



**DRAFT PROSPECTUS**  
 Dated: September 30, 2019  
 (This Draft Prospectus will be updated upon filing with ROC)  
 Please read Section 26 and 32 of Companies Act, 2013  
**100% Fixed Price Issue**

## RAINBOW CROP HEALTH LIMITED

Our Company was incorporated as a public limited company namely "Rainbow Crop Health Limited" under the Companies Act, 1956 vide certificate of incorporation dated March 30, 2012 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana bearing registration no. 045551. The Company's Corporate Identity Number is U01403HR2012PLC045551. For further details please refer to chapter titled "History and Certain Other Corporate Matters" beginning on page 119 of this Draft Prospectus.

**Registered Office:** NH -73, Welcome Complex, V&PO, Mouli, Panchkula, Haryana-134118  
**Tel:** 01734-258082, **Fax:** N.A., **Website:** www.rchl.co.in, **E-mail:** cs@rchl.co.in  
**Company Secretary and Compliance Officer:** Ms. Ginny Uppal

**PROMOTERS: MR. AJAY RULHANIA AND MS. REKHA RANI**

### THE ISSUE

INITIAL PUBLIC OFFER OF 9,30,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH ("EQUITY SHARES") OF RAINBOW CROP HEALTH LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF RS. 38/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 28/- PER EQUITY SHARE) AGGREGATING UP TO RS. 353.40 LAKHS ("ISSUE") OF WHICH 48,000 EQUITY SHARES OF FACE VALUE RS.10/- EACH FOR CASH AT A PRICE OF RS. 38/- PER EQUITY SHARE AGGREGATING RS. 18.24 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 8,82,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH FOR CASH AT A PRICE OF RS. 38/- PER EQUITY SHARE, AGGREGATING RS.335.16 LAKHS IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.65% AND 25.27%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 200 OF THIS DRAFT PROSPECTUS.

**THE FACE VALUE OF THE EQUITY SHARES IS RS.10/- EACH AND THE ISSUE PRICE OF RS. 38/- IS 3.8 TIMES OF THE FACE VALUE.**

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR REGULATIONS)"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25.00% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 206 OF THIS DRAFT PROSPECTUS.

*In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and the all potential investors shall participate in the Issue only through an 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. Further, pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2018 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or may use UPI (Unified Payment Interface) as an additional payment mechanism with Application Supported Blocked Amount for making application. Further, pursuant to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019, the timeline has been extended for implementation of Phase-I by three months i.e. till June 30, 2019. However, further SEBI has issued a circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, for implementation of Phased II for UPI facility, which shall be effective from July 01, 2019. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regards, specific attention are invited to the chapter titled "Issue Procedure" beginning on page 206 of the Draft Prospectus. A copy of Prospectus will be filed to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.*

### RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs.10/-. The Issue Price as stated under the chapter titled 'Basis for the Issue Price' beginning on page 64 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their 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 this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Draft Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 16 of this Draft Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and 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 make this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited for using its name in the Prospectus for listing of our shares on the SME Plat form of BSE Limited. For the purpose of this Issue, BSE Limited shall be the Designated Stock Exchange.

### LEAD MANAGER TO THE ISSUE

  
 Corporate Capital Ventures  
**CORPORATE CAPITAL VENTURES PRIVATE LIMITED**  
**SEBI Registration No.:** MB/INM000012276  
 160 L.G.F., Vinoba Puri, Lajpat Nagar -II, New Delhi- 110024  
**Tel No.:** +91-11-41704066  
**Contact Person:** Mr. Tushar Shukla  
**E-mail:** [info@ccvindia.com](mailto:info@ccvindia.com); **Website:** [www.ccvindia.com](http://www.ccvindia.com)

### REGISTRAR TO THE ISSUE

  
 Skyline  
 Financial Services Pvt. Ltd.  
**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
**SEBI Registration No.:** INR000003241  
 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020  
**Tel No:** +91- 11-40450193-97; **Fax No:** +91-11-26812683  
**Contact Person:** Mr. Khan Mohd. Ubed  
**Website:** [www.skylinerta.com](http://www.skylinerta.com); **Email:** [compliances@skylinerta.com](mailto:compliances@skylinerta.com)

### OFFER PROGRAMME

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

***THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.***



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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Statements”, “Outstanding Litigation and Other Material Developments”, will have the meaning ascribed to such terms in these respective sections.

#### General Terms

Term	Description
“Rainbow Crop Health Limited”, “We” or “us” or “our Company” or “the Issuer” or “the Company”	Unless the context otherwise requires, refers to Rainbow Crop Health Limited, a company incorporated under the Companies Act, 1956, having registered office at NH -73, Welcome Complex V&PO, Mouli Panchkula, Haryana-134118.

#### Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Rainbow Crop Health Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder vide Board Resolution dated August 10, 2019 and disclosed as such in the chapter titled “Our Management” on page 123 of this Draft Prospectus.
Auditors	The Statutory Auditors of our Company, being M/s Vishwa Mitter & Co., Chartered Accountants.
Board of Directors / Board/ Director(s)	The Board of Directors of Rainbow Crop Health Limited, including all duly constituted Committees thereof.
Central Registration Centre (CRC)	It’s an initiative of Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details please refer <a href="http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html">http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html</a>
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Ginny Uppal.
Chief Financial Officer	The Chief Financial Officer of our Company being Ms. Priyanshu Singh.
Depositories Act	The Depositories Act, 1956, as amended from time to time.
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each unless otherwise



<b>Terms</b>	<b>Description</b>
	specified in the context thereof.
HUF	Hindu Undivided Family.
Equity Shareholders	Persons holding equity shares of our Company.
Group Companies	Companies which are covered under the applicable accounting standards and other companies as considered material by our Board, and disclosed in the chapter titled “Our Group Entities” beginning on page 142 of this Draft Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India.
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled “Our Management” on page 123 of this Draft Prospectus.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Rainbow Crop Health Limited.
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign (Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters or Our Promoters	Mr. Ajay Rulhania and Ms. Rekha Rani.
Promoters Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters Group”. For further details refer page 141 of this Draft Prospectus.
Registered Office	The Registered of our company which is located at NH -73, Welcome Complex V&PO, Mouli Panchkula, Haryana-134118.
RoC	Registrar of Companies, National Capital Territory of Delhi & Haryana.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Unless the context requires otherwise, refers to, the SME Platform of BSE Limited.

### Offer Related Terms

<b>Terms</b>	<b>Description</b>
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.



<b>Terms</b>	<b>Description</b>
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid / Application Amount in relation to a Bid / Application by an ASBA Applicant.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled "Issue Procedure" beginning on page 206 of this Draft Prospectus.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.
Designated Stock Exchange	SME Platform of BSE Limited
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
SME Platform of BSE Limited	The SME Platform of BSE Limited for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Issue/ Issue Size/ Initial Public Issue/	Initial Public Issue of 9,30,000 Equity Shares of face value of Rs.10/- each fully paid up of our Company for cash at a price of Rs. 38/- per Equity Share (including



<b>Terms</b>	<b>Description</b>
Initial Public Offer/Initial Public Offering/ IPO	a premium of Rs. 28/- per Equity Share) aggregating Rs. 353.40 Lakhs.
Issue Agreement	The agreement dated September 20, 2019 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription.
Issue Opening Date	The date on which Issue opens for subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 38/- per Equity Share of face value of Rs. 10/- each fully paid.
Issue Proceeds	Proceeds from the Issue that will be available to our Company, being Rs. 353.40 Lakhs.
LM / Lead Manager	Lead Manager to the Issue, in this case being Corporate CapitalVentures Private Limited.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the BSE Limited.
Market Maker	Market Makers appointed by our Company from time to time. Nikunj Stock Brokers Limited, who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered into between the Lead Manager, Market Maker and our Company dated September 20, 2019.
Market Maker Reservation	The Reserved Portion of 48,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 38/- per Equity Share aggregating Rs. 18.24 Lakhs for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue/ Offer	The Issue (excluding the Market Maker Reservation Portion) of 8,82,000 Equity Shares of Rs.10/- each of Issuer at Rs.38/- (including share premium of Rs. 28/-) per Equity Share aggregating to Rs. 335.16 Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled "Objects of the Issue" beginning on page 59 of this Draft Prospectus.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. ICICI Bank Limited by our Company to receive monies from the SCSBs from the bank



Terms	Description
	accounts of the ASBA Applicants on the Designated Date.
Prospectus	The Prospectus, which is filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 Lakh, pension fund with minimum corpus of Rs. 2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened in case listing of the Equity Shares does not occur, in this case being ICICI Bank Limited.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Offer	Registrar to the Offer being Skyline Financial Services Pvt. Ltd. For more information please refer "General Information" on page 38 of this Draft Prospectus.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html</a> or at such other website as may be prescribed by SEBI from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI. In this case ICICI Bank Limited.
Underwriter	Underwriter to this Issue is Corporate CapitalVentures Private Limited.
Underwriting Agreement	The agreement dated September 20, 2019 entered into between Corporate CapitalVentures Private Limited and our Company
Registered Office	NH -73, Welcome Complex V&PO, Mouli Panchkula, Haryana-134118.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Draft Prospectus are open for business 1. However, in respect of announcement of price band and bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Prospectus are open for business 2. In respect to the time period between the bid/ Offer closing date and the listing



Terms	Description
	of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

### Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited(formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIIs	Non Resident Indians



NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
UPI Mechanism	The bidding mechanism that may be used by a RIB to make an application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI PIN	Password to authenticate UPI transaction
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

*Notwithstanding the foregoing:*

- 1. In the section titled 'Main Provisions of the Articles of Association' beginning on page number 236 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 2. In the chapters titled 'Summary of Offer Documents' and 'Our Business' beginning on page numbers 12 and 88 respectively, of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 3. In the section titled 'Risk Factors' beginning on page number 16 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 4. In the chapter titled 'Statement of Tax Benefits' beginning on page number 67 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;*
- 5. In the chapter titled 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page number 172 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.*



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### 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, as Restated’ beginning on page 149 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 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March 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, as Restated’ beginning on page 149 of this Draft Prospectus.

### Currency and units of presentation

In this Draft Prospectus, references to “Rupees” or “INR” or “Rs.” 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 and Market Data

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD LOOKING STATEMENTS

*All statements contained in the Draft Prospectus that are not statements of historical facts constitute 'forward-looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.*

*These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:*

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Adverse natural calamities having significant impact on regions where we are having projects under implementation;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled 'Risk Factors', 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 16, 88 and 172, respectively of this Draft Prospectus.



Forward looking statements reflects views as of the date of the Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

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## SECTION II - SUMMARY OF OFFER DOCUMENTS

### SUMMARY OF OUR BUSINESS OVERVIEW

Our Company was incorporated as a public limited company namely “Rainbow Crop Health Limited” under the Companies Act, 1956, in Haryana, vide certificate of incorporation dated March 30, 2012 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana bearing registration number 045551. The Company’s Corporate Identity Number is U01403HR2012PLC045551. We started our business activities as a trader of herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules. On July 15, 2019 we took over an ongoing business, M/s Welcome Crop Health Product, a Sole Proprietorship Firm, which is into the business of manufacturing of Pesticides, Insecticides, Weedicides, Fungicides, Herbicides, Micro-nutrient and Fertilizers etc. Pursuant to this agreement, Rainbow Crop Health Limited has now entered into manufacturing of herbicides, insecticides, fungicides, plant growth regulators & fertilizers.

### SUMMARY OF OUR INDUSTRY

India is an agrarian country, where more than 50% people are dependent on agriculture for their livelihood and is the largest producer of spices, pulses, milk, tea, cashew and jute & the 2nd largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. Agrochemicals (Crop protection products/pesticides) are designed to protect crops from insects, diseases and weeds. They do so by controlling pests that infect, consume or damage the crops. Uncontrolled pests significantly reduce the quantity and quality of food production. It is estimated that annual crop losses could double without the use of crop protection products. Food crops must compete with 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. Agrochemicals are the last and one of the key inputs in agriculture for crop protection and better yield.

### PROMOTERS

The promoters of our Company are Mr. Ajay Rulhania and Ms. Rekha Rani. For detailed information please refer chapter titled “Our Promoters” and “Our Promoter Group” on page number 137 and 141 respectively of this Draft Prospectus.

### ISSUE SIZE

The Issue size comprises of issuance of up to 9,30,000 Equity Shares of face value of Rs.10/- each fully paid-up of the Company for cash at price of Rs. 38/-per Equity Share (including premium of Rs. 28/- per Equity Share) aggregating Rs. 353.40 Lakhs.

### OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects:

S. N.	Particulars	Amount (In Rs. Lakh)
1	Working Capital Requirement	280.73
2	General Corporate Purposes	17.67
3	Issue Expenses	55.00
<b>Total</b>		<b>353.40</b>



*\*The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.*

#### **AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP) AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER**

#	Name of share holder	Pre issue	
		No. of equity shares	As a % of Issued Capital
<b>Promoters</b>			
1	Ajay Rulhania	1371490.00	53.57
2	Rekha Rani	651000.00	25.43
<b>Total - A</b>		<b>2022490.00</b>	<b>79.00</b>
<b>Promoter Group</b>			
3	Anil Kumar	194000.00	7.58
4	Molu Ram Rulhania	192500.00	7.52
5	Manju	150000.00	5.86
6	Kuldeep Singh	1000.00	0.04
7	Raj Kumar Siwach	10.00	0.00
<b>Total - B</b>		<b>537510.00</b>	<b>21.00</b>
<b>Grand Total (A+B)</b>		<b>2560000.00</b>	<b>100.00</b>

#### **SUMMARY OF FINANCIAL INFORMATION**

Particulars	April 1, 2019 to July 15, 2019	For the year ended March 31		
		2019	2018	2017
Share Capital	200.00	200.00	200.00	200.00
Net Worth	375.46	351.34	279.63	68.55
Revenue (total income)	692.78	1634.04	1775.36	1313.68
Profit after Tax	24.12	71.72	36.08	20.94
Earnings per share				
- Basic	1.21	3.59	6.59	8.37
- Diluted	1.21	3.59	6.59	8.37
Net Asset Value per Equity Share (in Rs.)	18.77	17.57	13.98	27.42
Total borrowings				
- Long Term	150.46	153.67	160.75	139.12
- Short Term	149.62	149.43	165.78	81.19

#### **QUALIFICATIONS OF AUDITORS**

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

#### **SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS**

A summary of pending legal proceedings and other material litigations involving our Company is provided below:



Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (Rs. Lakhs)
Company	By	-	-	-	-	-
	Against	-	-	1	2	100.00
Promoter	By	-	-	-	-	-
	Against	-	-	1	-	7.05
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 181 of this Draft Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” beginning on page 16 of this Draft Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Prospectus there is no contingent liability on the Company.

## SUMMARY OF RELATED PARTY TRANSACTIONS

For details of Related Party Transaction please refer chapter titled Annexure 29 on page 167 of this Draft Prospectus.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Prospectus.

## WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

Name of shareholders	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Ajay Rulhania	811490	10.00
Rekha Rani	651000	10.00

## AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Prospectus is:



<b>Name of the Promoter</b>	<b>No. of Shares held</b>	<b>Average cost of Acquisition (in Rs.)</b>
Ajay Rulhania	1371490	22.66
Rekha Rani	651000	10.00

#### **DETAILS OF PRE-ISSUE PLACEMENT**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

#### **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Our Company has issued 5,60,000 Equity Shares of face value of Rs.10/- each at a fair value of Rs.40.44/- each to Mr. Ajay Rulhania for consideration other than cash pursuant to Business Takeover Agreement dated July 15, 2019. For more details, refer “Capital Structure” on page number 45 of this Draft Prospectus.

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

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### SECTION III- RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 88 and 172, respectively, of the Draft Prospectus as well as the other financial and statistical information contained in the Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled 'Financial Information, as Restated' beginning on page number 149 of the Draft Prospectus.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

The Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Prospectus. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

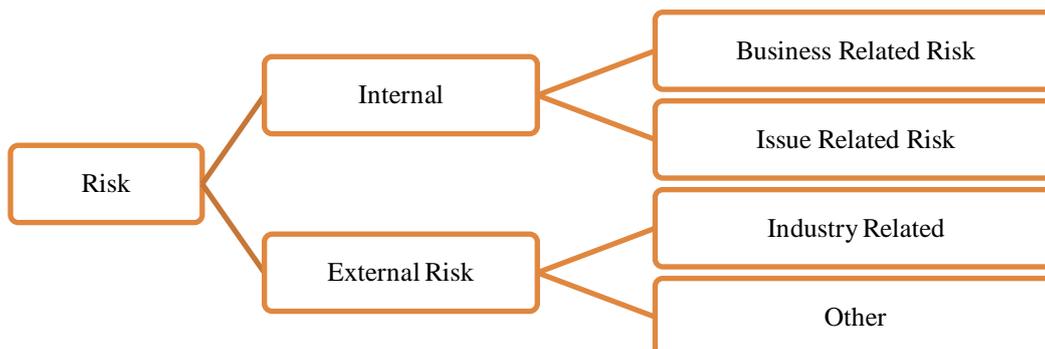
**Our Company initiated its business activities as a trader of herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules. On July 15, 2019 we have taken over M/s Welcome Crop Health Products (Sole Proprietorship Firm). M/s Welcome Crop Health Products is into the business of manufacturing of Pesticides, Insecticides, Weedicides, Fungicides, Herbicides, Micro-nutrient, Fertilizers, House Hold Insects, Public Health Insects etc. Pursuant to this agreement Rainbow Crop Health Limited has now entered into manufacturing of herbicides, insecticides, fungicides, plant growth regulators & fertilizers. The quantitative risk factors The qualitative risk factors presented below have been considered post the said takeover and as per the status of the Company on the date of filing this draft prospectus.**

#### Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

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

#### Classification of Risk Factors





## INTERNAL RISK FACTORS

- Presently the Company, its Promoters, its Directors and its Group Companies/Entities are involved in certain civil proceedings and certain other tax related proceedings and any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.***

A brief detail of number of litigations involving Our Company, Promoters, Directors and Group Companies/Entities is presented below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (Rs. Lakhs)
Company	By	-	-	-	-	-
	Against	-	-	-	2	Not Ascertainable
Promoter	By	-	-	-	-	-
	Against	-	-	1	-	7.05
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

There is no certainty of positive or negative outcome of above mentioned proceedings. For details in relation to legal proceedings involving our Company, Promoters, Directors and Group Company/Entities see the chapter titled “Outstanding Litigation and Material Developments” on page 181 of this Draft Prospectus.

