT APPLICABLE AS THE PRIOR ISSUE IS YET TO BE LISTED**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

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 PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.- NOTED FOR COMPLIANCE**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.- NOTED FOR COMPLIANCE**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUBREGULATION 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 PROSPECTUS.**
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE. - NOTED FOR COMPLIANCE**

Note:

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and 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 the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies, Mumbai in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 56, 60 and 60B of the Companies Act.

Disclaimer Statement from our Company and the Lead Manager

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.rjbiotech.com, would be doing so at his or her own risk.

Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated [●], the Underwriting Agreement dated [●] entered into among the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Makers and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of financial services for which they may in future receive, compensation.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Price Information and the track record of the past Issues handled by the Lead Manager

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to this Draft Prospectus and the website of the Lead Manager at www.sarthiwm.in

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs.

2,500 lacs, pension funds with minimum corpus of Rs. 2,500 lacs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Aurangabad only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable Draft Prospectus laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of this Draft Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the RoC filing.

Filing

This Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporation Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at Everest Building, 100, Marine Drive, Mumbai 400 002, Maharashtra.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from SME Platform of BSE. However application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

The SME Platform of BSE has given its in-principal approval for using its name in our Draft Prospectus vide its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within twelve Working Days from the Issue Closing Date

Consents

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary, the Compliance Officer, the Auditors, the Banker to the Issue; and (b) Lead manager, Underwriters, Market Makers Registrar to the Issue, Escrow Collection Bank, Banker(s) to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Draft Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report shall not be withdrawn up to the time of delivery of this Prospectus for filing with the RoC.

Expert to the Issue

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

1. Report of the Peer Reviewed Auditor on Statement of Tax Benefits

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the section 'Objects of the Issue' on page 85 of the Draft Prospectus.

Details of Fees Payable

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Mandate Letter dated October 18, 2012 issue between our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated [●], a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, Credit Rating Agency and Advertiser, etc. will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement to be entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

Previous Issues of Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” on page 67 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any capital issue during the last three years:

None of the equity shares of our Group Entities are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years

Promise versus performance for Our Company

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

Mechanism for Redressal of Investor Grievances

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on December 31, 2012. For further details, please refer to the chapter titled “*Our Management*” beginning on page number 148 of this Draft Prospectus.

Our Company has appointed Mitesh Gadhiya as the Company Secretary and Compliance Officer and he may be contacted at the following address.:

R J Bio-Tech Limited

Siddharth Arcade, Opp.MTDC,
Railway Station Road,
Aurangabad-431005

Tel: +91 240 2354 912 / 2354 915

Email: mitesh@rjbiotech.com

Website: www.rjbiotech.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

Changes in Auditors during the last three financial years

There have been no changes in the statutory auditors of our Company in the past three years, except that M/s. Ashok Patil & Co, Chartered Accountants, were appointed the statutory auditors of our Company in place of the existing statutory auditors M/s. Rahul Bang & Associates, Chartered Accountants w.e.f. June 08, 2009, who had resigned as the statutory auditor.

Capitalisation of Reserves or Profits

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 67 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Purchase of Property

Other than as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII- ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non- Institutional applicants and other applicants whose application amount exceeds Rs. 2 lakhs can participate in the Issue only through the ASBA process. The Retail Individual Applicants can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details please refer to the section titled, 'Main Provisions of the Articles of Association of the Company' on page 272 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please refer to the section titled 'Dividend Policy' on page 176 of this Draft Prospectus.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Draft Prospectus at the price of Rs. 20/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled 'Basis of Issue Price' on page 90 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT

As per the provisions of the Depositories Act, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The investors have an option either to receive the security certificate or to hold the securities with depository. The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company. In accordance with Section 109B

of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act.

Migration to Main Board

Our company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of our company is more than 10 crores but below Rs. 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this issue are proposed to be listed on the SME Platform of BSE (SME Exchange) wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the Market Making arrangement see chapter titled “General Information” on page 59 of this Draft Prospectus.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 6000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution as detailed in “Capital Structure” beginning on page 67 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please see “Main Provisions of the Articles of Association” beginning on page 272 of this Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Aurangabad, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital does not exceed ten crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ('SME Exchange', in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled 'Terms of the Issue' and 'Issue Procedure' on page 243 and 249 of this Draft Prospectus.

Following is the Issue structure:

Public Issue of 25,02,000 equity shares of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 20/- per Equity Share (including a share premium of Rs. 10/- per Equity Share) aggregating to Rs. 500.40 lacs ('the Issue') by R J Bio-Tech Limited ('RJBL' or the 'Company' or the 'Issuer').

The Issue comprises a Net Issue to Public of 23,76,000 Equity Shares ('the Net Issue') and a reservation of 1,26,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion').

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	23,76,000 Equity Shares	1,26,000 Equity Shares
Percentage of Issue Size available for allocation	94.96% of the Issue size	5.04 % of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 6,000 Equity Shares and further allotment in multiples of 6,000 Equity Shares each. For further details please refer to the Basis of Allotment' on page 257 of this Draft Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- For Retail Individuals:	1,26,000 Equity Shares

	Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-	
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 23,76,000 Equity Shares. For Retail Individuals: Such number of Equity Shares in Multiples of 6,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	1,26,000 Equity Shares
Mode of Allotment	Dematerialized Form or Physical Form, at the option of the applicant	Dematerialized Form or Physical Form, at the option of the applicant
Trading Lot	6,000 Equity Shares	6,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

*50 % of the shares offered are reserved for applications below Rs. 2 lakh and the balance for higher amount applications.