- Our Company has not entered into any supply agreement for the continuous supply of raw material and any non availability of same may have an adverse impact on our business.***

Our Company manufacture herbicides, insecticides, fungicides, plant growth regulators & fertilizers. Our major raw materials are Technical and Adjuvants (*detailed information of which can be procured from heading “Our Business” on page no. 88 of this Draft Prospectus*) which are generally purchased from various suppliers and agents with whom the Company has established cordial relationship, however we have not entered into any supply agreement with the suppliers of our products. In the absence of any agreement for supply of the material, situation may arise where the Company has to face the scarcity or non availability of products required by us for smooth functioning of our manufacturing operations. In an eventuality where our suppliers are unable to deliver us the required quantity in a time-bound manner it may have a material adverse effect on our business operations and profitability. While we are not significantly dependent on any single supplier, still stock supply and pricing can be volatile due to a number of factors beyond our control, general economic and political conditions, transportation and labour costs and there are inherent uncertainties in estimating such variables. Therefore, we cannot assure you that we will be able to procure adequate supplies of stock in the future, as and when we need them on commercially acceptable terms.

- Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.***



Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under.

(Rs. In Lakh)

Particulars	Period ended on 15/07/2019	For the year ended on March		
		2019	2018	2017
Net Cash Generated from Operating Activities	34.34	(31.36)	(78.12)	149.81
Net Cash Generated From Investing Activities	(22.96)	63.57	(189.20)	(135.34)
Net Cash Generated from Financing Activities	(4.75)	(35.09)	259.86	(6.86)

**4. *Our dependency on few suppliers puts us at risk of irregular availability of raw materials resulting adverse effect on our business, financial condition and results of operations.***

Our top 10 raw material suppliers contribute 20% of our total purchase of raw material for financial Year 2019. Substantial dependency on few numbers of suppliers for procurement of significant volume of raw material required for our manufacturing process create uncertainty of supply of raw material. In an eventuality where our suppliers are unable to deliver us the required materials in a time-bound manner it may have a material adverse effect on our business operations and profitability. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, general economic and political conditions, transportation and labour costs and there are inherent uncertainties in estimating such variables. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

**5. *Our Company has not entered into any long-term contracts with any of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.***

Our Company has had long standing business relationships with various customers for its technical and manufacturing competence in Agrochemical industry. However, we have not entered into any specific contracts with these customers and we cater to them on an order basis. As a result, our customers can terminate their relationships with us without any notice, which could materially and adversely impact our business and impacts our revenue 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. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of consistency in quality, price and delivery of the products that our Company supplies. Although we place a strong emphasis on quality, timely delivery of our products and availability of a variety range of our products, in the absence of long term contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

**6. *Mismanagement of our inventory could have an adverse impact on our operations flow, supply to customers and additional cost.***

Being a manufacturing concern stocking the right amount of inventory is crucial. If we order insufficient inventory than our production will suffer and our effectiveness will also get affected. On the other hand if we keep extra inventory, there's a chance we'll be stuck with lots of extra stock that will cost us with maintenance expenditure. The time lags present in the supply chain, from supplier to user at every stage,



requires us to maintain certain amounts of inventory to use in this lead time. Inventories are maintained as buffers to meet uncertainties in demand, supply and movements of goods. The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To do the same we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If we misjudged expected customer demand it could adversely impact by causing either a shortage of products or an accumulation of excess inventory. We estimate our sales on the basis of our contemplation of the customer demand. Any disruption in operative conditions of our customers may cause loss of sales; consequently our inventory in stock will depreciate.

**7. *Our performance is majorly dependent on Insecticides and Herbicides. Any slowdown in demand for use of these products may adversely impact our financial performance.***

Our Company manufactures herbicides, insecticides, fungicides, plant growth regulators & fertilizers but our majority revenue is dependent on Insecticides and Herbicides. Considering the fact that 41.33% and 31.40% of Revenue for financial year 2019 is from sale of Insecticides and Herbicides respectively, our performance is majorly dependent on industry's demand for these products. With increased demand in agriculture industry, there would be drive in demand for these products. Any slowdown in the concerned industries would hamper the demand scenario which may lead to under-utilization of our manufacturing capacity owing to reduced sales. With lower capacity utilization, there would be an increase in cost burden ultimately affecting the operational and financial performance of the Company adversely.

**8. *Our performance is majorly dependent on concentrated area. Any fall in sales to this area may adversely impact our financial performance.***

As our Company is located in Haryana from where it operates its business activities and also our top 10 customer consist entities from Haryana and various other states of India. Our revenue for FY 2019 has 54% contribution from Haryana. Therefore our financial performance is majorly dependent on sales in Haryana and any fall in demand from our customer in these states will adversely affect our financial performance.

**9. *We have availed secured credit facilities on our Moveable properties for securing the Financing or credit facility.***

We have availed credit facilities from the banks and for that purpose we have given our movable properties as security. The total amounts outstanding and payable by us as secured loans are Rs. 217 Lakhs as on March 31, 2019. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, it may result in the enforcement of securities created by us in the favour of lenders, which in turn could have significant adverse affect on business, financial condition or results of operations. For more details please refer "Financial Information" on page number 149 of this Draft Prospectus.

**10. *Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.***

Being into manufacturing business there exist substantial requirement of working capital and financing in the form of fund and non-fund based working capital facilities to meet our requirements. The details of our working capital in last 2 years are as under which is showing continuous increase:



(Amount in Rs. Lakh)

Particulars	2017-18	2018-19
<b>Current Assets</b>		
Inventories	241.95	500.70
Trade Receivables	914.02	888.16
Cash & Cash Equivalents	6.56	3.67
Short Term Loans and Advances	15.42	25.75
Other Current Assets	0.69	36.94
<b>Total (A)</b>	<b>1178.64</b>	<b>1455.22</b>
<b>Current Liabilities</b>		
Short Term Borrowings	165.78	149.43
Trade Payables	705.07	870.52
Other Current Liabilities	132.28	85.35
<b>Total (B)</b>	<b>1003.13</b>	<b>1105.30</b>
<b>Net Working Capital (A) - (B)</b>	<b>175.50</b>	<b>349.92</b>

A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. The significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, 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.

**11. We may not be successful in implementing our business strategies.**

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**12. We are exposed to the risk of delays or non-payment by our clients and other counterparties, which may also result in cash flow mismatches.**

We are exposed to counter party credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners, suppliers and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows. For further details of our Business and Clients, please refer chapter titled “Our Business” and “Management Discussion & Analysis of Financial Conditions and Result of Operation” beginning on page 88 & 172 of this Draft Prospectus.



- 13. *The Company does not own the premise at which its registered office and factory is located and the same has been taken on rent. Any termination of such rent agreement and/or non-renewal could adversely affect our operations.***

The property on which our registered office and factory is situated is not owned by us and same has been taken on lease for a period exceeding 11 months. Further, the lease deeds are not duly registered with property registrar. Any termination of such Lease Deed whether due to any breach or otherwise or non renewal thereof, can adversely affect the business operations.. For further details, please refer to chapter titled ‘Our Business beginning on page 88 of the Draft Prospectus.

- 14. *We do not own the premises where our Warehouses and branch offices are located. Any dispute in relation to lease of our premises would have an adverse effect on our business and results of operations.***

The premises on which our warehouses and branch offices are located are not owned by us and same has been taken on lease for a period exceeding 11 months. Further, the lease deeds are not duly registered with property registrar. As the said premises are taken on lease and in case of non-renewal or termination of such deed or renewal on such terms and conditions that are unfavourable to our Company, we may suffer disruption in our Operations which may adversely affect our financial conditions. For further details, please refer to chapter titled “Our Business” beginning on page 88 of the Draft Prospectus.

- 15. *Some of our goods contains materials and substances which are hazardous in nature. In the event of any accidents involving any such hazardous materials and substances, our Company may be held liable for subsequent damages and litigations.***

Improper or negligent handling and/ or storing hazardous material and/ or substances at our operation premises may cause personal injury or loss of life and may further lead to severe damage or destruction to property or equipment and environmental damage and may result in the suspension of operations and further imposition of civil and criminal liabilities. Any mishandling of hazardous substances by us could affect our business adversely and may impose liabilities on our Company. Liabilities incurred as a result of these events have the potential to adversely impact our financial position.

- 16. *Unsecured loans have been taken by our Company which can be recalled by the lenders at any time.***

The unsecured loan standing in the financial statement of our Company as on March 31, 2019 is Rs. 86.10 Lakhs. The same loan can be recalled by the respective lenders at any point of time, if our Company fails in repaying the loan obtained by it, shall cause reputational loss to our Company. For details of Unsecured Loans please refer “Financial Statement as Restated” page number 149 of this Draft Prospectus.

- 17. *Our operations may be adversely affected by work stoppages or increased demands for wages by our workforce or any other unrest or dispute which affects supply of workforce.***

While we have never experienced any strikes, work stoppages or increased wage demands in our factory or any of our warehouses in the past, but we cannot be certain that we will not suffer any disruption to our operations due to strikes, work stoppages or increased wage demands in the future. Further, if our work force unionizes in the future, collective bargaining efforts by labour unions may divert our management’s attention and result in increased costs. We may be unable to negotiate acceptable collective wage settlement agreements with those workers who have chosen to be represented by unions, which may lead



to union-initiated strikes or work stoppages. Further, under Indian law, we may be held liable for wage payments or benefits and amenities made available to “daily wage” workers. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the “daily wage” workers on our own rolls may adversely affect our business, results of operations and financial condition.

- 18. The Company is dependent on third party transport facility for the delivery of its finished goods but not having any formal arrangements with the service providers and any disruption in their operations or a decrease in the quality of their services or an increase in the transportation costs could adversely affect the Company's operations.***

The Company is dependent on third party transport facility for the delivery of its finished goods to customer. Our dependence on third party logistic service providers with no formal arrangement in place to provide transportation facilities for the transfer of finished goods to customer. Our business is prone to risk of weather-related problems, strikes or lock-outs by transport service providers and inadequacies in the road infrastructure. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs which consequently affect results of our operations. Any disruption of any of our transportation routes or facilities may adversely affect our business, financial condition, results of operations and cash flows.

- 19. Any inability on our part to procure and sell quality products that we trade and satisfy our customer needs could adversely impact our business, results of operations and financial condition.***

Quality control is a vital element for any industry whether primary, secondary, tertiary or quaternary. Our ultimate customers are farmers who purchase our insecticides, pesticides, fertilisers and plant growth regulators on the basis of their reliance on our products which they have established by using our products or by recommendation from an existing buyer. To maintain this reliance of our customer base we have to maintain minimum quality standard which has to be provided in any case. Further, we have to fulfil specific product demands of agriculture market on the basis of crop, season and climate conditions. Therefore, any deficiency in the standards of quality we provide may cause us loss of our customer and also cause damage of goodwill. Further any failure to meet customer specifications will result in unsatisfied customer. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition. For further details of our revenue, see “Our Business” on page no. 88 of this Draft Prospectus.

- 20. Improper storage or handling of our agrochemical products may result in spoilage of and damage to, such agrochemical products which may adversely affect our business prospects, results of operations and financial condition.***

We manufacture Herbicides/Weedicides, Fungicides, Plant Growth Regulator, Fertilizer, Bio-Fertilizer and Insecticides. All of our products are mixture of various chemicals which has specific maintenance requirements while handling, depending on the nature of the chemical. In the event that the said materials are not appropriately stored, handled and transported under specific conditions, the quality of such products may be affected, resulting in spoilage or delivery of products of sub-standard quality. Any accident or negligence in the procurement, production or storage of our products under sub-optimal



conditions may result in non-compliance with applicable regulatory standards or quality standards and storage conditions specified by our customers for such products. Any sale of such non-compliant product may be harmful to the health of end consumers of our products, and any such event may expose us to liabilities and claims which could adversely affect our brand image and reputation. Any such event may have a material and adverse effect on our business prospects, results of operations and financial condition.

- 21. *The capacity of our factory and most of our warehouses is not fully utilized, if there is under-utilization in future also in such case this could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.***

We are currently operating at a manufacturing capacity of approx 40% of our total installed capacity and utilising our warehousing capacity at an average of 50% of available space. We have decided to increase our product portfolio and to enter more geographical areas based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our existing and/or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our consolidated financial performance.

- 22. *The company has not complied with the requirement of providing for employee benefits in the books of accounts as mandated under Accounting Standard 15 (“AS 15”) under “Accounting for Employee Benefits” issued by the Institute of Chartered Accountant of India.***

The Company has completed five years from the date of Incorporation and the Payment of Gratuity Act, 1972 is applicable. We have not made provision for Gratuity Payment as required under The Payment of Gratuity Act 1972. The Compliance of Accounting Standard-15 - Employee Benefits is Mandatory for the Companies. The Company has not complied with the Accounting Standard AS 15 - Employee Benefits.

- 23. *The company has not complied with the requirement of providing for Related Party Transactions details in the books of accounts as mandated under Accounting Standard 18 (“AS 18”) issued by the Institute of Chartered Accountant of India.***

The Company has not complied with the requirement of providing for Related Party Transactions details in the books of accounts as mandated under Accounting Standard 18 (“AS 18”) issued by the Institute of Chartered Accountant of India. However, the disclosure of it has been provided in Restated Financial Statements in this Draft Prospectus. For more details on Related Party Transactions by the Company please refer page no. 167 of this Draft Prospectus.

- 24. *The Company has considered inter- branch transfers in both sides i.e. Revenue and Expenses in the audited financial statements.***

The Company has included inter- branch stock transfer in the turnover as well as in the cost of goods sold for the year ended on 31st March 2018, 31st March 2019 and for the period ended on 15th July 2019. Accordingly, suitable adjustments were made in the restated financial statements to eliminate dual effect of increase in volume of sale and its cost. However, the adjustment shall not bear any effect to the Net profits of the Company.



- 25. *We are planning to enhance our manufacturing capacity utilisation and increase our production without any firm commitments from customers. There can be no assurance that we will be successful in selling our increased production.***

The Company is planning to enhance its manufacturing capacity utilisation and increase its productions by infusion of funds towards working capital. For further details please refer 'Object of the Issue' on page no. 59 of this Draft Prospectus. Our increased production capacity will require a larger customer base. The same is on certain assumptions as to potential for growth in the sectors in which we operate, including identified customers with a demand for the increased production. In the event that our assumptions are not accurate or there is any material change in the various external factors on which our assumptions are made, there can be no assurance that we will be successful in selling our increased production leading to high inventory.

- 26. *Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel. Any inability to attract the same may affect our operations.***

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have over the years built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

- 27. *We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.***

India is our primary market and we face competition in our business from local as well as nationwide players in our industry. The products that we manufacture are available in market from a large number of players manufacturing same or similar products. Thus, factors affecting our competitive success include, amongst other things, price, demand for our products, and availability of raw materials, brand recognition and reliability. As a result, to remain competitive in our market, we must continuously strive to reduce our procurement, transportation and distribution costs, improve our operating efficiencies and secure our materials requirements. If we fail to do so, other manufacturers and suppliers or wholesalers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. Our competitors vary in size, and may have greater financial, production, marketing personnel and other resources than us and certain of our competitors have



a longer history of established business and reputation in the Indian market as compared with us. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

**28. *Material adverse impact on the performance of our Company if any adverse event occurs in the industry in which our customers operate.***

Our customers majorly hail from agriculture industry. Our business growth depends on continued demand for our products from users of agriculture industry. Any slowdown in agriculture industry or introduction of regulations that restrict or discourage companies from using our products could result in a decrease in the demand and materially adversely affect our business, financial condition and results of operations.

**29. *We have not applied for registration of our company's logo. Being unregistered our intellectual property rights may be infringed upon. In case of no registration our brand building efforts may be hampered which might lead to an adverse effect on our business.***

We have been using our registered to conduct our business. However, there is no assurance that our trademark will not be infringed upon. Depending on whether we are able to discover any such infringement of our trademark or successfully enforce our legal rights in the jurisdictions where such infringements may occur, our business and branding may suffer as a result of any misuse of our trademark. In such circumstances, our reputation and business may be adversely affected. Further, if we decide to pursue action against such infringements to protect our reputation, it could result in diversion of our resources and our financial results may be adversely affected. Similarly, we may also infringe the intellectual property rights of third parties in the use of our trademark in our operations. Although we are not aware of any such infringement by us, there is no assurance that we will not infringe or have not infringed the intellectual property rights of any third party. In the event of any such infringement, we may be subject to our claims or actions and our business, reputation, financial condition and results of operations may be adversely affected.