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form as the issue size is less than Rupees Ten Crores as per Section 68B of the Companies Act.

APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat and physical form. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in this Draft Prospectus and the Application Form as would be required for filing this Draft Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in this Draft Prospectus and the ASBA as would be required for filing this Draft Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents and Eligible NRIs applying on a repatriation basis	[●]

In accordance with the SEBI (ICDR) Regulations in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: ,Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*'. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

PARTICIPATION BY ASSOCIATES OF LM

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE limited i.e. www.bseindia.com.

OPTION TO SUBSCRIBE IN THE ISSUE

- a) Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- b) The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON REPATRIATION

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at our registered Office. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the forms meant for the reserved category. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of this Draft Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.
- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 (SEBI FII Regulations'), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its

underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

- (c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form . Failing this, our Company

reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that our Company , the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Applicants

The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000.

b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

INFORMATION FOR THE APPLICANTS:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Aurangabad.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6 000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

- a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
- b) The balance net offer of shares to the public shall be made available for allotment to
 - i. individual applicants other than retails individual investors and
 - ii. other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs 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 Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the

Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price of Rs. 20/- per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non repatriation basis: ,R J Bio-Tech Limited – Public Issue - R`.
 - In case of Non Resident Retail Applicants applying on repatriation basis: ,R J Bio-Tech Limited – Public Issue – NR`
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS :

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- (ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of, know your client' norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ('PAN') to be the sole identification number for all participants transacting in the

securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 6,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;

- Applications by US persons other than in reliance on Regulation S or ,qualified institutional buyers` as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, which is reproduced below:

‘Any person who:

- a. Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b. Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.’**

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated [●] this issue is 100% Underwritten.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

PRE-ISSUE ADVERTISEMENT

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ securities certificates 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 of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ('MICR') code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centers 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 applicants having a bank account at any of such centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centers where such facility has been made available and whose refund amount exceeds Rs. 10.00 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. 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 applicant's bank receiving the credit would be borne by the applicant.
4. **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' 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 applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. 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.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment of Equity Shares shall be made within 15 (fifteen) days of the Issue Closing Date;
2. Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15% p.a. for any delay beyond the 15 (fifteen) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time; and
6. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
7. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non- ASBA applications while finalizing the basis of allotment;
8. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 73 of the Companies Act;
2. Details of all monies utilised out of the issue referred to in 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilised;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue Closing Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's Equity shares bear an ISIN No. INE[●]

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('**ASBA Account**') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the

Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular 1 of 2012, with effect from April 10, 2012 ("Circular 1 of 2012"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2012 will be valid until the DIPP issues an updated circular. (It is expected on April, 10 2013 and effective from April 10, 2013). FIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a non-resident does not require the prior approval of FIPB or RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them

SECTION VIII- MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, *inter alia*, 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 our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Article No.	Title of Article	Contents
3.	Share Capital	The Authorised Share Capital of the Company shall be such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum Of Association of the Company, with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.
4.	Increase of capital by the Company how carried into effect	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe 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 Meeting 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.
5.	New Capital same as existing capital	Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6.	Non Voting Shares	The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
7.	Redeemable Preference Shares	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, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
8.	Voting rights of preference shares	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

Article No.	Title of Article	Contents
9.	Provisions to apply on issue of Redeemable Preference Shares	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <ul style="list-style-type: none"> (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of 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 have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed. (d) Where any such Shares are redeemed otherwise then 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 "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company. (e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
10.	Reduction of capital	<p>The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <ul style="list-style-type: none"> (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account. <p>in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
11.	Purchase of own Shares	<p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
12.	Sub-division consolidation and cancellation of Shares	<p>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which 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.</p>

MODIFICATION OF RIGHTS

Article No.	Title of Article	Contents
13.	Modification of rights	<p>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 Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking pari passu therewith.</p>

SHARES, CERTIFICATES AND DEMATERIALISATION

Article No.	Title of Article	Contents
14.	Restriction on allotment and return of allotment	The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
15.	Further issue of shares	<p>(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:</p> <p>(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 nearly as circumstances admit, to the capital paid-up on those Shares at that date;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined;</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person</p>

Article No.	Title of Article	Contents
		<p>concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.</p> <p>(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.</p> <p>(a) If a Special Resolution to that effect is passed by the Company in General Meeting; or</p> <p>(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 that General Meeting (including the casting vote, if any, of the Chairman) by 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 proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>(3) Nothing in sub-clause (c) of (I) hereof shall be deemed;</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.</p> <p>(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:</p> <p>(a) To convert such debentures or loans into Shares in the Company; or</p> <p>(b) To subscribe for Shares in the Company</p> <p>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:</p> <p>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.</p>
16.	Shares at the disposal of the	<p>Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or</p>