**30. *Highly Volatile Prices of agrochemicals and other products which we manufacture may cause losses if we are unable to maintain appropriate time span between purchase of material and sale the same.***

Chemical is prime material used for making Technical and Adjuvants and these are basic raw material used by us for manufacturing our products. Agrochemical production costs are spread amongst many variables such as prices for chemicals of various types. Since these are all separate components which cannot be hedged effectively. Any fluctuation in the international price of the components of raw material as aforesaid may affect the price and supply of the raw materials. Therefore, any significant increase in the prices of raw materials due to any reasons, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. For further details of our raw materials, see "Our Business" on page no. 88 of this Draft Prospectus.



**31. *Our Promoters 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 will collectively own substantial portion of our Equity Share Capital. As a result, our Promoters 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 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 may 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.

**32. *There are various negative covenants in the agreements entered into by us and our lenders, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition.***

The Company has availed credit facility from bank and for that purpose has entered into Financing Agreements. The Financial Agreements entered into by us with the lenders, puts obligation on the Company to obtain consents from the respective lenders for carrying out any Business Expansion Plan, New Project and Investment etc. or for various corporate actions like Merger, amalgamations, takeover etc. including the present public issue. Further, our lenders may at anytime ask for repayment of loans taken by us which may adversely affect the operations of the Company. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. In case of default in compliance of such restrictive covenant including negative covenants, our lender may close/terminate the financial assistance to our Company resulting into adverse affect our operations and financial conditions.

**33. *Our Promoters have given personal guarantees in relation to certain debt facilities provided to us.***

Our Promoters have given personal guarantees in relation to all our secured debt facilities. In the event our Promoters withdraw or terminate their guarantee, the lender for such facilities may ask for 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 lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

**34. *Our growth will depend on our ability to build our brand and failure to do so will negatively impact our ability to effectively compete in this industry.***

We believe that we need to continue to build our brand, which will be critical for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.



**35. *Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them or their relatives or our Group Entities and benefits deriving from their directorship in our Company. For further details, please refer to the chapters titled “Our Business”, “Our Promoters” “Our Promoter Group” and “Related Party Transactions” beginning on page 88, 137, 141 and 167 respectively of this Draft Prospectus.

**36. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to and this may have a material adverse effect on our business.***

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all of our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large un-insured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

**37. *There have been some instances of delayed filing of records and returns required to be filed by the Company with Registrar of Companies.***

There have been some instances of delayed filing by the Company in respect of the filings required to be made with Registrar of Companies under the Companies Act. Till date, the Company has not received any notices from any authorities, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.

**38. *Some of our group companies have not filed their financials with the regulatory bodies.***

Some of our Group Entities, details of which can be referred on page no. 142 of this Draft Prospectus, have not filed their financial statements with regulatory authorities pursuant to applicable provisions.

**39. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. We have obtained required license for carrying our business activity. Further there can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. As a result, we may not be able to execute our business plan as planned. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. For more information about the licenses required in



our business, please refer section “Government and other statutory approvals” appearing on page no. 187 of this Draft Prospectus.

***40. Our operations could be adversely affected by disputes with employees.***

As of date of Draft Prospectus, the Company employed a work force of 74 full-time employees. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force or contract labour employed by independent contractors.

***41. Interest rate fluctuations may adversely affect the Company's business.***

The Company has entered into certain borrowing arrangements to finance its capital requirements in the ordinary course of business. In the future, the Company may be required to enter into additional borrowing arrangements in connection with potential acquisitions or for general working capital purposes. In the event interest rates increase, the Company's costs of borrowing will increase, and its profitability and results of operations may be adversely affected.

***42. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our capacity to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business there is significant importance to find, hire, train, supervise and manage efficient employees and also to establish such process of business operations which is proficient enough to effectively achieve our growth. Instead of putting keen efforts, as mentioned here, we cannot assure that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use.

***43. Our inability to manage growth could disrupt our business and reduce profitability.***

A principal component of our strategy is to continuously grow by expanding the capacity, size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

***44. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section “Objects of the Issue” on page no. 59 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is



delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations. We have not identified any alternate source of raising the funds required for our 'Objects of the Issue'. Any shortfall in raising/meeting the same could adversely affect our growth plans, operations and financial performance. Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only if Issue size exceeds Rs. 10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

- 46. Any negative publicity or defect in product quality may cause the Company substantial costs which in turn could adversely affect our goodwill and our sales could be diminished.***

Like any other business our business also relies on our product quality which enables us to gain customer trust. In this scenario it is very crucial for us to always maintain positive image of the Company. Any unfavourable publicity regarding our Company, brand, or facility we provide or any other unpredicted events could affect our reputation and our results from operations. Further, defective products may result in a claim against us for damages. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

- 47. There being no alternate arrangements for meeting our capital requirements for the Objects of the issue. Any shortfall in raising the same could adversely affect our growth plans, operations and financial performance.***

We meet our capital requirements through our bank finance, financial institutions, owned funds and internal accruals. There being no alternate arrangements for meeting our capital requirements for the Objects of the issue. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 59 of this Draft Prospectus.

- 48. Industry information included in this Draft Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical financial and other industry information is either complete or accurate.***



We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Prospectus.

***49. Our Company has entered into certain related party transactions and may continue to do so in the future.***

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group aggregating Rs. 2219.97 Lakh for the last financial year ended March 31, 2019. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. *For details, please refer to “Annexure 29 - Related Party Transactions” on page no. 167 of this Draft Prospectus.*

***50. Dividend declaration by the Company in the future will depend upon earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

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



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

***52. 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.***

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, 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 our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can 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.

***53. 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 our Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and
- 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.

***54. 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 64 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.

**55. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 59 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.***

The deployment of funds as stated in the “Objects of the Issue” beginning on page 59 of this Draft Prospectus is entirely at our discretion and is not subject to monitoring by any independent agency. All the figures included under the “Objects of the Issue” are based on our own estimates. There has been no independent appraisal of the project. We have not entered into any definitive agreements to utilize a portion of the Issue.

## **EXTERNAL RISK FACTORS**

**56. *Changes in the Government Policy 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. *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 Service tax, STT, 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.

**58. *Any downgrading of India’s sovereign rating by an independent agency may harm our ability to raise financing.***

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 may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.



**59. *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 realized 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 realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized 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.

**60. *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 etc. 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 operations as well as the price of the Equity Shares.

**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 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.

**PROMINENT NOTE:**

It is to be noted that on July 05, 2019, SEBI vide its Interim order-cum-show cause notice no. WTM/GM/CFD/21/2019-20, under sections 11(1), 11(4) and 11(B) of the SEBI Act, has directed Corporate Capital Ventures Private Limited (“CCV”) that it shall not take up any new assignment relating to merchant banking activities in the securities market, till further orders from SEBI, but has allowed CCV to complete its pending assignments where it is already engaged as a merchant banker prior to issuance of this order.



## SECTION IV- INTRODUCTION

### THE ISSUE

Particulars	Details of Number of Shares
Issue of Equity Shares by our Company	Upto 9,30,000 Equity Shares of face value of Rs. 10/- each fully paid-up for cash at price of Rs.38/- per Equity Share aggregating to Rs. 353.40 Lakhs
<b>Of which:</b>	
Reserved for Market Makers	Upto 48,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.38/- per Equity Share aggregating to Rs. 18.24 Lakhs
Net Issue to the Public	Upto 8,82,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 38/- per Equity Share aggregating to Rs. 335.16 Lakhs.
<b>Of which:</b>	
Retail Investors Portion**	Upto 4,41,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.38/- per Equity Share aggregating to Rs. 167.58 Lakhs, i.e. 50% of the Net Issue shall be available for allocation for Retail Individual Investors.
Non-Retail Investors Portion**	Upto 4,41,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs.38/- per Equity Share aggregating to Rs. 167.58 Lakhs, i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
<b>Pre-and Post-Issue Equity Shares:</b>	
Equity Shares outstanding prior to the Issue	25,60,000 Equity Shares of Rs.10/- each
Equity Shares outstanding after the Issue	34,90,000 Equity Shares of Rs.10/- each
Use of Proceeds	For further details please refer chapter titled “Objects of the Issue” beginning on page no. 59 of this Draft Prospectus for information on use of Issue Proceeds

*\*\*As per the Regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is a fixed price issue the allocation is the net offer to the public category shall be made as follows:*

- a) *Minimum fifty percent to retail individual investor; and*
- b) *Remaining to:*
  - i. *Individual applicants other than retail individual investors; and*
  - ii. *Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

*Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.*

*If the retails individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.*

*Subject to valid applications being received, under-subscription, if any, in the Retail and Non-Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the LM and the BSE.*

#### **Notes**

*This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled ‘Issue Structure’ beginning on page no. 233 of this Draft Prospectus.*



## SUMMARY OF OUR FINANCIAL INFORMATION

### Statement of Assets and Liabilities as Restated

(Rs. In Lakhs)

Particulars	Annexure	Period ended on 15/07/2019	Financial Year Ended		
			Mar-19	Mar-18	Mar-17
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
a. Share Capital	6	200.00	200.00	200.00	25.00
b. Reserves & Surplus	7	175.46	151.34	79.63	43.55
<b>2. Non Current Liabilities</b>					
a. Long term borrowings	8	150.46	153.67	160.75	139.12
b. Other noncurrent liabilities	9	112.24	91.80	90.32	62.10
<b>3. Current Liabilities</b>					
a. Short-term Borrowings	10	149.62	149.43	165.78	81.19
b. Trade payables	11	1,225.08	870.52	705.07	715.39
c. Other current liabilities	12	110.15	85.35	132.28	189.03
<b>T O T A L</b>		<b>2,123.01</b>	<b>1,702.11</b>	<b>1,533.83</b>	<b>1,255.39</b>
<b>ASSETS</b>					
<b>1. Non Current Assets</b>					
a. Property, Plant & Equipment	13				
i) Tangible Assets		202.46	193.86	111.34	81.08
ii) Intangible Assets		0.32	0.40	1.07	2.91
b. Capital Work in Progress		26.13	26.13	227.84	92.69
c. Deferred tax assets		10.11	8.88	4.89	3.58
d. Other Non Current assets		Nil	Nil	0.73	0.65
e. Long Term Loans & Advances	14	19.66	17.63	9.32	2.35
f. Non - Current Investment		Nil	Nil	Nil	Nil
<b>2. Current Assets</b>					
a. Inventories	15	665.62	500.70	241.95	394.29
b. Trade Receivables	16	1,103.10	888.16	914.02	601.56
c. Cash and Cash Equivalents	17	10.29	3.67	6.56	14.01
d. Short Term Loans & Advances	18	33.91	25.75	15.42	62.25
e. Other current assets	19	51.41	36.94	0.69	Nil
<b>T O T A L</b>		<b>2,123.01</b>	<b>1,702.11</b>	<b>1,533.83</b>	<b>1,255.39</b>


**Statement of Profit and Loss as Restated**
**(Rs. In Lakhs)**

Particulars	Annexure	Period ended on 15/07/2019	Financial Year Ended		
			Mar-19	Mar-18	Mar-17
<b>REVENUE:</b>					
Revenue from Operations	20	665.58	1599.47	1775.14	1313.56
Other Income	21	27.19	34.57	0.22	0.12
<b>Total revenue</b>		692.78	1634.04	1775.36	1313.68
<b>EXPENSES:</b>					
Cost of Material Consumed	22	495.12	990.33	1142.32	878.03
Changes in inventories		Nil	Nil	Nil	Nil
Other manufacturing & operating expenses		Nil	Nil	Nil	Nil
Employee benefit expenses	23	78.78	263.81	277.00	153.84
Finance costs	24	1.73	11.67	21.36	21.33
Depreciation & Amortization cost	13	14.48	56.54	25.85	20.64
Other Expenses	25	73.39	225.50	264.58	217.44
<b>Total Expenses</b>		663.50	1547.84	1731.10	1291.28
<b>Exceptional items</b>		Nil	Nil	Nil	Nil
<b>Net Profit / (Loss) before Tax</b>		29.27	86.19	44.26	22.40
Less: Provision for Tax					
a. Current tax		-6.38	-18.47	-9.49	-5.05
b. Deferred tax assets / (liabilities)		1.23	3.99	1.31	3.58
c. MAT Credit entitlement		Nil	Nil	Nil	Nil
<b>Total</b>		24.12	71.72	36.08	20.94
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>		24.12	71.72	36.08	20.94
Extraordinary Items		Nil	Nil	Nil	Nil
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>		24.12	71.72	36.08	20.94
Less : Proposed Dividend		Nil	Nil	Nil	Nil
Dividend Distribution Tax		Nil	Nil	Nil	Nil
<b>Net Profit transferred to Reserves</b>		<b>24.12</b>	<b>71.72</b>	<b>36.08</b>	<b>20.94</b>



**Statement of Cash Flow as Restated**

**(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	Financial Year Ended		
		Mar-19	Mar-18	Mar-17
<b>Cash Flow From Operating Activities</b>				
<b>Net Profit Before Tax</b>	29.27	86.19	44.26	22.40
Adjustments for :				
Preliminary expenses written off	Nil	0.11	0.11	0.11
Depreciation and amortization	14.48	56.54	25.85	20.64
Finance costs	1.73	11.67	21.36	21.33
Interest received	(0.04)	(0.24)	(0.22)	(0.11)
<b>Operating profit Before working capital changes</b>	45.44	154.27	91.35	64.36
<b>Movement In Working Capital :</b>				
Changes in inventories	(164.92)	(258.75)	152.35	(96.45)
Changes in trade receivables	(214.94)	25.86	(312.46)	(147.54)
Changes in short term loans and advances	(14.54)	(3.34)	39.03	(47.51)
Changes in other current assets	(14.47)	(36.25)	(0.69)	Nil
Changes in long term loans and advances	(2.03)	(8.31)	(6.97)	(2.15)
Changes in other non- current assets	Nil	0.73	(0.08)	(0.65)
Changes in trade payables	354.56	165.46	(10.33)	180.55
Changes in other current liabilities	24.80	(46.94)	(56.74)	151.95
Changes in other non- current liabilities	20.44	1.47	28.22	62.10
<b>Cash Generated From Operations</b>	34.34	(5.80)	(76.32)	164.66
Direct taxes paid	Nil	(25.57)	(1.80)	(14.85)
<b>Net Cash flow from Operating activities (A)</b>	34.34	(31.36)	(78.12)	149.81
<b>Cash Flow used In Investing Activities</b>				
Purchase from property, plant & equipment	(23.00)	(177.67)	(191.57)	(42.76)
Net proceeds from capital work in progress	Nil	201.72	Nil	(92.69)
Net proceeds from sale of property, plant & equipment	Nil	39.28	2.16	Nil
Interest received	0.04	0.24	0.22	0.11
<b>Net Cash Flow from Investing Activities (B)</b>	(22.96)	63.57	(189.20)	(135.34)
<b>Cash Flow From Financing Activities</b>				
Net proceeds from issued of equity shares	Nil	Nil	175.00	Nil
Net proceeds borrowings	(3.02)	(23.43)	106.22	14.47
Finance cost incurred	(1.73)	(11.67)	(21.36)	(21.33)
<b>Net Cash Flow From Financing Activities (C)</b>	(4.75)	(35.09)	259.86	(6.86)
Net Increase / (decrease) In cash and cash equivalents (A+B+C)	6.62	(2.89)	(7.45)	7.61
Cash and cash equivalents at the beginning of the year	3.67	6.56	14.01	6.40
<b>Cash and cash equivalents at the end of the year</b>	10.29	3.67	6.56	14.01



## GENERAL INFORMATION

*Our Company was incorporated as a public limited company namely “Rainbow Crop Health Limited” under the Companies Act, 1956, in Haryana, vide certificate of incorporation dated March 30, 2012 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana bearing registration number 045551. The Company’s Corporate Identity Number is U01403HR2012PLC045551. For further details please refer to chapter titled “History and Certain Other Corporate Matters” beginning on page 119 of this Draft Prospectus. Our company is into the Agrochemical Manufacturing business. Our diversified product portfolio can be classified as Herbicides/Weedicides, Fungicides, Plant Growth Regulator, Fertilizer, Bio-Fertilizer and Insecticides. Agrochemicals are important agricultural support and boosts to it, while preventing, reducing and eliminating the impact of disasters to increase food output and safety.*

### Brief Information on Company and Issue

<b>Registered Office</b>	NH - 73, Welcome Complex, V&PO, Mouli Panchkula, Haryana-134118 Tel: 01734-258082; Fax: N.A. E-mail: info@rchl.co.in; Website: <a href="http://www.rchl.co.in">www.rchl.co.in</a>		
<b>Date of Incorporation</b>	March 30, 2012		
<b>CIN</b>	U01403HR2012PLC045551		
<b>Company Category</b>	Company limited by Shares		
<b>Registrar of Company</b>	National Capital Territory of Delhi & Haryana 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110019 Tel No.: 011 – 2623 5707; Fax No.: 011 – 2623 5702 E Mail: <a href="mailto:roc.delhi@mca.gov.in">roc.delhi@mca.gov.in</a>		
<b>Company Secretary and Compliance Officer</b>	Ms. Ginny Uppal NH - 73, Welcome Complex, V&PO, Mouli Panchkula, Haryana-134118 Tel: 01734-258082; Fax: N.A. E-mail: cs@rchl.co.in; Website: <a href="http://www.rchl.co.in">www.rchl.co.in</a>		
<b>Chief Financial Officer</b>	Ms. Priyanshu Singh NH - 73, Welcome Complex, V&PO, Mouli Panchkula, Haryana-134118 Tel: 01734-258082; Fax: N.A. E-mail: cfo@rchl.co.in; Website: <a href="http://www.rchl.co.in">www.rchl.co.in</a>		
<b>Designated Stock Exchange</b>	BSE Limited P.J. Tower, Dalal Street, Fort, Mumbai-400001, Maharashtra Website : <a href="http://www.bseindia.com">www.bseindia.com</a>		
<b>Issue Programme</b>	Issue Opens On:	[●]	Issue Closes On: [●]

*Note: 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 Centres 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.*



## DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>CORPORATE CAPITAL VENTURES PVT. LTD.</b> SEBI Registration No.: INM000012276 Address: 160, Lower Ground Floor, Vinoba Puri, Lajpat Nagar – II, New Delhi – 110024 Tel No.: +91-11-41704066; Fax No.: N.A. Email: <a href="mailto:info@ccvindia.com">info@ccvindia.com</a> Website: <a href="http://www.ccvindia.com">www.ccvindia.com</a> Contact Person: Mr. Tushar Shukla	<b>SKYLINE FINANCIAL SERVICES PVT. LTD.</b> SEBI Registration No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi – 110020 Tel No: +91 11 40450193-97 Fax No: +91 11 26812683 Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a> Email: <a href="mailto:compliances@skylinerta.com">compliances@skylinerta.com</a> Contact Person: Mr. Khan Mohd. Ubed
PRINCIPAL BANKERS TO THE COMPANY	LEGAL ADVISOR TO THE COMPANY
<b>Vijaya Bank (Now Bank of Baroda)</b> Address: SCO-29, Sector-11, Panchkula-134109 Tel. No. – 0172-2565545 Fax No.: Not Available Email ID : <a href="mailto:vb8304@vijayabank.co.in">vb8304@vijayabank.co.in/</a> <a href="mailto:vjpaha@bankofbaroda.com">vjpaha@bankofbaroda.com</a> Contact Person : CM Palvinder Singh Website: <a href="http://www.bankofbaroda.co.in">www.bankofbaroda.co.in</a>	<b>Ms. Alpa Sharma</b> Advocate Punjab & Haryana High Court Reg. No. P-2291/2018 Address : H. No. 951, Sector-21, Panchkula, Haryana Mobile No: +91-8800869553 Fax No: Not Available Email Id: <a href="mailto:alpa951@gmail.com">alpa951@gmail.com</a>
MARKET MAKER	BANKER TO THE ISSUE & SPONSOR BANK
<b>Nikunj Stock Brokers Limited</b> SEBI Registration No.: INZ000169335 Address: A-92, Ground Floor, Left Portion, Kamla Nagar, Delhi-110007 Tel. No. : +91 11 47030000-01 Fax No. : NA Email: <a href="mailto:info@nikunjonline.com">info@nikunjonline.com</a> Website: <a href="http://www.nikunjonline.com">www.nikunjonline.com</a> Contact Person: Mr. Pramod Kumar Sultania	<b>ICICI Bank Limited</b> SEBI Registration Number: INBI00000004 Address: Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 Tele. No.: 022- 66818911/23/24 Fax No. : 022- 22611138 E-mail: <a href="mailto:saurabh.kumar@icicibank.com">saurabh.kumar@icicibank.com</a> Website: <a href="http://www.icicibank.com">www.icicibank.com</a> Contact Person: Mr. Saurabh Kumar
STATUTORY AUDITORS OF THE COMPANY	PEER REVIEW AUDITOR OF THE COMPANY
<b>M/s Vishwa Mitter &amp; Co.</b> Address: H. No. 2518, Sector 22-C, Chandigarh- 160022 Mobile No: 9815821112 Fax No.: N.A. Email: <a href="mailto:garg2518@gmail.com">garg2518@gmail.com</a> Website: N.A. Contact Person: Vishwa Mitter Garg FRN : 005372N Membership No.: 084345	<b>M/s V. N. Purohit &amp; Co. (Chartered Accountants)</b> Address: 214, New Delhi House, 2 <sup>nd</sup> Floor, 27 Barakhamba Road, New Delhi-110001 Tel. No.: +91 11 43596011 Fax No.: +91 11 43596011 Email: <a href="mailto:vnpdelhi@vnpaudit.com">vnpdelhi@vnpaudit.com</a> Website: <a href="http://www.vnpaudit.com">www.vnpaudit.com</a> Contact Peron: Mr. O. P. Pareek FRN: 304040E Membership No.: 014238



## DETAILS OF BOARD OF DIRECTORS OF OUR COMPANY

S.N	Name	DIN	Category	Designation
1.	Mr. Ajay Rulhania	06937931	Executive	Chairperson & Managing Director
2.	Ms. Rekha Rani	05216061	Non Executive	Non - Independent Director
3.	Mr. Raj Kumar Siwach	06937932	Non Executive	Non - Independent Director
4.	Mr. Abhay Singh	08516052	Non Executive	Independent Director
5.	Mr. Deepak Kumar	07625867	Non Executive	Independent Director

*For further details of our Directors, please refer chapter titled “Our Management” beginning on page 123 of this Draft Prospectus.*

*Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer, Skyline Financial Services Private Limited and / or the Lead Manager, i.e., Corporate Capital Ventures Private Limited, in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA, etc.*

*All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs where the Application was submitted by the ASBA Applicants.*

*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.*

### **SELF-CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

### **REGISTERED BROKERS**

Bidders can submit Bid cum Application Forms in the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.



### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

### **STATEMENT OF RESPONSIBILITY OF THE LEAD MANAGER/STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since Corporate Capital Ventures Private Limited is the sole Lead Manager to this Issue, a statement of inter-se allocation of responsibilities amongst Lead Managers is not required.

### **CREDIT RATING**

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

### **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

### **BROKERS TO THE OFFER**

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

### **EXPERT OPINION**

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Statutory Auditors for period ended on July 15, 2019, March 31, 2019, 2018 & 2017 and Legal Advisor report on Outstanding Litigations and Material Developments, included in this Draft Prospectus, our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

### **DEBENTURE TRUSTEE**

Since this is not a debenture issue, appointment of debenture trustee is not required.

### **APPRAISAL AND MONITORING AGENCY**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to Rs. 10,000 Lakhs. Since the Issue size is only of Rs. 353.40 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### **UNDERWRITING AGREEMENT**

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated September 20, 2019. 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:



<b>Name, Address, Telephone, Fax, and Email of the Underwriter</b>	<b>Indicative No. of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (Rs. in Lakh)</b>	<b>% of the Total Issue Size Underwritten</b>
Corporate CapitalVentures Private Limited	9,30,000	353.40	100%

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The above mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

#### **FILING OF DRAFT PROSPECTUS**

A soft copy of the Draft Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246(1) of SEBI (ICDR) Regulations. Pursuant to Regulation 246(2) of SEBI ICDR Regulations SEBI shall not issue any observation on the offer document. A copy of the Prospectus along with the documents required to be filed under Section 26 read with Section 32 of the Companies Act will be delivered to the ROC of National Capital Territory of Delhi & Haryana 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110019.

#### **CHANGE IN THE AUDITOR DURING LAST 3 YEAR**

There are no changes in the Auditor during last three (3) years as on date of this Draft Prospectus.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform BSE SME on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from BSE SME, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

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

Our Company and the Lead Manager have entered into a tripartite agreement dated September 20, 2019 with Nikunj Stock Brokers Limited the Market Maker for this Issue, duly registered with BSE SME to fulfill the obligations of Market Making:

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:



1. The Market Maker 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.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE Limited and SEBI from time to time.
3. 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.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. 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.
6. 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.
7. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

The Market Maker(s) shall have the right to terminate said arrangement by giving a 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 261 of the SEBI (ICDR) Regulations, 2018. Further, our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

9. **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE 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. Punitive Action in case of default by Market Maker:** SME Platform of BSE 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 Makers, 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(s) 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 Makers from time to time.

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

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

The Marketing Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/BSE from time to time.

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## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus is set forth below:

#	Particulars	Amount (Rs. in Lakhs)	
		Aggregate nominal value	Aggregate value at Offer Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	40,00,000 Equity Shares of Rs.10/- each	400.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	25,60,000 Equity Shares of Rs.10/- each	256.00	-
<b>C.</b>	<b>Present Issue in terms of the Draft Prospectus</b>		
	Offer of 9,30,000 Equity Shares of Face Value Rs.10/- each at a Price of Rs.38/-per Equity Share	93.00	353.40
	<i>Consisting of:</i>		
	<b>Reservation for Market Maker</b> - 48,000 Equity Shares of Rs.10/- each at a price of Rs.38/- per Equity Share reserved as Market Maker Portion.	4.80	18.24
	<b>Net Issue to the Public</b> - 8,82,000 Equity Shares of Rs.10/- each at a price of Rs.38/- per Equity Share.	88.20	335.16
	<i>Of the Net Issue to the Public</i>		
	<b>Allocation to Retail Individual Investors</b> - 4,41,000 Equity Shares of Rs.10/- each at a price of Rs.38/- per Equity Share shall be available for allocation for Investors applying for a value of up to Rs.2.00 Lakhs.	44.10	167.58
	<b>Allocation to Other than Retail Individual Investors</b> - 4,41,000 Equity Shares of Rs.10/- each at a price of Rs.38/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs.2.00 Lakhs.	44.10	167.58
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	34,90,000 Equity Shares of Rs. 10/- each		349.00
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		170.46
	After the Issue		430.86

*The present issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated August 10, 2019 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the AGM of our shareholders held on September 05, 2019.*

*Our Company has only one class of share capital i.e. Equity Shares of the face value of Rs. 10/- each only. All Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.*



## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of increase in Authorised Share Capital:

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

S.N.	Date	No. of Shares	Cumulative No. of Shares	Cumulative Authorised Share Capital (in Rs. Lakhs)	Whether AGM/EGM
1.	On Inception	2,50,000	2,50,000	25,00,000	N.A.
2.	January 15, 2018	17,50,000	20,00,000	2,00,00,000	EGM
3.	September 05, 2019	20,00,000	40,00,000	4,00,00,000	AGM

### 2. History of Equity Share Capital of our Company

Note	Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Cumulative Securities premium (Rs.)
1	On Inception	50000	10	10	Cash	Subscription	50000	5,00,000	Nil
2	December, 18 2014	200000	10	10	Cash	Subscription	250000	25,00,000	Nil
3	January, 29 2018	1750000	10	10	Cash	Subscription	2000000	2,00,00,000	Nil
4	September 16, 2019	560000	10	40.44	Other than Cash	Business Takeover	2560000	2,56,00,000	1,70,46,400

#### Note:

- Initial Subscribers to Memorandum of Association hold 50,000 Equity Shares each of face value of Rs. 10/- fully paid up as per the details given below:

Sr. No	Name of Allottees	No. of Shares Allotted
1	Mr. Anil Kumar	4000
2	Ms. Manju	10000
3	Mr. Molu Ram Rulhania	15000
4	Ms. Rekha Rani	15000
5	Mr. Ajay Rulhania	4000
6	Mr. Kuldeep Singh	1000
7	Mr. Pradeep Kumar	1000
	<b>Total</b>	<b>50000</b>

- The Company thereafter allotted 2,00,000 shares for cash consideration on December 18, 2014 by way of preferential allotment as per the details given below:



<b>Sr. No</b>	<b>Name of Allottees</b>	<b>No. of Shares Allotted</b>
1	Mr. Anil Kumar	40000
2	Ms. Manju	40000
3	Mr. Molu Ram Rulhania	40000
4	Ms. Rekha Rani	40000
5	Mr. Ajay Rulhania	40000
	<b>Total</b>	<b>200000</b>

3. The Company thereafter allotted 17,50,000 shares for cash consideration on 29th January, 2018 by way of preferential allotment as per the details given below:

<b>Sr. No</b>	<b>Name of Allottees</b>	<b>No. of Shares Allotted</b>
1	Mr. Anil Kumar	150000
2	Ms. Manju	100000
3	Mr. Molu Ram Rulhania	137500
4	Ms. Rekha Rani	596000
5	Mr. Ajay Rulhania	741500
6	M/s Ajay Rulhania (HUF)	25000
	<b>Total</b>	<b>1750000</b>

4. Issued pursuant to Business Takeover Agreement dated July 15, 2019, our company acquired business of M/s Welcome Crop Health Products (Proprietorship of Mr. Ajay Rulhania), by issue of 5,60,000 Equity shares of Rainbow Crop Health Limited of face value of Rs. 10/- each at a fair value of Rs. 40.44/- each to Mr. Ajay Rulhania.

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### 3. Shareholding of the Promoters of our Company

As on the date of the Draft Prospectus, our Promoters – Mr. Ajay Rulhania and Mrs. Rekha Rani hold total 20,22,490 Equity Shares representing 79.00 % of the pre-issue paid up share capital of our Company.

#### *Details of build-up of shareholding of the Promoters*

Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital of Cumulative Shares
<b>Mr. Ajay Rulhania</b>							
On Incorporation	Subscriber to MOA	4000	10.00	10.00	Cash	-	0.16
18/12/2014	Allotment	40000	10.00	10.00	Cash	-	1.72
29/01/2018	Allotment	741500	10.00	10.00	Cash	-	30.68
31/01/2018	Transfer	990	10.00	10.00	Cash	Pradeep Kumar	30.72
31/01/2018	Transfer	25000	10.00	10.00	Cash	Ajay Rulhania (HUF)	31.70
16/09/2019	Allotment	5,60,000	10.00	40.44	Other than Cash	-	53.57
<b>Sub-total</b>		<b>13,71,490</b>					<b>53.57</b>
<b>Ms. Rekha Rani</b>							
On Incorporation	Subscriber to MOA	15000	10.00	10.00	Cash	-	0.59
18/12/2014	Allotment	40000	10.00	10.00	Cash	-	2.15
29/01/2018	Allotment	596000	10.00	10.00	Cash	-	25.43
<b>Sub-total</b>		<b>6,51,000</b>					<b>25.43</b>
<b>Total</b>		<b>20,22,490</b>					<b>79.00</b>

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are under pledged.



#### 4. Our shareholding pattern

(a) The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Draft Prospectus:

Category Code	Category of shareholder	No. Of shareholder	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCR R, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Under lying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total share s held (B)	No. (a)	As a % of total share s held (B)	
								Class X	Class Y	Total								
I	II	III	IV	V	VI	VII= IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	7	2560000	-	-	2560000	100	2560000	-	2560000	100	-	100	-	-	-	-	-
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>2560000</b>	<b>-</b>	<b>-</b>	<b>2560000</b>	<b>100</b>	<b>2560000</b>	<b>-</b>	<b>2560000</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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



## I. Shareholding Pattern of Promoters and Promoter Group

#	Category & name of shareholder (I)	PAN (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of share underlying Depository Receipts (VI)	Total nos. shares held (VII) (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2) (XI)=(VII)+(X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)	
									No. of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (B)	No. (a)		As a % of total shares held (B)
									Class : X	Class : Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(IX)			(X)	(XI)	(XIII)		(XIV)				
<b>(1)</b>	<b>Indian</b>																		
(a)	Individual/HUF		7	2560000	-	-	2560000	100.00	2560000	-	2560000	100.00	-	100.00	-	-	-	-	
1	Ajay Rulhania	-	1	1371490	-	-	1371490	53.57	1371490	-	1371490	53.57	-	53.57	-	-	-	-	
2	Rekha Rani	-	1	651000	-	-	651000	25.43	651000	-	651000	25.43	-	25.43	-	-	-	-	
3	Anil Kumar	-	1	194000	-	-	194000	7.58	194000	-	194000	7.58	-	7.58	-	-	-	-	
4	Molu Ram Rulhania	-	1	192500	-	-	192500	7.52	192500	-	192500	7.52	-	7.52	-	-	-	-	
5	Manju	-	1	150000	-	-	150000	5.86	150000	-	150000	5.86	-	5.86	-	-	-	-	
6	Kuldeep Singh	-	1	1000	-	-	1000	0.04	1000	-	1000	0.04	-	0.04	-	-	-	-	
7	Raj Kumar Siwach	-	1	10	-	-	10	0.00	10	-	10	0.00	-	0.00	-	-	-	-	
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Financial Institutions /Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Any other (Body Corporate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub- total (A) (1)</b>		<b>7</b>	<b>2560000</b>	<b>-</b>	<b>-</b>	<b>2560000</b>	<b>100.00</b>	<b>2560000</b>	<b>-</b>	<b>2560000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>(2)</b>	<b>Foreign</b>																		
(a)	Individual (NRI/ Foreign Individual)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Any Other(specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub- Total(A) (2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>Total Shareholding of Promoters and Promoter Group (A)=(A)(1)+(A)(2)</b>		<b>7</b>	<b>2560000</b>	<b>-</b>	<b>-</b>	<b>2560000</b>	<b>100.00</b>	<b>2560000</b>	<b>-</b>	<b>2560000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	



## II. Shareholding Pattern of the Public shareholder

#	Category & name of shareholder	P A N	No. of share holders	No. of full y paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+ C2)	Number of Voting Rights held in each class of securities			No. of Shares Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share Capital) As a % of (A+B+C 2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form	
									No. of Voting Rights					Total as a % of (A+ B+C)	No. (a)	As a % of total shares held (B)	No. (a)		As a % of total shares held (B)
									Class : X	Class : Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(IV)+(V) +(VI)	(VIII)	(IX)			(X)	(XI)=(V II)+(X)	(XII)		(XIII)		(XIV)	
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Central Government/State Government (s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(3)	Non- Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Individuals-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total Public Shareholding (B)-(B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



### III. Shareholding pattern of the Non Promoter- Non Public shareholder

#	Category & name of shareholder	P A N	No. of shareholders	No. of full y paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+ C2)	Number of Voting Rights held in each class of securities				No. of Shares Under lying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share Capital) As a % of (A+B+C 2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form	
									No. of Voting Rights						Total as a % of Total Voting rights	No. (a)	As a % of total shares held (B)	No. (Not Applicable)		As a % of total shares held (Not Applicable)
									Class : X	Class : Y	Total									
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V) +(VI)	(VIII)	(IX)				(X)	(XI)=(V II)+(X)	(XII)		(XIII)		(XIV)	
(1)	Custodian /DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total Non- Promoter – Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

#### Note:

- 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, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, our Company will dematerialized all the existing shares of the Company prior to filing Final Prospectus with Registrar of Companies.
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such Equity Shares.