Article No.	Title of Article	Contents
	Directors	(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 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 for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
16	Power to offer Shares/options to acquire Shares	<p>(1) Without prejudice to the generality of the powers of the Board under Article 16 or in 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 thereunder 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 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.</p> <p>(2) In addition to the powers of the Board under Article 16A(1), the Board may also allot the Shares referred to in Article 16A(1) to any trust, whose principal objects would <i>inter alia</i> include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(1)] 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.</p> <p>(3) The Board, or any Committee thereof duly authorised 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 16A(1) and (2) above.</p>
17.	Application of premium received on Shares	<p>(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 securities 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 securities premium account were paid up share capital of the Company.</p> <p>(2) The securities premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(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</p>

Article No.	Title of Article	Contents
		(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
18.	Power also to Company in General Meeting to issue Shares	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.
18A	Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>(1) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further 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) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or 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. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose.</p> <p>(2) In addition to the powers contained in Article 18A(1), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
19.	Shares at a discount	<p>The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;</p> <p>(b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and</p> <p>(c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.</p>

Article No.	Title of Article	Contents
20.	Installments of Shares to be duly paid	If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.
21.	The Board may issue Shares as fully paid-up	Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.
22.	Acceptance of Shares	Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.
23.	Deposit and call etc., to be debt payable	The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
24.	Liability of Members	Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.
25.(A)	Dematerialisation of securities	<p>Definitions:</p> <p>Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository.</p> <p>SEBI "SEBI" means the Securities and Exchange Board of India.</p> <p>Bye-Laws "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act "Depositories Act" means the Depositories Act, 1996 including any</p>

Article No.	Title of Article	Contents
		<p>statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
25.(B)	Dematerialisation of securities	Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
25.(C)	Options to receive security certificates or hold securities with depository	<p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.</p> <p>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
25.(D)	Securities in depositories to be in fungible form	All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
25.(E)	Rights of depositories and beneficial owners	<p>(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
25.(F)	Depository To Furnish	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

Article No.	Title of Article	Contents
	Information	may be specified by the bye-laws and the Company in that behalf.
25.(G)	Service of documents	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.
25.(H)	Option to opt out in respect of any security	If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
25.(I)	Sections 83 and 108 of the Act not to apply	Notwithstanding anything to the contrary contained in the Articles: (1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
26.	Share certificate	(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.
26A.	Limitation of time for issue of certificates	Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and 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 of Shares to one or several joint holders shall be a sufficient delivery to all such holder.
27.	Renewal of share	No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been

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	certificates	duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.
28.	Issue of new certificate in place of one defaced, lost or destroyed	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, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf. The provision of this Article shall mutatis mutandis apply to Debentures of the Company
29.	The first name joint holder deemed sole holder	If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.
30.	Issue of Shares without Voting Rights	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 thought fit and as may be permitted by law.
31.	Buy-Back of Shares and Securities	Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.
32.	Employees Stock Options	The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the

Article No.	Title of Article	Contents
	Scheme/ Plan	Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.
33.	Sweat Equity	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.
34.	Postal Ballot	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.
35.	Company not bound to recognize any interest in Shares other than of registered holder	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
36.	Trust recognised	<p>(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p> <p>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p>
37.	Declaration	(1) Notwithstanding anything herein contained a person whose name is at any time

Article No.	Title of Article	Contents
	by person not holding beneficial interest in any Shares	<p>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</p> <p>(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.</p> <p>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of 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</p> <p>(4) Notwithstanding anything contained in the Act and Articles 35 and 36 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 Registrar with regard to such declaration.</p>
38.	Funds of Company not to be applied in purchase of Shares of the Company	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 of or for any Share in the Company in its holding Company.

UNDERWRITING AND BROKERAGE

Article No.	Title of Article	Contents
39.	Commission may be paid	Subject to the provisions of Section 76 of the Act, the Company may at anytime pay 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 but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.

Article No.	Title of Article	Contents
40.	Brokerage	The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
41.	Commission to be included in the annual return	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

Article No.	Title of Article	Contents
42.	Interest out of capital	Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for 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 provided by 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 provisions of the plant.

DEBENTURES

Article No.	Title of Article	Contents
43.	Debentures with voting rights not to be issued	<p>(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.</p> <p>(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.</p> <p>(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.</p> <p>(d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.</p> <p>(e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>(f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for</p>

Article No.	Title of Article	Contents
		<p>the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.</p> <p>(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of Debenture Trust Deed and inspection thereof.</p> <p>(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.</p>

CALLS

Article No.	Title of Article	Contents
44.	Directors may make calls	<p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
45.	Notice of call when to be given	Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
46.	Call deemed to have been made	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
47.	Directors may extend time	The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.
48.	Amount payable at fixed time or by installment	If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment

Article No.	Title of Article	Contents
	s to be treated as calls	accordingly.
49.	When interest on call or installment payable	If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
50.	Evidence in action by Company against share holder	On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
51.	Payment in anticipation of calls may carry interest	<p>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.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall <i>mutatis mutandis</i> apply to the calls on Debentures of the Company.</p>

LIEN

Article No.	Title of Article	Contents
52.	Partial payment not to preclude forfeiture	Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
53.	Company's lien on Shares/ Debentures	The Company shall have first and paramount lien upon all 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 exempt from the provisions of this Article.
54.	As to enforcing lien by sale	<p>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same.</p> <p>PROVIDED THAT no sale shall be made:-</p> <p>(a) Unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p> <p>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from on behalf of and in the name of such Members</p> <p>The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.</p>
55.	Application of proceeds of sale	<p>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and</p> <p>(b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).</p>

FORFEITURE OF SHARES

Article No.	Title of Article	Contents
56.	If money payable on Shares not paid notice to be given	If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him 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.
57.	Sum payable on allotment to be deemed a call	For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
58.	Form of notice	The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
59.	In default of payment Shares to be forfeited	If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
60.	Notice of forfeiture to a Member	When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
61.	Forfeited Shares to be the property of the Company and may be sold etc.	Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

Article No.	Title of Article	Contents
62.	Member still liable for money owing at the time of forfeiture and interest	Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand 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 the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
63.	Effects of forfeiture	The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
64.	Power to annul forfeiture	The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
65.	Declaration of forfeiture	<p>(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary</p> <p>(b) 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.</p> <p>(c) The Company may receive 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.</p> <p>(d) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(e) 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.</p> <p>(f) 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.</p>
66.	Provisions of these articles as to forfeiture to apply in	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Article No.	Title of Article	Contents
	case of nonpayment of any sum	
67.	Cancellation of shares certificates in respect of forfeited Shares	Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
68.	Evidence of forfeiture	The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
69.	Validity of sale	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
70.	Surrender of Shares	The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Article No.	Title of Article	Contents
71.	No transfers to minors etc.	No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
72.	Instrument of transfer	The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Article No.	Title of Article	Contents
73.	Application for transfer	<p>(a) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.</p> <p>(b) 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.</p> <p>(c) For the purposes of clause (b) above 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 instrument 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.</p>
74.	Execution of transfer	The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
75.	Transfer by legal representatives	A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
76.	Register of Members etc when closed	The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
77.	Directors may refuse to register transfer	Subject to the provisions of Section 111, 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 on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

Article No.	Title of Article	Contents
78.	Death of one or more joint holders of Shares	In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
79.	Titles of Shares of deceased Member	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
80.	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.
81.	Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
82.	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.

Article No.	Title of Article	Contents
83.	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.
84.	No fee on transfer or transmissions	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
85.	Transfer to be presented with evidence of title	Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
86.	Company not liable for disregard of a notice prohibiting registration of transfer	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer 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, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 to do so, though it may have been entered or referred to in some book 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.

SHARE WARRANTS

Article No.	Title of Article	Contents
87.	Power to issue share	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

Article No.	Title of Article	Contents
	warrants	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.
88.	Deposit of share warrants	<p>(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.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>
89.	Privileges and disabilities of the holders of share warrant	<p>(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.</p> <p>(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.</p>
90.	Issue of new share warrant 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.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Article No.	Title of Article	Contents
91.	Share may be converted into stock	<p>The Company may, by Ordinary Resolution:</p> <p>Convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.</p>
92.	Transfer of stock	The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as

Article No.	Title of Article	Contents
		<p>circumstances admit.</p> <p>PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.</p>
93.	Right of stock holders	The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
94.	Regulation applicable to stock and share warrant	Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Article No.	Title of Article	Contents
95.	Power to borrow	<p>Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source.</p> <p>PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.</p>
96.	The payment or repayment of moneys borrowed	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

Article No.	Title of Article	Contents
		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.
97.	Bonds, Debentures , etc. to be subject to control of Directors	Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
98.	Terms of issue of Debentures	Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
99.	Mortgage of uncalled capital	If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
100.	Indemnity may be given	Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

MEETING OF MEMBERS

Article No.	Title of Article	Contents
101.	Statutory meeting	The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
102.	Annual General Meeting	<p>(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.</p> <p>(b) An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall</p>

Article No.	Title of Article	Contents
		<p>lapse between the date of one Annual General Meeting and that of next.</p> <p>(c) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time with which any Annual General Meeting may be held.</p> <p>(d) Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>(e) The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.</p> <p>(f) Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor.</p> <p>(g) At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.</p> <p>(h) The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.</p>
103.	Report statement and registers to be laid before the Annual General Meeting	The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.
104.	Extra-Ordinary General Meeting	All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.
105.	Requisitionists' Meeting	<p>(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:-</p> <p>(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.</p>

Article No.	Title of Article	Contents
		<p>(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.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be:</p> <p>(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</p> <p>(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 lakh in all.</p> <p>(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.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(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.</p> <p>i. In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting;</p> <p>ii. In the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto.</p> <p>PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, 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 thereof.</p> <p>(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 Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(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</p>

Article No.	Title of Article	Contents
		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.
106.	Extra-Ordinary General Meeting by Board and by requisition When a Director or any two Members may call an Extra Ordinary General Meeting	106. (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.
107.	Contents of requisition, and number of requisitionists required and the conduct of Meeting	(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 (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause 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 the consideration of those matters on a day not later than forty-five days from the date of the 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

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		<p>clause (l) whichever is less.</p> <p>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.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(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</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition.</p> <p>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.</p> <p>(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.</p> <p>(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.</p>
108.	Length of notice of Meeting	<p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
109.	Contents and manner of service of notice and persons on	<p>(1) Every notice of a 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.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1)</p>