5. As on the date of the Draft Prospectus, there are no partly paid-up shares / outstanding convertible securities / warrants in our Company.
6. **Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and public before and after the Issue:**

#	Name of share holder	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital	No. of equity shares	As a % of Issued Capital
<b>Promoters</b>					
1	Ajay Rulhania	1371490.00	53.57	1371490.00	39.30
2	Rekha Rani	651000.00	25.43	651000.00	18.65
<b>Total - A</b>		<b>2022490.00</b>	<b>79.00</b>	<b>2022490.00</b>	<b>57.95</b>
<b>Promoter Group</b>					
3	Anil Kumar	194000.00	7.58	194000.00	5.56
4	Molu Ram Rulhania	192500.00	7.52	192500.00	5.52
5	Manju	150000.00	5.86	150000.00	4.30
6	Kuldeep Singh	1000.00	0.04	1000.00	0.03
7	Raj Kumar Siwach	10.00	0.00	10.00	0.00
<b>Total – B</b>		<b>537510.00</b>	<b>21.00</b>	<b>537510.00</b>	<b>15.40</b>
<b>Public</b>					
-	IPO	0.00	0.00	930000.00	26.65
<b>Total-C</b>		<b>0.00</b>	<b>0.00</b>	<b>930000.00</b>	<b>26.65</b>
<b>Grand Total (A+B+C)</b>		<b>2560000.00</b>	<b>100.00</b>	<b>3490000.00</b>	<b>100.00</b>

7. 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.)
Ajay Rulhania	1371490	22.66
Manju	150000	10.00
Molu Ram Rulhania	192500	10.00
Rekha Rani	651000	10.00
Kuldeep Singh	1000	10.00
Anil Kumar	194000	10.00
Raj Kumar Siwach	10	10.00

8. **Details of Major Shareholders:**

(A) *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:*

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Ajay Rulhania	1371490	53.57
2.	Manju	150000	5.86
3.	Molu Ram Rulhania	192500	7.52
4.	Rekha Rani	651000	25.43
5.	Anil Kumar	194000	7.58
	<b>Total</b>	<b>2558990</b>	<b>99.96</b>



(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Draft Prospectus:

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Ajay Rulhania	44000	1.72
2.	Manju	50000	1.95
3.	Molu Ram Rulhania	55000	2.15
4.	Rekha Rani	55000	2.15
5.	Anil Kumar	44000	1.72
	<b>Total</b>	<b>248000</b>	<b>9.69</b>

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Prospectus:

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Ajay Rulhania	811490	31.70
2.	Manju	150000	5.86
3.	Molu Ram Rulhania	192500	7.52
4.	Rekha Rani	651000	25.43
5.	Anil Kumar	194000	7.58
	<b>Total</b>	<b>1998990</b>	<b>78.09</b>

(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Prospectus:

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Ajay Rulhania	1371490	53.57
2.	Manju	150000	5.86
3.	Molu Ram Rulhania	192500	7.52
4.	Rekha Rani	651000	25.43
5.	Anil Kumar	194000	7.58
	<b>Total</b>	<b>2558990</b>	<b>99.96</b>

\*The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of the Draft Prospectus.

\*\* the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

9. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
10. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue Price.
11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares)



whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

12. We have 7 (Seven) shareholders as on the date of filing of the Draft Prospectus.
13. As on the date of the Draft Prospectus, our Promoters and Promoters' Group hold total 25,60,000 Equity Shares representing 100.00 % of the pre-issue paid up share capital of our Company.
14. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the company which is a promoter of the Company and/or the Directors of the Company have purchased or (sold) any securities of our Company during the past six months immediately preceding the date of filing this Draft Prospectus.
15. The members of the Promoters' Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Prospectus.
16. **Details of Promoter's Contribution locked in for three years:**

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and in terms of the aforesaid table, an aggregate of 20% of the post-Issue Capital shall be considered as Promoter's Contribution (Promoters' Contribution) and shall be locked in by for a period of three (3) years.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.00 % 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 completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of [●] of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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



Name of Promoter	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price per Equity Share (Rs.)	Percentage of post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to Lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]

The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 237 of the SEBI Regulations. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters' contribution of 20.00 % 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 revaluation of assets or capitalisation of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- 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.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

#### ***Equity Shares locked-in for one year***

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance pre-Issue Equity Share capital of our Company, *i.e.* [•] Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Pledge of Locked in Equity Shares:***

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.



- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

***Transferability of Locked in Equity Shares:***

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
  - The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.
17. Our Company, our Promoters, our Directors and the Lead Manager to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
  18. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation.
  19. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.
  20. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
  21. Our Company has not made Right Issue, at any point of time since Incorporation.
  22. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
  23. There are no safety net arrangements for this public Offer.
  24. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment.
  25. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.



26. All the Equity Shares of our Company are fully paid up as on the date of the Draft Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
27. As per RBI regulations, OCBs are not allowed to participate in this Issue.
28. There is no “Buyback”, “Standby”, or similar arrangement by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares issued / offered through this Draft Prospectus.
29. As on the date of this Draft Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
30. Investors may note that in case of over-subscription, 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.
31. 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 BSE.
32. The Issue is being made through Fixed Price Method.
33. Lead Manager to the Issue viz. Corporate Capital Ventures Private Limited and its associates do not hold any Equity Shares of our Company.
34. Our Company has not raised any bridge loan against the proceeds of this Issue.
35. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
36. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
37. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
38. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
39. Our Promoters and the members of our Promoter Group will not participate in this Issue.
40. Our Company has not made any public issue since its incorporation.
41. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
42. For the details of transactions by our Company with our Promoter Group, Group Companies during the last three Fiscals i.e. 2017, 2018 and 2019, please refer to paragraph titled “*Related Party Transaction*” in the chapter titled ‘*Financial Information*’ beginning on page number 149 of the Draft Prospectus.
43. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page number 123 of the Draft Prospectus.



## OBJECTS OF THE ISSUE

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

### The objects of the Issue are:-

1. To meet out the Working Capital requirements of the Company;
2. To meet out the General Corporate Purposes; and
3. To meet out the 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. N.	Particulars	Amount (In Rs. Lakh)
1	Working Capital Requirement	280.73
2	General Corporate Purposes	17.67
3	Issue Expenses*	55.00
	<b>Total</b>	<b>353.40</b>

*\*As on September 23, 2019 the Company has incurred a sum of Rs.4.00 lakh towards issue expenses.*

*The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.*

*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 may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

### Details of Utilization of Issue Proceeds

#### 1. Working Capital Requirements:

(Rs. In Lakhs)

Particulars	2017-18 (Audited)	2018-19 (Audited)	2019-20 (Estimated)
<b>Current Assets</b>			
Inventories	241.95	500.70	523.00
Trade Receivables	914.02	888.16	1084.09
Cash & Cash Equivalents	6.56	3.67	92.07
Short Term Loans and Advances	15.42	25.75	19.04
Other Current Assets	0.69	36.94	49.28
<b>Total (A)</b>	<b>1178.64</b>	<b>1455.22</b>	<b>1767.49</b>
<b>Current Liabilities</b>			
Short Term Borrowings	165.78	149.43	190.19
Trade Payables	705.07	870.52	1101.73
Other Current Liabilities	132.28	85.35	63.37
<b>Total (B)</b>	<b>1003.13</b>	<b>1105.30</b>	<b>1355.29</b>
<b>Net Working Capital (A) - (B)</b>	<b>175.50</b>	<b>349.92</b>	<b>412.20</b>
<b>Sources of Working Capital</b>			
<b>Internal sources</b>	175.50	349.92	<b>131.47</b>
<b>Issue Proceeds</b>	-	-	<b>280.73</b>

#### Basis of Estimation

(in days)

Particulars	FY 2018	FY 2019	FY 2020 (Estimated)
No. of Days of Inventories	53.61	55.53	60.00
No. of Days for Trade Payables	118.82	130.19	150.00
No. of Days for Trade Receivables	113.05	116.15	115.00

The total working capital requirements for the FY 2018-19 is estimated to be Rs.349.92 lakhs and for the FY 2019-20 is projected to be Rs. 412.20 lakhs which will be met through the Net Proceeds to the extent of Rs.280.73 Lakhs and the balance portion will be met through Internal Accruals/Share Capital/ Borrowings.



## 2. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating Rs. 17.67 Lakhs for General Corporate Purposes subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

## 3. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor 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. 55.00 Lakh.

*(Rs. In Lakh)*

Expenses	Expenses (Rs. in Lakh)	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, Market Makers, Bankers etc.	35.00	63.64	9.90
Regulatory fees and Other Expenses	5.00	9.09	1.41
Marketing and Advertising Expenses	15.00	27.27	4.24
<b>Total estimated Issue expenses</b>	<b>55.00</b>	<b>100.00</b>	<b>15.56</b>

## MEANS OF FINANCE

The working capital requirements under our Objects will be met through the Net Proceeds to the extent of Rs. 280.73 lakhs and internal accruals as provided for below:

*(Rs. in Lakh)*

Particulars	Amount Required	IPO Proceeds	Internal Accruals
Working Capital Requirements of the Company	412.20	280.73	131.47

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

## 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.



## SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(Rs. in Lakh)

S. No.	Particulars	Amount to be funded from Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2019-20)
1	Working Capital Requirement	280.73	280.73
2	General Corporate Purposes	17.67	17.67
3	Issue Expenses	55.00	55.00
	Total	353.40	353.40

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## DEPLOYMENT OF FUNDS

The Company has received the Sources and Deployment Funds Certificate dated September 23, 2019 from M/s. Vishwa Mitter & Co., Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 4.00 Lakh. Details of the deployment of funds as on September 23, 2019, as per the certificate are as follows:

(Rs. in Lakh)

Particulars	Total Funds required	Amount incurred till September 23, 2019	Source of Fund	Balance deployment during FY 2019-20
Working Capital Requirement	280.73	-	-	280.73
General Corporate Purpose	17.67	-	-	17.67
*Issue Expenses	55.00	4.00*	Internal Accrual	55.00
<b>Total</b>	<b>353.40</b>	<b>4.00</b>	<b>-</b>	<b>353.40</b>

\* M/s Vishwa Mitter & Co., Chartered Accountants being statutory auditor of the Company have vide certificate dated September 23, 2019, confirmed that as on September 23, 2019 the Company has incurred a sum of Rs.4.00 Lakh towards issue expenses.

## INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.



## **BRIDGE FINANCING FACILITIES**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

## **MONITORING UTILIZATION OF FUNDS**

As the Net Proceeds of the Issue will be less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this 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.

## **VARIATION IN OBJECTS**

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

## **OTHER CONFIRMATIONS**

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled ‘Our Promoters “ “ Our Promoters Group’ and ‘Our Management’ as mentioned on page nos. 137, 141 and 123 of this Draft Prospectus.



## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 38/- 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 Rs. 38/- per Equity Share.

### QUALITATIVE FACTORS

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

1. *Company's core business*
2. *Qualified & Experienced Team*
3. *Customers Base*
4. *Geographic exposure*
5. *Competitive Advantage*
6. *Corporate Governance*
7. *Industry Growth Trends*
8. *Wide Product Range*

For further details, refer heading chapter titled "Our Business" beginning on page 88 of this Draft Prospectus.

### QUANTITATIVE FACTORS

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price are as follows:

#### 1. **Basic & Diluted Earnings Per Share (EPS):**

Period	Basic & Diluted EPS	Weight
2018-19	3.59	3.00
2017-18	6.59	2.00
2016-17	8.37	1.00
Weighted Average EPS		5.39
EPS for July 15, 2019*		1.21

(\*not annualised)

#### **Note:**

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

#### 2. **Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 38/- per Equity Share of face value Rs. 10/- each fully paid up.**



Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2018-19	<b>10.60</b>
P/E ratio based on the Weighted Average EPS, as restated	<b>7.05</b>

#### Industry P/E

High - Bayer CropScience Limited	78.48
Low - Super Crop Safe Limited	16.83
<b>Average</b>	<b>47.65</b>

*Note: Industry Peer may be modified for finalisation of Issue Price before filing Prospectus with ROC.*

### 3. Return on Net Worth (RONW)

Period	Return on Net Worth (%)	Weights
2018-19	20.41	3
2017-18	12.90	2
2016-17	30.54	1
<b>Weighted Average</b>		<b>19.60</b>
NW for July 15, 2019*		6.42

*\*Not annualised*

#### Note:

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights
- Net worth is aggregate value of the paid-up share capital of the Company and reserves and surplus, excluding revaluation reserves and attributable to equity holders.

### 4. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2020 is [●] %.

### 5. Net Asset Value per Equity Share

Particulars	Net Asset Value (NAV) in Rs.
2018-19	17.57
2017-18	13.98
2016-17	27.42
NAV for July 15, 2019*	18.77
NAV Post Allotment made on September 16, 2019	23.51
NAV Post-Issue	20.19
Issue Price	38.00

*\*Not annualised*

*Note: Net Asset Value has been calculated as per the following formula:*



NAV = Net worth excluding preference share capital and revaluation reserve/Outstanding number of Equity shares outstanding during the year or period

## 6. Comparison with industry peers

#	Name of the company	Face Value (Rs. Per Share)	CMP*	EPS (Rs. Per Share)	P/E Ratio	RONW (%)	NAV(Rs . Per Share )	Total Income (Rs. In Lakhs)
1	Rainbow Crop Health Limited	10	[●]	3.59	10.60	20.41	17.57	1634.04
<b>Peer Group*</b>								
1	PI Industries Limited	1.00	1035.30	29.56	35.02	17.92	164.7967	290090.00
2	Bayer CropScience Limited	10.00	4383.10	69.20	63.34	12.62	548.56	272290.00
3	Super Crop Safe Limited	2.00	24.45	1.38	0.06	15.71	8.74	6474.82

\*Source: www.bseindia.com, and www.nseindia.com

Note: Industry Peer may be modified for finalisation of Issue Price before filing Prospectus with ROC.

Notes:

- Considering the nature and turnover of business of the Company the peer are not strictly comparable. However the same have been included for broader comparison.
- The figures for Rainbow Crop Health Limited are based on the restated results for the year ended March 31, 2019.
- The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2019.
- Current Market Price (CMP) is the closing price of respective scrip as on April 1, 2019.

For further details see section titled —Risk Factors beginning on page 16 and the financials of the Company including profitability and return ratios, as set out in the section titled — Auditors Report and Financial Information of Our Company beginning on page 149 of this Draft Prospectus for a more informed view.



## STATEMENT OF TAX BENEFITS

### Independent Auditor's Report on Statement of Special Tax Benefits

To,

The Board of Directors,  
**RAINBOW CROP HEALTH LIMITED**  
NH -73, Welcome Complex V&PO,  
Mouli Panchkula, Haryana-134118

With reference to proposed Issue and Offer of the Equity Shares of **Rainbow Crop Health Limited** (hereinafter referred to as "the Company"), we are enclosing herewith a Statement stating the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('the Act') as applicable to the assessment year 2020-21 relevant to the financial year 2019-20, for inclusion in the Draft Prospectus and the Prospectus for the proposed issue of shares.

Several of these benefits are dependent upon the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits will be dependent upon such conditions being fulfilled. Additionally, in respect of the Company benefits listed, the business imperatives faced by the Company in the future will also affect the benefits actually claimed.

The benefits discussed in the enclosed annexure covers only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to the Company or its Shareholders. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive.

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;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;

The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.



The enclosed annexure is intended for your information and for inclusion in the Draft Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**FOR V. N. PUROHIT & CO.**  
**Chartered Accountants**  
Firm Regn. 304040E

Place: New Delhi  
Dated: 23/09/2019

**O. P. Pareek**  
Partner  
Membership No. 014238

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## **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO RAINBOW CROP HEALTH LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Act

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### **Note:**

- 1.** 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.
- 2.** The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3.** No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



## SECTION V- ABOUT THE COMPANY

### OUR INDUSTRY

*The information presented in this section has been extracted from publicly available information, data and statistics. This information, data and statistics has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. 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 16 and 149 respectively of this Draft Prospectus before deciding to invest in our Equity Shares.*

### OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

#### GLOBAL ECONOMIC OVERVIEW

- Global growth remains subdued. Since the April World Economic Outlook (WEO) report, the United States further increased tariffs on certain Chinese imports and China retaliated by raising tariffs on a subset of US imports. Additional escalation was averted following the June G20 summit. Global technology supply chains were threatened by the prospect of US sanctions, Brexit-related uncertainty continued, and rising geopolitical tensions roiled energy prices.
- Against this backdrop, global growth is forecast at 3.2 percent in 2019, picking up to 3.5 percent in 2020 (0.1 percentage point lower than in the April WEO projections for both years). GDP releases so far this year, together with generally softening inflation, point to weaker-than-anticipated global activity. Investment and demand for consumer durables have been subdued across advanced and emerging market economies as firms and households continue to hold back on long-term spending. Accordingly, global trade, which is intensive in machinery and consumer durables, remains sluggish. The projected growth pickup in 2020 is precarious, presuming stabilization in currently stressed emerging market and developing economies and progress toward resolving trade policy differences.
- Risks to the forecast are mainly to the downside. They include further trade and technology tensions that dent sentiment and slow investment; a protracted increase in risk aversion that exposes the financial vulnerabilities continuing to accumulate after years of low interest rates; and mounting disinflationary pressures that increase debt service difficulties, constrain monetary policy space to counter downturns, and make adverse shocks more persistent than normal.
- Multilateral and national policy actions are vital to place global growth on a stronger footing. The pressing needs include reducing trade and technology tensions and expeditiously resolving uncertainty around trade agreements (including between the United Kingdom and the European Union and the free trade area encompassing Canada, Mexico, and the United States). Specifically, countries should not use tariffs to target bilateral trade balances or as a substitute for dialogue to pressure others for reforms. With subdued final demand and muted inflation, accommodative monetary policy is appropriate in advanced economies and in emerging market and developing economies where expectations are anchored. Fiscal policy should balance multiple objectives: smoothing demand as needed, protecting the vulnerable, bolstering growth potential with spending that supports structural reforms, and ensuring sustainable public finances over the medium term. If growth weakens relative to the baseline, macroeconomic policies will



need to turn more accommodative, depending on country circumstances. Priorities across all economies are to enhance inclusion, strengthen resilience, and address constraints on potential output growth.