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	whom it is to be served	<p>to (4) Section 53 of the Act;</p> <p>(b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by 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</p> <p>(c) 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 Members of the Company</p> <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of 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.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
110.	Special and ordinary business and explanatory statement	<p>(1) (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT where any such item of special business at the Meeting of the Company relates 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 twenty percent of the paid up-share capital of the other company.</p> <p>(3) 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 shall be specified in the statement aforesaid.</p>

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111.	Omission to give notice not to invalidate proceedings	The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

MEETING OF MEMBERS

Article No.	Title of Article	Contents
112.	Notice of business to be given	No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.
113.	Quorum	Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. 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 a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.
114.	If quorum not present when Meeting to be dissolved and when to be adjourned	If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, 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.
115.	Resolution passed at adjourned Meeting	Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is 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.
116.	Chairman of General Meeting.	At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as

Article No.	Title of Article	Contents
		Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
116(A)	Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required	Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
117.	Business confined to election of Chairman whilst the Chair is vacant	No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
118.	Chairman may adjourn Meeting	<p>(a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.</p> <p>(b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place</p> <p>(c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting.</p> <p>(d) 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.</p>
119.	How questions are decided at Meetings	Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
120.	Chairman's declaration of result of voting	A declaration by the Chairman of the Meeting 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 book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or

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	on show of hands	proportion of votes cast in favour of or against such resolution.
121.	Demand of poll	Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
122.	Time of taking poll	A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
123.	Chairman's casting vote	In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
124.	Appointment of scrutineers	Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed 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 willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
125.	Demand for poll not to prevent transaction of other business	The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
126.	Special notice	Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation

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		or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Article No.	Title of Article	Contents
127.	Member paying money in advance not to be entitled to vote in respect thereof	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.
128.	Restriction on exercise of voting rights of Members who have not paid calls	No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
129.	Number of votes to which Member entitled	<p>Subject to the provisions of Article 127, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company.</p> <p>Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares.</p> <p>A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period proceeding the</p>

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		date on which the vote is taken.
130.	Votes of Members of unsound mind	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.
131.	Votes of joint Members	If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
132.	Representation of body corporate	<p>(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p>
133.	Votes in respects of deceased or insolvent	Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as

Article No.	Title of Article	Contents
	Members	the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
134.	Voting in person or by proxy	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.
135.	Rights of Members to use votes differently	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons 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
136.	Proxies	Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
137.	Proxy either for specified meeting or for a period	An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
138.	No proxy to vote on a show of hands	No proxy shall be entitled to vote by a show of hands.
139.	Instrument of proxy when to be deposited	The instrument appointing a proxy and the Power of Attorney or 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 at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
140.	Form of Proxy	Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
141.	Validity of votes given	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 revocation of the proxy

Article No.	Title of Article	Contents
	by proxy notwithstanding revocation of authority	or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
142.	Time for objection to vote	No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
143.	Chairman of any Meeting to be the judge of Validity of any value	The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
144.	Custody of Instrument	If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Article No.	Title of Article	Contents
145.	Number of Directors	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
146.	Appointment of Directors	The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.
147.	Debenture Directors	Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or

Article No.	Title of Article	Contents
		holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
148.	Nominee Director or Corporation Director	<p>(a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places.</p> <p>(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>(c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off.</p> <p>(d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an</p>

Article No.	Title of Article	Contents
		<p>officer(s) of the Corporation..</p> <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
149.	Special Director	<p>(a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>(b) The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.</p>
150.	Limit on number of non-retiring Directors	<p>The provisions of Articles 147, 148 and 149 are subject to the provisions of Section 255 of the Act and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
151.	Alternate Director	<p>The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any</p>

Article No.	Title of Article	Contents
		provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.
152.	Directors may fill in vacancies	The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.
153.	Additional Directors	Subject to the provisions of Section 260 of the Act, the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
154.	Qualification shares	A Director need not hold any qualification shares.
155.	Directors' sitting fees	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 sum 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.
156.	Extra remuneration to Directors for special work	<p>Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.</p> <p>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 either:</p> <ol style="list-style-type: none"> by way of monthly, quarterly or annual payment with the approval of the Central Government; or by way of commission if the Company by a Special Resolution authorised such payment.
157.	Traveling expenses incurred by Directors	The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting

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	on Company's business	such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
158.	Director may act notwithstanding vacancy	The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.
159.	Board resolution necessary for certain contracts	<p>(a) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:</p> <p>(a) For the sale, purchase or supply of goods, materials or services; or</p> <p>(b) for underwriting the subscription of any Share in or debentures of the Company;</p> <p>(c) nothing contained in clause (a) of sub-clause (1) shall affect:-</p> <p>(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business.</p> <p>PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>(b) Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(c) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.</p> <p>(d) If consent is not accorded to any contract under this Article, anything done in</p>

Article No.	Title of Article	Contents
		<p>pursuance of the contract will be voidable at the option of the Board.</p> <p>(e) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p>
160.	Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director	<p>When the Company:-</p> <p>(a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.</p>
161.	<p>Directors of interest</p> <p>General notice of disclosure</p>	<p>(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract 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 in the manner provided in Section 299(2) of the Act.</p> <p>(b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.</p>
162.	Directors and Managing Director may contract with Company	<p>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.</p>

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163.	Disqualification of the Director	<p>A person shall not be capable of being appointed as a Director of the Company if:-</p> <ul style="list-style-type: none"> (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 years has not elapsed from the date of expiry of the sentence; (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.
164.	Vacation of office by Directors	<p>The office of Director shall become vacant if:-</p> <ul style="list-style-type: none"> (a) he is found to be of unsound mind by a Court of competent jurisdiction; or (b) he applies to be adjudged an insolvent; or (c) he is adjudged an insolvent; or (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or (g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or (j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or (k) if by notice in writing to the Company, he resigns his office, or

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		(l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
165.	Vacation of office by Directors (contd.)	<p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 164 hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
166.	Removal of Directors	<p>(a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.</p> <p>(b) Special Notice as provided by these Articles or Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(c) 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 (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were 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:</p> <p>Provided that copies of the representation need not be sent or read out at the Meeting 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 concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p>

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		<p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 152 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. 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.</p> <p>(f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 152 or Section 262 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(g) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
167.	Interested Directors not to participate or vote in Board's proceedings	<p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings 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 such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.</p> <p>Provided however, that nothing herein contained shall apply to:-</p> <p>(a) 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 a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
168.	Director may be director of companies	<p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company</p>

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	promoted by the Company	except in so far Section 309(6) or Section 314 of the Act may be applicable.
169.	Appointment of Sole Selling Agents	<p>The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.</p> <p>The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.</p>

ROTATION AND APPOINTMENT OF DIRECTORS

Article No.	Title of Article	Contents
170.	Rotation of Directors	<p>Not less than two third of the total number of Directors shall:</p> <p>(a) Be persons whose period of the office is liable to termination by retirement by rotation and</p> <p>(b) Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.</p>
171.	Retirement of Directors	Subject to the provisions of Articles 149 and 151, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
172.	Retiring Directors	Subject to the provisions of Section 256 of the Act and Articles 147 to 154, at every Annual General Meeting of the Company, one-third or 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 the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 185, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
173.	Appointment of Technical or Executive Directors	<p>(a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.</p> <p>(b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will</p>

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		expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
174.	Ascertainment of Directors retiring by rotation and filling of vacancies	Subject to Section 256 of the Act, the Directors retiring by rotation under Article 172 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.
175.	Eligibility for re-election	A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.
176.	Company to fill vacancies	At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
177.	Provision in default of appointment	<p>(a) If the place of retiring Director is not so 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 day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the 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:</p> <ul style="list-style-type: none"> (i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting 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 appointment. (iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or <p>(c) The proviso to the sub-section (2) of section 263 of the Act is applicable to the case.</p>
178.	Company may increase or reduce the number of Directors	Subject to the provisions of Section 252, 255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.

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	or remove any Director	
179.	Appointment of Directors to be voted individually	<p>(a) 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.</p> <p>(b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>
180.	Notice of candidature for office of Directors except in certain cases	<p>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director 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.</p> <p>(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices 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 regional language of that place.</p> <p>(3) Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(4) A person other than:</p> <p>(a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or</p> <p>(b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office</p> <p>shall not act as a Director of the Company unless he has within thirty days of his</p>

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		appointment signed and filled with the Registrar his consent in writing to act as such Director.
181.	Disclosure by Directors of their holdings of their Shares and debentures of the Company	Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.
182.	Votes of Body Corporate	A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

MANAGING DIRECTOR

Article No.	Title of Article	Contents
183.	Powers to appoint Managing Director	<p>Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956.</p> <p>(b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be, while he continues to hold that office, subject to retirement by rotation.</p>

Article No.	Title of Article	Contents
184.	Remuneration of Managing Director	Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.
185.	Special position of Managing Director	Subject to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
186.	Powers of Managing Director	The Director may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
187.		The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.
188.		Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company.
189.		The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
190.		Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from

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		time to time be agreed between him and the Directors of the Company.
190A	Appointment and powers of Manager	The Board may, from time to time, appoint any person as Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR

Article No.	Title of Article	Contents
191.	Power to appoint Whole-Time Director and/or Whole-time Directors	Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and/or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers, authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 192 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.
192.	To what provisions Whole time Directors shall subject	Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/they shall <i>ipso facto</i> and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.

193.	Seniority of Whole Time Director and Managing Director	If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article, the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.
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PROCEEDINGS OF THE BOARD OF DIRECTORS

Article No.	Title of Article	Contents
194.	Meeting of Directors	The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
195.	Quorum	<p>(a) Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.</p> <p>PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of directors who are not interested present at the Meeting being not less than two shall be, the quorum during such time.</p> <p>(b) For the purpose of clause (a)</p> <p>(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and</p> <p>(ii) "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p>
196.	Procedure when Meeting adjourned for want of quorum	If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.
197.	Chairman	The Chairman of the Board of Directors shall be the Chairman of the meetings of

Article No.	Title of Article	Contents
	of Meeting	Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.
198.	Question at Board meeting how decided	Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
199.	Powers of Board meeting	A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.
200.	Directors may appoint Committee	The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.
201.	Meeting of the Committee how to be governed	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.
202.	Circular resolution	<p>(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.</p>

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203.	Acts of Board or Committee valid notwithstanding defect in appointment	All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