### **Weak final demand**

Against a difficult backdrop that included intensified US-China trade and technology tensions as well as prolonged uncertainty on Brexit, momentum in global activity remained soft in the first half of 2019. There were positive surprises to growth in advanced economies, but weaker-than-expected activity in emerging market and developing economies.

Growth was better than expected in the United States and Japan, and one-off factors that had hurt growth in the euro area in 2018 (notably, adjustments to new auto emissions standards) appeared to fade as anticipated.

Among emerging market and developing economies, first quarter GDP in China was stronger than forecast, but indicators for the second quarter suggest a weakening of activity. Elsewhere in emerging Asia, as well as in Latin America, activity has disappointed.

Despite the upside surprises in headline GDP for some countries, data more broadly paint a picture of subdued global final demand, notably in fixed investment. Inventory accumulation of unsold goods lifted first quarter GDP in the United States and the United Kingdom, while soft imports boosted output in China and Japan.

From a sectoral perspective, service sector activity has held up, but the slowdown in global manufacturing activity, which began in early 2018, has continued, reflecting weak business spending (machinery and equipment) and consumer purchases of durable goods, such as cars. These developments suggest that firms and households continue to hold back on long-range spending amid elevated policy uncertainty.

### **Soft global trade**

Spending patterns are also reflected in global trade, which tends to be intensive in investment goods and consumer durables. Trade volume growth declined to around ½ percent year-on-year in the first quarter of 2019 after dropping below 2 percent in the fourth quarter of 2018. The slowdown was particularly notable in emerging Asia.

Weak trade prospects—to an extent reflecting trade tensions—in turn create headwinds for investment. Business sentiment and surveys of purchasing managers, for example, point to a weak outlook for manufacturing and trade, with particularly pessimistic views on new orders. The silver lining remains the performance of the service sector, where sentiment has been relatively resilient, supporting employment growth (which, in turn, has helped shore up consumer confidence).

### **Muted inflation**

Consistent with subdued growth in final demand, core inflation across advanced economies has softened below target (for example, in the United States) or remained well below it (euro area, Japan). Core inflation has also dropped further below historical averages in many emerging market and developing economies, barring a few cases such as Argentina, Turkey, and Venezuela.

With global activity generally remaining subdued, supply influences continued to dominate commodity price movements, notably in the case of oil prices (affected by civil strife in Venezuela and Libya and US sanctions on Iran). Despite the large run-up in oil prices through April (and higher import tariffs in some countries), cost pressures have been muted, reflecting still-temperate wage growth in many economies even as labor markets continued to tighten. Headline inflation has therefore remained subdued across most advanced and emerging



market economies. These developments have contributed, in part, to market pricing of expected inflation dropping sharply in the United States and the euro area.

### **Mixed policy cues and shifts in risk appetite**

Policy actions and missteps have played an important role in shaping these outcomes, not least through their impact on market sentiment and business confidence. While the six-month extension to Brexit announced in early April provided some initial reprieve, escalating trade tensions in May, fears of disruptions to technology supply chains, and geopolitical tensions (for example, US sanctions on Iran) undermined market confidence (Box 1).

Risk sentiment appears to have regained some ground in June, supported by central bank communications signaling the likelihood of further accommodation. Following the June G20 summit, where the United States and China agreed to resume trade talks and avoided further increases in tariffs, market sentiment has been lifted by the prospect of the two sides continuing to make progress toward resolving their differences. Financial conditions in the United States and the euro area are now easier than at the time of the April WEO, while remaining broadly unchanged for other regions.

### **Global Growth Still Sluggish**

Global growth is projected at 3.2 percent for 2019, improving to 3.5 percent in 2020 (0.1 percentage point lower for both years than in the April 2019 WEO forecast). On the trade front, the forecast reflects the May 2019 increase of US tariffs on \$200 billion of Chinese exports from 10 percent to 25 percent, and retaliation by China. The downgrades to the growth forecast for China and emerging Asia are broadly consistent with the simulated impact of intensifying trade tensions and associated confidence effects discussed in Scenario Box 1 of the October 2018 WEO.

The projected pickup in global growth in 2020 relies importantly on several factors: (1) financial market sentiment staying generally supportive; (2) continued fading of temporary drags, notably in the euro area; (3) stabilization in some stressed emerging market economies, such as Argentina and Turkey; and (4) avoiding even sharper collapses in others, such as Iran and Venezuela. About 70 percent of the increase in the global growth forecast for 2020 relative to 2019 is accounted for by projected stabilization or recovery in stressed economies. In turn, these factors rely on a conducive global policy backdrop that ensures the dovish tilt of central banks and the buildup of policy stimulus in China are not blunted by escalating trade tensions or a disorderly Brexit.

For advanced economies, growth is projected at 1.9 percent in 2019 and 1.7 percent in 2020. The 2019 projection is 0.1 percentage point higher than in April, mostly reflecting an upward revision for the United States.

In the United States, 2019 growth is expected to be 2.6 percent (0.3 percentage point higher than in the April WEO), moderating to 1.9 percent in 2020 as the fiscal stimulus unwinds. The revision to 2019 growth reflects stronger-than-anticipated first quarter performance. While the headline number was strong on the back of robust exports and inventory accumulation, domestic demand was somewhat softer than expected and imports weaker as well, in part reflecting the effect of tariffs. These developments point to slowing momentum over the rest of the year.

Growth in the euro area is projected at 1.3 percent in 2019 and 1.6 percent in 2020 (0.1 percentage point higher than in April). The forecast for 2019 is revised down slightly for Germany (due to weaker-than-expected external demand, which also weighs on investment), but it is unchanged for France (where fiscal measures are expected to support growth and the negative effects of street protests are dissipating) and Italy (where the uncertain fiscal outlook is similar to April's, taking a toll on investment and domestic demand). Growth has been revised up for 2019 in Spain, reflecting strong investment and weak imports at the start of the year. Euro area growth is expected to pick up over the remainder of this year and into 2020, as external



demand is projected to recover and temporary factors (including the dip in German car registrations and French street protests) continue to fade.

The United Kingdom is set to expand at 1.3 percent in 2019 and 1.4 percent in 2020 (0.1 percentage point higher in 2019 than forecast in the April WEO). The upward revision reflects a stronger-than-anticipated first quarter outturn boosted by pre-Brexit inventory accumulation and stockpiling. This is likely to be partially offset by payback over the remainder of the year. Monthly GDP for April recorded a sharp contraction, in part driven by major car manufacturers bringing forward regular annual shutdowns as part of Brexit contingency plans. The forecast assumes an orderly Brexit followed by a gradual transition to the new regime. However, as of mid-July, the ultimate form of Brexit remained highly uncertain.

Japan's economy is set to grow by 0.9 percent in 2019 (0.1 percentage point lower than anticipated in the April WEO). The strong first quarter GDP release reflects inventory accumulation and a large contribution from net exports due to the sharp fall in imports, thus masking subdued underlying momentum. Growth is projected to decline to 0.4 percent in 2020, with fiscal measures expected to somewhat mitigate the volatility in growth from the forthcoming October 2019 increase in the consumption tax rate.

The emerging market and developing economy group is expected to grow at 4.1 percent in 2019, rising to 4.7 percent in 2020. The forecasts for 2019 and 2020 are 0.3 and 0.1 percentage point lower, respectively, than in April, reflecting downward revisions in all major regions.

Emerging and developing Asia is expected to grow at 6.2 percent in 2019–20. The forecast is 0.1 percentage point lower than in the April WEO for both years, largely reflecting the impact of tariffs on trade and investment. In China, the negative effects of escalating tariffs and weakening external demand have added pressure to an economy already in the midst of a structural slowdown and needed regulatory strengthening to rein in high dependence on debt. With policy stimulus expected to support activity in the face of the adverse external shock, growth is forecast at 6.2 percent in 2019 and 6.0 percent in 2020—0.1 percentage point lower each year relative to the April WEO projection. India's economy is set to grow at 7.0 percent in 2019, picking up to 7.2 percent in 2020. The downward revision of 0.3 percentage point for both years reflects a weaker-than-expected outlook for domestic demand.

The subdued outlook for emerging and developing Europe in 2019 largely reflects prospects for Turkey, where—after a growth surprise in the first quarter from stronger-than-expected fiscal support—the contraction in activity associated with needed policy adjustments is projected to resume. Several other countries in central and eastern Europe are experiencing strong growth on the back of resilient domestic demand and rising wages. The region is expected to grow at 1 percent in 2019 (0.2 percentage point higher than in the April WEO, buoyed by robust first quarter growth). Growth is expected to improve to 2.3 percent in 2020 (0.5 percentage point lower than in the April WEO, largely reflecting the projected growth slowdown for the remainder of 2019 in Turkey).

In Latin America, activity slowed notably at the start of the year across several economies, mostly reflecting idiosyncratic developments. The region is now expected to grow at 0.6 percent this year (0.8 percentage point lower than in the April WEO), recovering to 2.3 percent in 2020. The sizable downward revision for 2019 reflects downgrades to Brazil (where sentiment has weakened considerably as uncertainty persists about the approval of pension and other structural reforms) and Mexico (where investment remains weak and private consumption has slowed, reflecting policy uncertainty, weakening confidence, and rising borrowing costs, which could climb further following the recent sovereign rating downgrade). Argentina's economy contracted in the first quarter of the year, although at a slower pace than in 2018. The growth forecast for 2019 is revised



down slightly compared with the April WEO, and the recovery in 2020 is now projected to be more modest. Chile's growth projection is revised down slightly, following weaker-than-expected performance at the start of the year, but is expected to pick up in 2020 helped by more accommodative policies. The deep humanitarian crisis and economic implosion in Venezuela continue to have a devastating impact, with the economy expected to shrink about 35 percent in 2019.

(Source : <https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEUpdateJuly2019>)

## **OVERVIEW OF INDIAN ECONOMY**

### **Introduction**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

### **Market size**

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

### **Recent Developments**

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.



- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.

### **Government Initiatives**

The interim Union Budget for 2019-20 was announced by Mr. Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- In February 2019, the Government of India approved the National Policy on Software Products – 2019, to develop the country as a software hub.
- The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).



## **Road Ahead**

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

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

## **GLOBAL OUTLOOK OF AGROCHEMICAL INDUSTRY**

### **Market Overview**

Global Agrichemical market has witnessed an impressive growth over the last few years. In addition to the increasing population resulting in growth demand for food, there are efforts to reinforce crop production, increase soil potency, bring potency in land use and high quality yield are anticipated to drive the agrochemical because of government policies and rules towards the expansion of the agrochemicals has raised the bar for quality, which, in turn, will upsurge the market growth of agrochemicals globally.

The key manufacturers are capitalizing to the new opportunities by intensifying their product lines or an offering which is expected to stimulate the agrochemicals market in the upcoming decade. All the factors have created a massive opportunity for the manufacturers of agrochemicals. Industry players are launching their products in the unexplored countries to extend the customer base.

### **Competitive Analysis**

Agrochemicals market offers lucrative opportunity for the major manufacturers of agrochemical products. However, the global agrochemical market is fragmented owing to the presence of small & regional players in the developing & under developing economies. The major players are acquiring small & regional players to enhance the volume sales. Also, the manufacturers are collaborating with distributors to increase the customer base. Manufacturers are investing millions of dollars for new product development. Strategic product development is one of the recent trends which is gaining traction in the global agrochemicals market during the forecast period. Manufacturers are launching new products with added value of the competitors' products. Government certification also considered to be the significant factors for the rising growth of global agrochemicals market during the forecast period.



## Regional Analysis

The global agrochemicals market is segmented by region which comprises of North America, Europe, Asia Pacific and Rest of the World. Among all the regions, Asia Pacific is accounting for significant market share in global agrochemicals market and it is expected to retain its dominance throughout the forecast period of 2017-2023. The growth of the agrochemicals in Asia Pacific region is anticipated to be driven by the various factors. Increasing high food demand is the major factors for the rising growth of agrochemicals market in the Asia Pacific region. Also, increasing massive population is creating a huge food demand which in turn accelerates the demand of agrochemicals products during the forecast period of 2017-2023. Among the Asia Pacific countries, China & India are the major consumers of agrochemicals products over the last few years. However, Latin America is expected to witness highest growth during the forecast period of 2017-2023. The growth of the agrochemicals market in Latin America is attributed to the increasing dependency in agriculture among the Latin American countries and increasing awareness of bio- fertilizers. Among the Latin American countries, Brazil & Argentina are holding major market proportion in the year of 2017 and the trend is expected to continue throughout the forecast period.

## Market Size

During 2017-18 crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting food grain production of 285.2 million tonnes. Milk production was estimated at 165.4 million tonnes during FY-17, while meat production was 7.4 million tonnes. As of September 2018, total area sown with Kharif crops in India reached 105.78 million hectares.

India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 314.7 million tonnes (mt) in 2018-19 as per third advance estimates.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY-10-18 to reach US\$ 38.21 billion in FY-18. Between Apr 2018-Feb 2019 agriculture exports were US\$ 34.31 billion. India is also the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US\$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million KGs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18. Food & Grocery retail market in India was worth US\$ 380 billion in 2017.

(Source : <https://www.reuters.com/brandfeatures/venture-capital/article?id=33773>)

## Investments

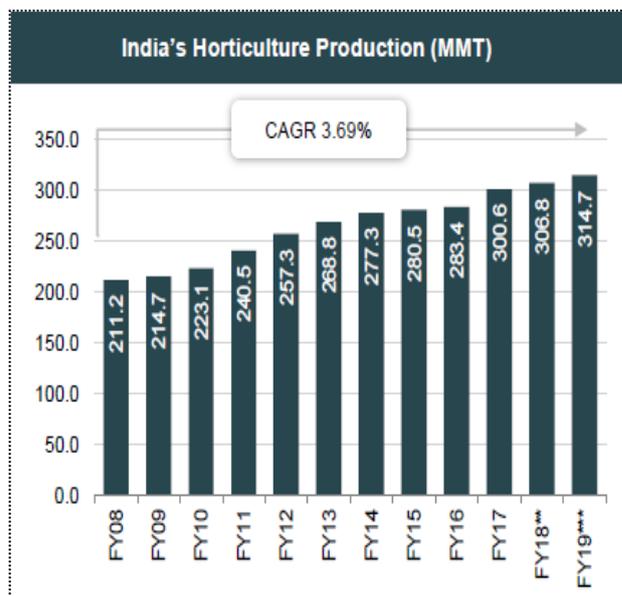
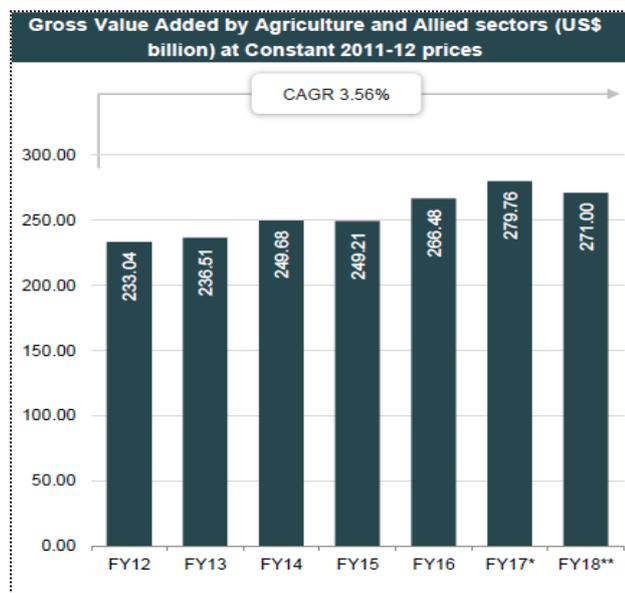
According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 8.57 billion between April 2000 and December 2018. Some major investments and developments in agriculture are as follows:

- Investments worth Rs 8,500 crore (US\$ 1.19 billion) have been announced in India for ethanol production.
- By early 2019, India will start exporting sugar to China.
- The first mega food park in Rajasthan was inaugurated in March 2018.
- Agrifood start-ups in India received funding of US\$ 1.66 billion between 2013-17 in 558 deals.



- In 2017, agriculture sector in India witnessed 18 M&A deals worth US\$ 251 million.

## Growth in Agriculture & Increasing Production



## Key Segments

### Insecticides:

Insecticides are used to ward off or kill insects. Consumption of insecticides for cotton has come down to 50% from 63% of total volume after introduction of BT cotton. Fungicides: Fungicides are used to control disease attacks on crops. The growing horticulture market in India owing to the government support has given a boost to fungicide usage. The market share of fungicides has increased from 16% in 2004 to 20% in 2009.