Article No.	Title of Article	Contents
204.	General powers of management vested in the Board of Directors	<p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting :-</p> <ol style="list-style-type: none"> sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking; remit, or give time for the repayment of, any debt due by a Director, invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of

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		<p>the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p> <p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)</p> <p>(ii) Provided further that the expression “temporary loans” in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
205.	Certain powers to be exercised by the Board only at Meetings	<p>(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;</p> <p>(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,</p> <p>(b) the power to issue Debentures,</p> <p>(c) the power to borrow moneys otherwise than on Debentures,</p> <p>(d) the power to invest the funds of the Company, and</p> <p>(e) the power to make loans</p> <p>Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c),(d) and (e) to the extent specified below.</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1)(d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1)(e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>
206.	Certain powers of the Board	<p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p>

Article No.	Title of Article	Contents
		<p>(1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.</p> <p>(3) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>(4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p>(5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.</p> <p>(6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>(7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.</p> <p>(8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.</p> <p>(9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.</p> <p>(10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(11) Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>(12) To execute in the name and on behalf of the Company, in favour of any Director or</p>

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		<p>other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>(13) To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>(14) To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>(15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to</p>

Article No.	Title of Article	Contents
		<p>keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>(17) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.</p> <p>(18) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>(19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>(20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>(21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p>

Article No.	Title of Article	Contents
		<p>(22) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>(23) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>(24) To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p>(25) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>(26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p>(27) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(28) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(29) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(30) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on freehold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(31) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p>

Article No.	Title of Article	Contents
		<p>(32) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(33) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(34) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

MANAGEMENT

Article No.	Title of Article	Contents
207.	Prohibition of simultaneous appointment of different categories of managerial personnel	<p>The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :-</p> <p>a) Managing Director and b) Manager.</p>

MINUTES

Article No.	Title of Article	Contents
208.	Minutes to be made	<p>(1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:</p> <p>(a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p>

Article No.	Title of Article	Contents
		(b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.
209.	Minutes to be evidence of the proceeds Books of minutes of General Meeting to be kept	<p>(a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.</p> <p>(b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.</p>
210.	Presumptions	Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY

Article No.	Title of Article	Contents
211.	Secretary	The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Appointment and Qualifications of Secretary) Rules, 1988.
212.	The Seal, its custody and use	<p>(a) Seal</p> <p>The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.</p>

Article No.	Title of Article	Contents
		<p>(b) Common Seal for use outside India</p> <p>The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it in the manner provided under Section 50 of the Companies Act, 1956</p> <p>(c) Safe Custody of Seal</p> <p>The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the Company.</p> <p>(d) Affixing of Seal on deeds and instruments'</p> <p>On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other person or persons Authorised in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed.</p> <p>(e) Affixing of Seal on Share Certificates</p> <p>Notwithstanding anything contained in Clause (d) above, the Seal on Share Certificates shall be affixed in the presence of such persons as are Authorised from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules in force for the time being.</p> <p>(f) Removal of Common Seal outside the office premises</p> <p>The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office for affixture and for return to safe custody to the Registered Office.</p>

DIVIDENDS AND CAPITALISATION OF RESERVES

Article No.	Title of Article	Contents
213.	Division of profits	<p>(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;</p> <p>(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.</p>
214.	The Company at General Meeting may declare	<p>The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.</p>

Article No.	Title of Article	Contents
	dividend	
215.	Dividends out of profits only	No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
216.	Interim Dividend	The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
217.	Debts may be deducted	<p>(a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p> <p>(b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.</p>
218.	Capital paid-up in advance to carry interest, not the right to earn dividend	Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
219.	Dividends in proportion to amounts paid-up	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
220.	No Member to receive dividend while indebted to the Company and the Company's right in respect	No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

Article No.	Title of Article	Contents
	thereof	
221.	Effect of transfer of Shares	A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
222.	Dividend to joint holders	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.
223.	Dividend how remitted	The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
224.	Notice of dividend	Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
225.	Reserves	The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
226.	Dividend to be paid within time required by law.	<p>The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-</p> <ul style="list-style-type: none"> (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
227.	Unpaid or unclaimed	<ul style="list-style-type: none"> (a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the

Article No.	Title of Article	Contents
	dividend	<p>payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "R J Bio-Tech Limited____ (year) Unpaid Dividend Account".</p> <p>Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.</p> <p>(c) No unclaimed or unpaid dividend shall be forfeited by the Board.</p>
228.	Set-off of calls against dividends	Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
229.	Dividends in cash	No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
230.	Capitalisation	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
231.	Board to give effect	The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

Article No.	Title of Article	Contents
232.	Fractional certificates	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and</p> <p>(b) Generally do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power:</p> <p>(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also</p> <p>(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>

ACCOUNTS

Article No.	Title of Article	Contents
233.	Books to be kept	<p>(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:</p> <p>(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place</p> <p>(b) all sales and purchases of goods by the Company</p> <p>(c) the assets and liabilities of the Company and</p> <p>(d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government</p> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p>

		(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.
234.	Inspection by Members	No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.
235.	Statements of accounts to be furnished to General Meeting	The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
236.	Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	<p>(1) The Company shall comply with the requirements of Section 219 of the Act.</p> <p>(2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.</p> <p>(3) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>
237.	Accounts to be audited	Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
238.	Appointment of Auditors	<p>(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.</p> <p>(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.</p> <p>(3) At every Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:</p> <ul style="list-style-type: none"> (a) he is not qualified for re-appointment; (b) he has given to the Company notice in writing of his unwillingness to be re-appointed; (c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

		<p>(d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.</p> <p>(4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.</p> <p>(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.</p> <p>(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.</p>
239.	Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

DOCUMENTS AND NOTICES

Article No.	Title of Article	Contents
240.	To whom documents must be served or given	Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company
241.	Members bound by	Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of

	documents or notices served on or given to previous holders	such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.
242.	Service of documents on the Company	A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.
243.	Authentication of documents and proceedings	Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.

REGISTERS AND DOCUMENTS

Article No.	Title of Article	Contents
244.	Registers and documents to be maintained by the Company	<p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ul style="list-style-type: none"> (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act (b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act. (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act. (d) Foreign register, if so thought fit, as required by Section 157 of the Act (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act. (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act. (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act. (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act. (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act. (j) Register of loans, guarantees, or securities given to the other companies under the

Article No.	Title of Article	Contents
		same management as required by Section 370 of the Act.
245.	Inspection of Registers	The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

WINDING UP

Article No.	Title of Article	Contents
246.	Distribution of assets	If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
247.	Distribution in specie or kind	<p>(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.</p> <p>(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be</p>

Article No.	Title of Article	Contents
		<p>prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
248.	Right of shareholders in case of sale	A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.
249.	Directors and others right to indemnity	Subject to the provisions of Section 201 of the Act, every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.
250.	Director, officer not responsible for acts of others	Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

Article No.	Title of Article	Contents
251.	Secrecy Clause	Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
252.	No Member to enter the premises of the Company without permission	No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION IX- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Draft Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Siddharth Arcade, Opp.MTDC, Railway Station Road, Aurangabad-431005, Maharashtra, India, from date this Draft Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material contracts

1. Mandate letter dated October 18,2012 issue by our Company to the Lead manager
2. Issue Agreement (Memorandum of understanding) dated [●] among our Company and the Lead Manager.
3. Agreement dated [●] between our Company and the Registrar to the Issue.
4. Escrow agreement dated [●] among our Company, the Lead Manager, the Escrow Collection Banks, and the Registrar to the Issue.
5. Underwriting agreement dated [●] between our Company, Lead Manager and Market Maker.
6. Market Making Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
7. Agreement among NSDL, our Company and the Registrar to the Issue dated [●].
8. Agreement among CDSL, our Company and the Registrar to the Issue dated [●].

Material documents

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated December 31, 2012 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated January 28, 2013 authorizing the Issue.
4. Statement of Tax Benefits dated January 24, 2013, issued by Peer Reviewed Auditors, Sunil Salunke & Associates, Chartered Accountants.
5. Report of the Peer Reviewed Auditors, January 24, 2013, Chartered Accountants on the Restated Financial Statements for the Financial Year ended as on March 31, 2012, 2011, 2010, 2009, 2008 and for the 6 months period ended September 30, 2012 of our Company.
6. Copy of Certificate from the Statutory Auditor, Ashok Patil & Co., Chartered Accountants dated February 14, 2013 regarding the source and deployment of funds.
7. Copies of Annual reports of the Company for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 and Audited Financials for the 6 months ended September 30, 2012.
8. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Legal Advisor to the Issue, Bankers to our Company, the Lead Manager, Registrar to the Issue, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.

9. Copy of approval from BSE *vide* letter dated [●] to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
10. Due Diligence Certificate dated [●] from the Lead Manager.
11. Copy of the Special Resolution dated January 28, 2013 for the detailed terms of appointment of Mr. O S Jaiswal as a Manager and CEO of the Company.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

Signed by the Directors of our Company

Name	Designation	Signature
Mr. Raghavendra Joshi	Chairman	
Mrs. Meena Joshi	Non-Executive Director	
Mr. Shashikant Shastri	Non-Executive Director	
Mr. Chandraprakash Tripathi	Independent Director	
Mr. Balaji Singh	Independent Director	
Mr. Anil Dharmadhikari	Independent Director	

Signed by the Chief Executive Officer

Mr. O. S. Jaiswal

Date: February 21, 2013
Place: Aurangabad

Table 1

FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY SARTHI CAPITAL ADVISOR PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	Closing price on listing date	% change in price on listing date (closing) vs issue price	Benchmark index on listing date (closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (closing)	Closing price as on 20 th calendar day from listing day (closing)	Benchmark index as on 20 th calendar day from listing day (closing)	Closing price as on 30 th calendar day from listing day (closing)	Benchmark index as on 30 th calendar day from listing day (closing)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources : All share price data is from www.bseindia.com

Note:-

1. The BSE Sensex is considered as the Benchmark Index
2. Price on BSE is considered for all of the above calculations
3. In case 10th/20th/30th day is not a trading day, closing price on BSE of the next trading day has been considered

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs.Cr)	No.s of IPOs trading at discount on listing date			No.s of IPOs trading at Premium on listing date			No.s of IPOs trading at discount on 30 th Calendar day from listing date			No.s of IPOs trading at premium on 30 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-