### Herbicides:

Herbicides are the fastest growing segment of agrochemicals. Their main competition is cheap labor which is employed to manually pull out weeds. Sales are seasonal, owing to the fact that weeds flourish in damp, warm weather and die in cold spells.

### Bio-pesticides

Bio-pesticides are pesticides derived from natural substances like animals, plants, bacteria and certain minerals. Currently a small segment, bio pesticides market is expected to grow in the future owing to government support and increasing awareness about use of non-toxic, environment friendly pesticides.

### Others

Plant growth regulators, Nematocides, Rodenticides, Fumigants etc. Rodenticides and plant growth regulators are the stars of this segment.



## **Competitive Landscape**

The Indian agrochemicals market is highly fragmented in nature with over 800 formulators. The competition is fierce with large number of organized sector players and significant share of spurious pesticides. The market has been witnessing mergers and acquisitions with large players buying out small manufacturers. Key market participants include United Phosphorus Ltd, Bayer Crop science Ltd, Rallis India Ltd, Gharda Chemicals Ltd, Syngenta India Ltd, BASF India Ltd, etc. Top ten companies control almost 80% of the market share. The market share of large players depends primarily on product portfolio and introduction of new molecules. Strategic alliances with competitors are common to reduce risks and serve a wider customer base.

(Source: [http://ficci.in/events/20563/add\\_docs/sectorbrief.pdf](http://ficci.in/events/20563/add_docs/sectorbrief.pdf))

## **Growth Forecast & Drivers**

Since the Indian agricultural sector is highly dependent on monsoons, the market for agrochemicals is expected to grow at a conservative growth rate of 7.5% to reach ~ USD 1.95 billion by FY-14. Key market drivers include:

### **Growth in demand for food grains**

India has 16% of the world's population and less than 2% of the total landmass. Increasing population and high emphasis on achieving food grain self-sufficiency as highlighted in the FY-10 budget, is expected to drive growth.

### **Limited farmland availability and growing exports**

India has ~190 Mn hectares of gross cultivated area and the scope for bringing new areas under cultivation is severely limited. Available arable land per capita has been reducing globally and is expected to reduce further. The pressure is therefore to increase yield per hectare which can be achieved through increased usage of agrochemicals. Indian agrochemical exports accounted for ~50% of total industry size in 2009.

### **Growth of horticulture & floriculture**

Buoyed by 50% growth experienced by Indian floriculture industry in last 3 years, Government of India has launched a national horticulture mission to double production by 2012. Growing horticulture and floriculture industries will result in increasing demand for agrochemicals, especially fungicides.

### **Increasing awareness**

As per Government of India estimates, total value of crops lost due to non-use of pesticides is around USD 17 Billion every year. Companies are increasingly training farmers regarding the right use of agrochemicals in terms of quantity to be used, the right application methodology and appropriate chemicals to be used for identified pest problems. With increasing awareness, the use of agrochemicals is expected to increase.

(Source: [http://ficci.in/events/20563/add\\_docs/sectorbrief.pdf](http://ficci.in/events/20563/add_docs/sectorbrief.pdf))



## INDIAN OUTLOOK OF AGROCHEMICAL INDUSTRY

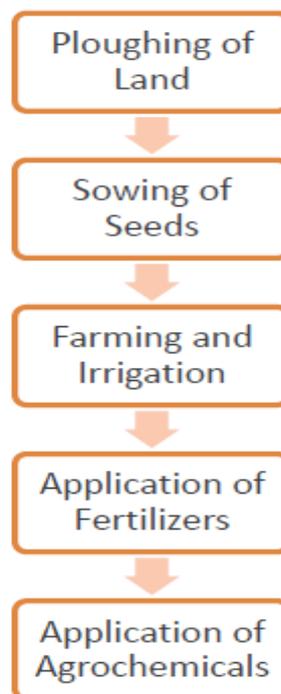
### Overview

India is an agrarian country, where more than 50% people are dependent on agriculture for their livelihood and is the largest producer of spices, pulses, milk, tea, cashew and jute & the 2nd largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds.

Agrochemicals (Crop protection products/pesticides) are designed to protect crops from insects, diseases and weeds. They do so by controlling pests that infect, consume or damage the crops. Uncontrolled pests significantly reduce the quantity and quality of food production. It is estimated that annual crop losses could double without the use of crop protection products. Food crops must compete with 30,000 species of weeds, 3,000 species of nematodes and 10,000 species of plant-eating insects. Agrochemicals are the last and one of the key inputs in agriculture for crop protection and better yield.

Currently, India is the world's 4th largest producer of agrochemicals after United States, Japan and China and has emerged as the 13th largest exporter of pesticides globally.

Chart: Rationale for Agrochemical use

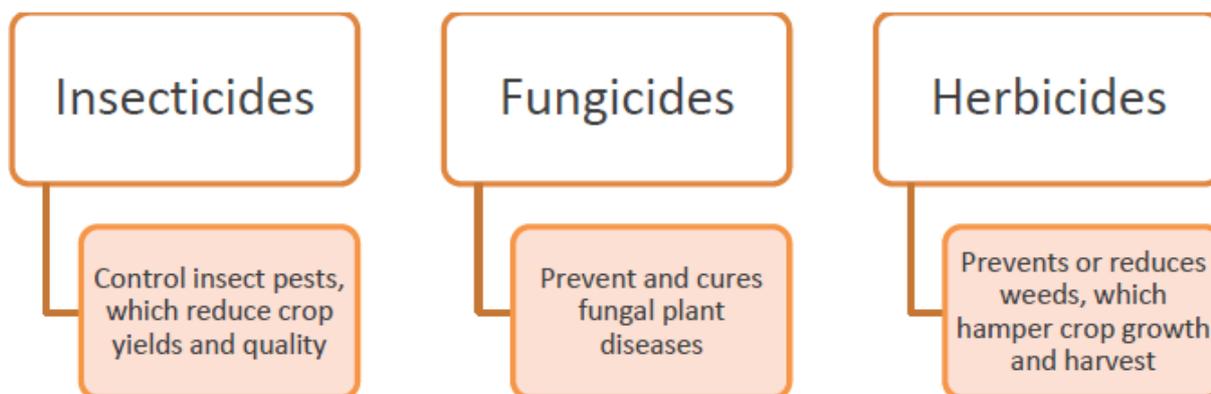


The agrochemicals are diluted in recommended doses and applied on seeds, soil, irrigation water and crops to prevent the damages from pests, weeds and diseases. Therefore to improve crop performance, yield or to control pests, agrochemicals is the most relevant and reliable solution in the current context especially on.

### Segmentation of the Indian Agrochemical market

Agrochemicals are broadly classified as insecticides, herbicides, fungicides, rodenticides etc. depending on the type of pest they control.

Chart: Types of key Agrochemicals and its primary use





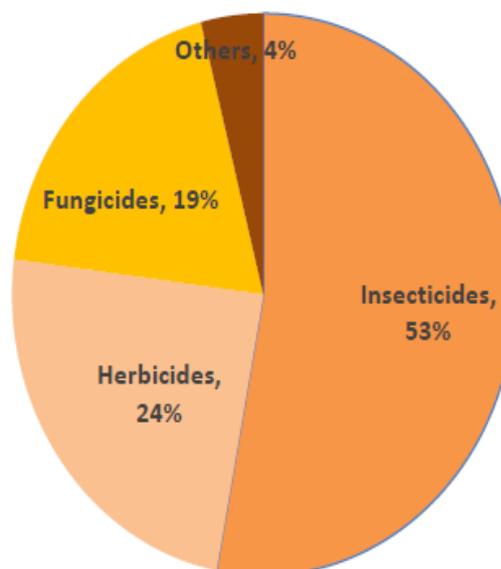
**Agrochemicals can be broadly classified into five types:**

### 1. Insecticides:

Insecticides provide protection to the crops from the insects by either killing them or by preventing their attack. They help in controlling the pest population below a desired threshold level. They can be further classified based on their mode of action:

- Contact insecticides: These kill insects on direct contact and leave no residual activity, hence causing minimal environmental damage.
- Systemic insecticides: These are absorbed by the plant tissues and destroy insects when they feed on the plant. These are usually associated with long term residual activity.

**Chart: Domestic Market segmentation by type of pesticides**



Tropical climatic conditions and a high production of paddy, cotton, sugarcane and other cereals in India has catalysed the consumption of insecticides.

### 2. Fungicides:

Fungi are the most widespread cause of crop loss. Fungicides are used to control disease attacks on crops and are used to protect the crops from the attack of fungi. There are of two types – protectants and eradicates. Protectants prevent or inhibit fungal growth and eradicates kill the pests on application. This in turn improves productivity, reduces blemishes on crop (thus enhancing market value of the crop) and improves storage life and quality of harvested crop. Fungicides find application in fruits, vegetables and rice.

The key growth drivers for fungicides have been a shift in agriculture from cash crops to fruits and vegetables and the government support for exports of fruits and vegetables.

### 3. Herbicides:

Herbicides also called as weedicides are used to kill undesirable plants. Their main competition is cheap labour which is employed to manually pull out weeds. Sales are seasonal, owing to the fact that weeds flourish in damp, warm weather and die in cold spells. Herbicides can be of two types - selective and non-selective. Selective herbicides kill specific plants, leaving the desired crop unharmed, while non-selective herbicides are used for widespread clearance of ground and are used to control weeds before crop



planting. As the weeds grow in damp and warm weather and die in cold seasons, the sale of herbicides is seasonal. Rice and wheat crops are the major application areas for herbicides.

Increasing labour costs and labour shortage are key growth drivers for herbicides.

#### **4. Bio-pesticides:**

Bio-pesticides are the new age crop protection product manufactured from natural substances like plants, animals, bacteria and certain minerals. They are eco-friendly, easy to use; require lower dosage amounts for same performance as compared to chemical based pesticides. Currently a small segment, the bio-pesticide market is expected to grow in the future owing to government support and increasing awareness about use of non-toxic, environment friendly pesticides.

#### **5. Others:**

Fumigants and rodenticides are the chemicals which protect the crops from pest attacks during crop storage. Plant growth regulators help in controlling or modifying the plant growth process and are usually used in cotton, rice and fruits.

Insecticides dominate the Indian crop protection market and form almost 53% of the domestic agrochemicals market. Herbicides are, however, emerging as the fastest growing segment amongst the agrochemicals.

Paddy accounts for the maximum share of agrochemicals consumption around (26%-28%) followed by cotton (18% -20%). The eight states including Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for usage of >70% of the agrochemicals used in India. Andhra Pradesh is a leading consumer of crop protection chemicals with a market share of 24%.

*Note: Others include Bio-pesticides, Plant growth regulators, Nematocides, Rodenticides, Fumigants etc. Rodenticides and plant growth regulators are the stars of this segment.*

#### **Production**

As per the latest annual report (2017-18) released by the Department of Chemicals and Petrochemicals the production capacity of agrochemical players in India is around 292 (000' MT).

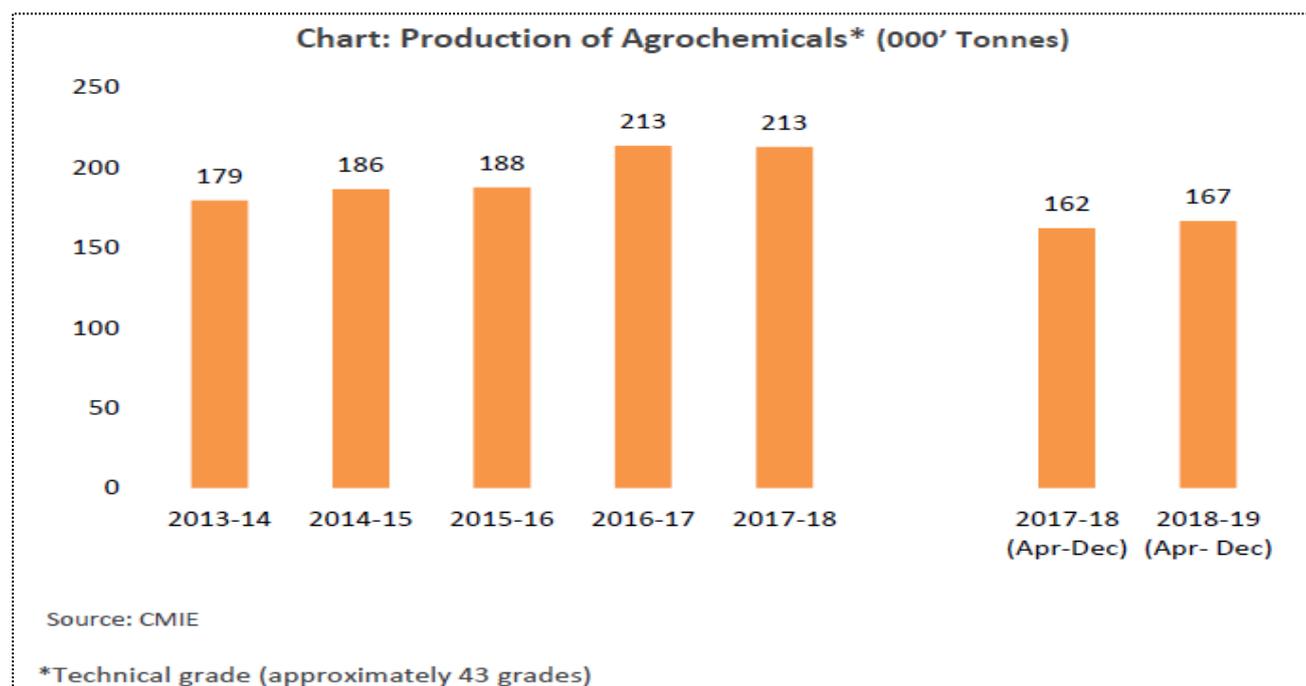
*Note: Companies are not required to mention segment wise production capacity i.e. production capacity of insecticides, fungicides, herbicides, rodenticides. Hence the production numbers will not match the export and import numbers.*

A pesticide has two main components, namely, the active ingredient(s) and the inert ingredient(s). The active ingredient is the one that gives a pesticide its pesticidal action. It's called the technical grade of a pesticide. The active ingredient is the technical grade of the pure pesticide. A pesticide is rarely applied in its pure form. It is usually formulated by adding inert ingredients that improve storage, handling, application, effectiveness or safety. The inert ingredient does not have any pesticidal action.

Pesticides are first manufactured as technical grade product, which has 85% or more of the active chemical ingredients as it has a higher commercial purity. The active ingredients are then mixed with inert ingredients



(solvents, adjuvant and fillers) to achieve the desired formulation. The active ingredient kills the pest whereas the inert ingredient facilitates ease of handling, spraying and coating on plants.



Production of agrochemicals has grown at a CAGR of 4.3% during FY14-18. In the current financial year, production has risen by 2.9%. To feed a rising population, food production needs to be increased, creating a case for the need for more agro-inputs for better production and yield of crops. With the growth of population in India, there has been a subsequent increase in the production of crops. Food grain production has grown at a CAGR of 1.8% and horticulture production has grown at a CAGR of 3% during FY 14-18.

Production of agrochemical has also increased in-lieu of the new product additions which are formulated to combat the pest attacks.

Labour shortage, rising labour costs and growth in GM crops has led to growth in the use of herbicides whereas on the other hand the fungicide industry in India has grown due to the growth in Indian horticulture industry.

### Trade Data

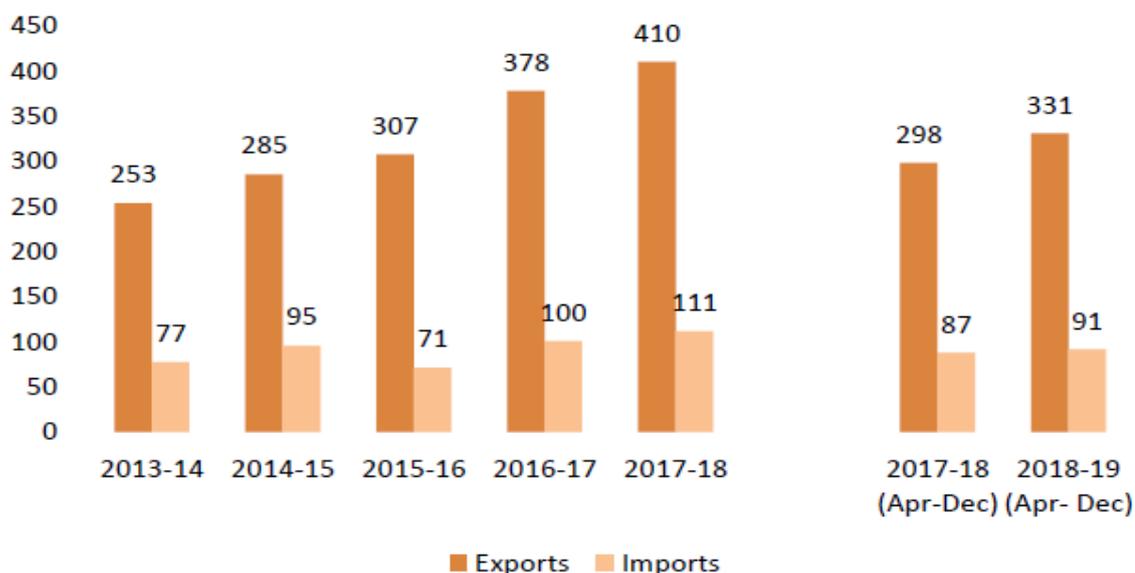
India is a net exporter of agrochemicals and is 13th largest exporter of pesticides and disinfectants in the world. Agrochemical exports have increased on account of India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, better price realization globally and strong presence in generic pesticide manufacturing.

Due to the reasons mentioned above, India offers good scope for contract manufacturing as well and is also emerging as a destination for undertaking contract research. New technical applications have also increased the export capacity of Indian agrochemical manufacturers.

India imports agrochemicals mainly from China (55%), USA (11%), Germany (6%) and Israel (5%). China also sources India most of the raw materials needed to manufacture agrochemicals.



**Chart: Exports and Imports of Agrochemicals\* (000' Tonnes)**

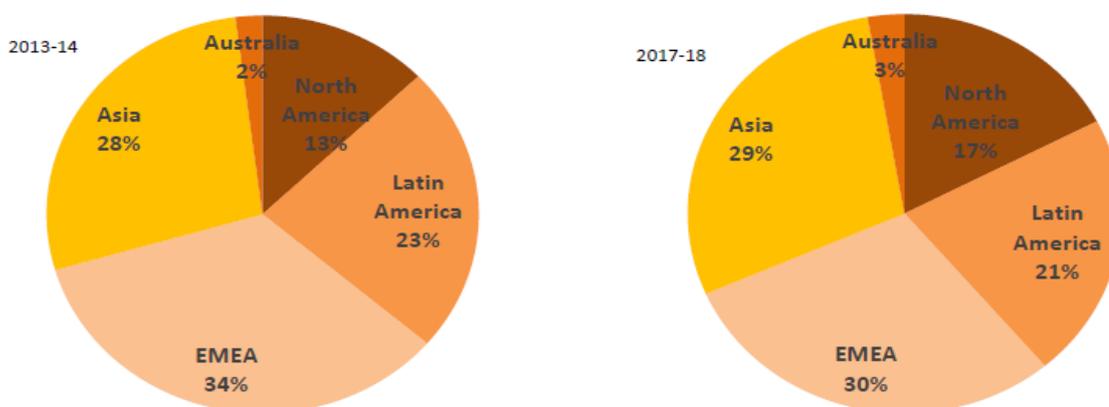


Source: Ministry of Commerce

\* (Insecticides, Rodenticides, Fungicides, Herbicides, Anti-sprouting products and plant growth regulators, disinfectants)

Agrochemical exports have increased by 12.8% CAGR during FY14-18. In the current financial year agrochemical exports have increased by 11.0% whereas imports have also increased by 4.4% as compared with the corresponding cumulative period in the previous financial year. Most of the exports are of off-patent products. Over the years there has been a steady increase of fungicide and herbicide exports which has led to the overall increase in agrochemical exports.

**Chart: Region-wise share of exports of India**

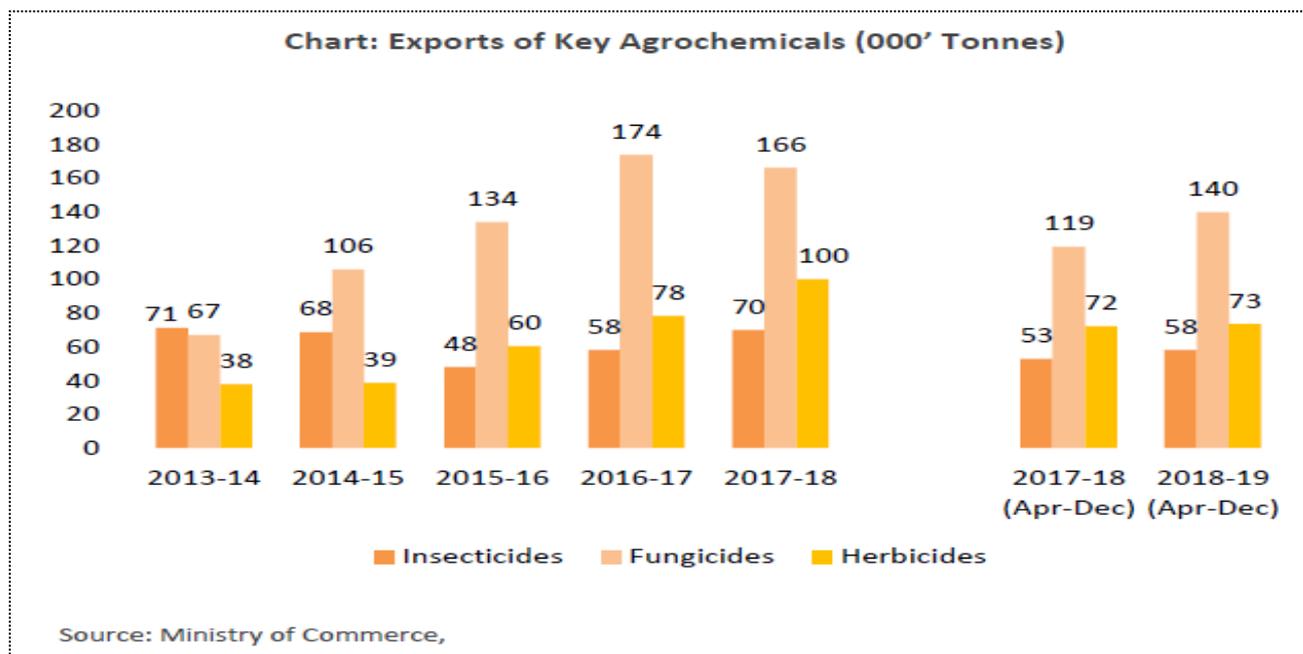


Source: Ministry of Commerce, CARE Ratings

EMEA- Europe, Middle East and Africa



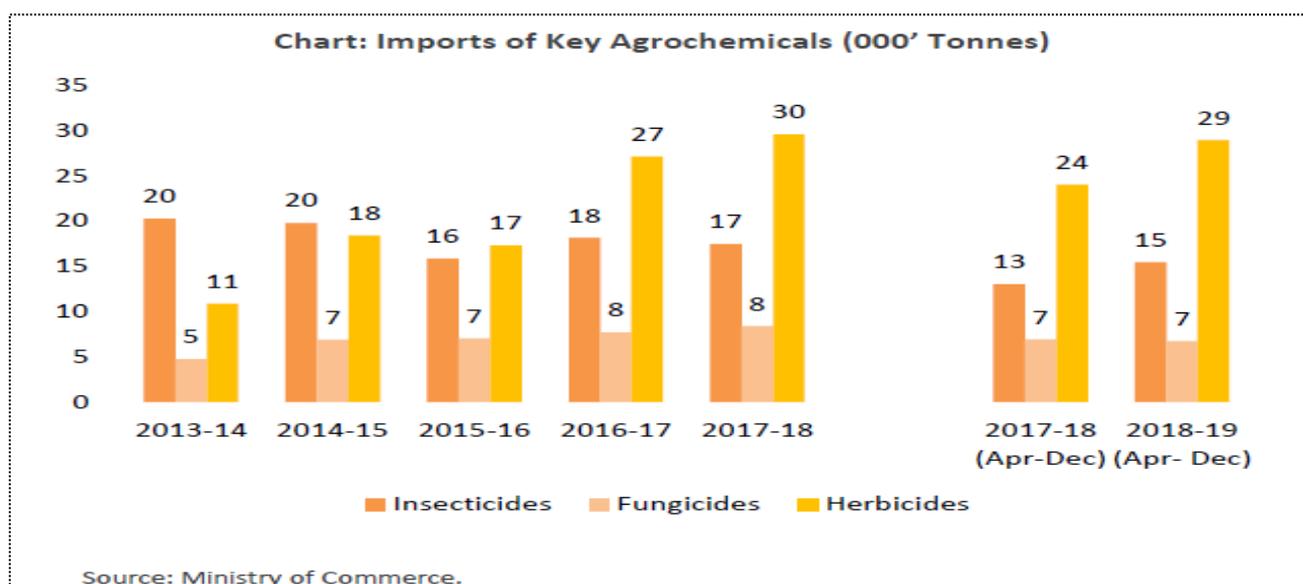
Latin America, North America, Europe and Asia have emerged to be important markets for the Indian agrochemical industry. Share of exports towards North America have increased significantly from it being 13% during FY14 to 17% during FY18.



The agrochemical export market has augmented by the growth in the fungicide and herbicide segment. Fungicide and herbicide exports have grown at a CAGR of 25.5% and 27.5% during FY14-18 respectively. Insecticide exports have fallen by 0.4% during the same time period.

Favourable climatic conditions in North American and European markets have driven the herbicide exports. Insecticide exports have declined in developed markets following the increased use of GM crops.

In the current financial year there has been an increase in exports of insecticides, fungicides and herbicides by 10.2%, 17.2% and 1.8% respectively.





Fungicide and herbicide imports have grown at a CAGR of 15.5% and 28.4% during FY14-18 respectively. Insecticide imports have fallen by 3.7% during the same time period.

In the current financial year there has been an increase in exports of insecticides and herbicides by 18.9% and 20.5% respectively. Fungicide imports have fallen by 2.6%.

### **Growth Drivers**

To achieve higher crop yields, crop protection chemicals are expected to play a significant role. Simultaneously, it will also be critical to use them judiciously to maximize benefits and minimize the impact on non-targeted species. Budgetary support: The Government of India has continuously been providing budgetary support towards reviving the rural economy and increase the farmers' income. A number of measures and initiatives have been proposed and announced during the FY20 budget for the improvement of the agriculture sector and the rural economy. Going forward, it is expected that the government will be increasing the level of agri-credit, to be provided, corroborating it to be beneficial for agri and agri-allied manufacturers. Availability of rural bank credit can increase the demand for pesticides.

**Off Patent Molecules:** The share of post patent products as compared to patent products and proprietary off-patent products has been increasing over the years. Agrochemicals worth USD 4.1 billion are expected to go off-patent by 2020. This provides significant export opportunities for Indian companies which have expertise in generic segment.

**Increase in demand for food grains:** India has 17% of the world's population. An increasing population, need for food security and high emphasis on achieving food grain self-sufficiency is expected to drive the demand for crop protection chemicals.

**Growth of horticulture:** Fruits and vegetables account for nearly 90% of total horticulture production in the country. India is now the 2nd largest producer of fruits and vegetables in the world and is the leader in several horticultural crops, namely mango, banana, papaya, cashew-nuts, areca nut, potato and okra.

Growth in horticulture and floriculture industries is to result in increase in demand for agrochemicals, especially fungicides. As India's diverse climate ensures production of all varieties of fresh fruits & vegetables, the trend has slowly shifted from production of food grains to horticulture, with production of horticulture consistently exceeding the production of food grains.

**Incidence of pest attacks:** One of the major challenges to ensure food security and good crop yields is incidence of pests. On an average agro-pests are estimated to cause 15%–20% yield losses in principal major food and cash crops. Pest attacks across various stages of crop life-cycles are affecting farmers. Due to the hot humid climatic conditions prevalent in India, the number of pest attacks has been increasing.

Use of agrochemicals can help mitigate the pest problem and increase crop output by 25%-50%. So far, the presence of more than 40,000 different types of insects have been recorded in India and of these about 1,000 have been listed as potential pests of economic plants, 500 pests have caused serious damage at some time and 70 have been causing damage more often.

**Changing climatic conditions:** Erratic climatic conditions are impacting crop output. Farms need an array of inputs to protect crops from adverse climatic realities. Irregular monsoons coupled with lack of irrigation



(60% of cultivable land is non-irrigated) results in low agricultural yield in India. Damp and warm weather conditions aid in breeding of weeds.

**Limited farmland availability:** Rapid urbanisation has had a detrimental impact on land availability. The pressure is therefore to increase yield per hectare which can be achieved through increased usage of farm productivity-enhancing inputs like agrochemicals.

**Increasing awareness:** Educating the farmers about advantages of agrochemicals and its safe usage, will lead to increase in demand. Companies are increasingly training farmers regarding the right use of agrochemicals in terms of quantity to be used, the right application methodology and appropriate chemicals to be used for identified pest problems.

(Source: <http://www.careratings.com/upload/NewsFiles/Studies/Agrochemicals.pdf>)



## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Rainbow Crop Health Limited.*

*Unless otherwise indicated all the data in this section related to financial status of the Company has been extracted and presented here from the Restated Financial Statement of the Company (please refer page number 149 of this Draft Prospectus).*

*As the financial information stated in this section is extraction and therefore should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the Sections titled “Risk Factors” and “Financial Statements” as restated beginning on pages 16 and 149 respectively.*

### **BUSINESS OVERVIEW**

Our Company was incorporated as a public limited company namely “Rainbow Crop Health Limited” under the Companies Act, 1956, in Haryana, vide certificate of incorporation dated March 30, 2012 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana bearing registration number 045551. The Company’s Corporate Identity Number is U01403HR2012PLC045551.

We started our business activities as a trader of herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules. On July 15, 2019 we took over, an ongoing business, M/s Welcome Crop Health Product, a Sole Proprietorship Firm, which is into the business of manufacturing of Pesticides, Insecticides, Weedicides, Fungicides, Herbicides, Micro-nutrient and Fertilizers etc. Pursuant to this agreement Rainbow Crop Health Limited has now entered into manufacturing of herbicides, insecticides, fungicides, plant growth regulators & fertilizers.

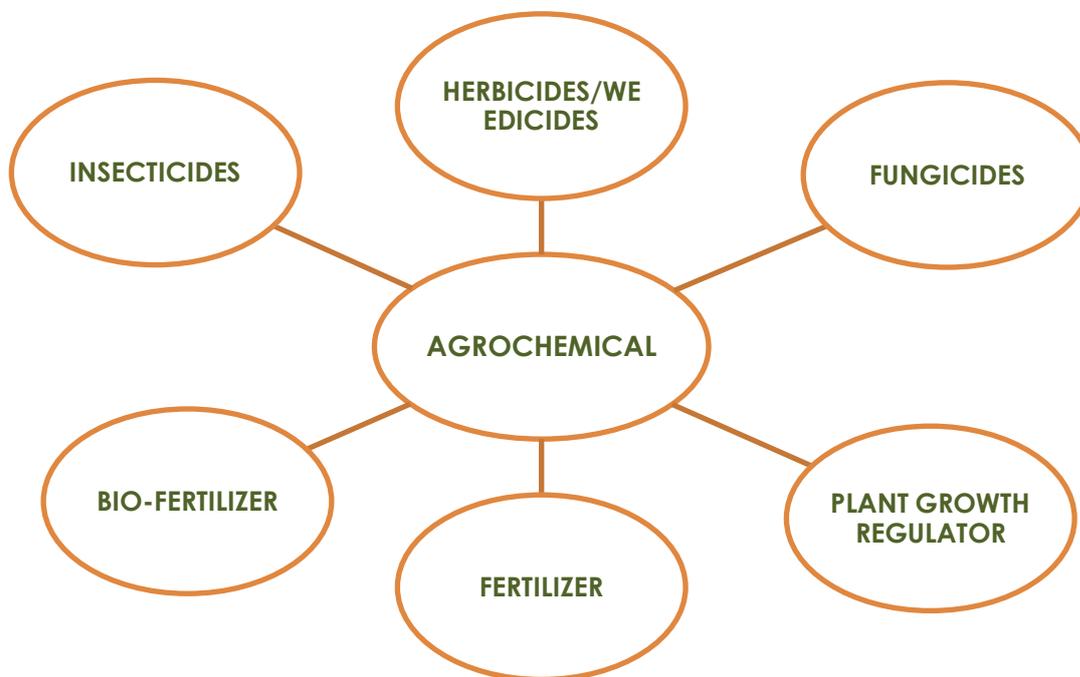
We expect synergy benefits with consolidation of customer base of RCHL and M/s Welcome Crop Health. Acquisition of this manufacturing facility has enabled us to diversify our business and enter into vertical of manufacturing also. This acquisition is a punch in the ticket for mitigation of costing of our products and higher profit margins.

Our diversified product portfolio can be classified as Herbicides/Weedicides, Fungicides, Plant Growth Regulator, Fertilizer, Bio-Fertilizer and Insecticides. Agrochemicals are important agricultural support and boosts to it, while preventing, reducing and eliminating the impact of disasters to increase food output and safety. With history of less than a decade Rainbow Crop Health Limited has risen out the diversified portfolio of agrochemical product segment. Instituted with a vision to cater to growing needs of the agriculture market and provide high quality products, RCHL now bags a wide range of agrochemicals products in its product portfolio like herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules. The Company has expanded its operations beyond the borders of its state of inception to Punjab, Madhya Pradesh, Uttar Pradesh, Uttarakhand, Rajasthan and Maharashtra. As each day



delivers tremendous results and inspires further growth, the Company stands at threshold of the future in the industry, poised to go ahead.

*Pictorial Understanding of our product classification*



State of the art manufacturing facilities, experienced & qualified chemists enables RCHL to manufactures a wide range of high performance Herbicides/Weedicides, Fungicides, Plant Growth Regulator, Fertilizer, Bio-Fertilizer and Insecticides.

Our strong platform of agrochemical knowledge and experience enables us to cater wide range of agrochemical products approximating to more than 150. We currently own and operate our manufacturing activities from our manufacturing facility at Mouli Panchkula in Haryana. Our product portfolio presently marketed domestically only. We supply our products to approximately seven states.

Our Company is an ISO 9001: 2015 which is assessed and certified by ROHS Certification Private Limited which confirms to the requirements of the management standard for manufacturing of various chemicals. We endeavour to maintain safety in our premises by adhering to key safety norms. We have in-house testing laboratory to test our raw materials and finished products to match the quality standards and as specified and required by the customers.



Innovation and Creativity are the main principles of our company's foundation of work. To adapt with the changing scenario, discern the growing needs of the market and to produce high quality products have been our strengths.

The Company has achieved consistent growth in terms of its size and turnover every year. The evolution of our Company reflects the growth trend, as also the inherent potential for the future. Initiated by vision and nurtured through technology, our Company is capable of providing our voluminous range of various classes of agrochemical products.



Our plant is equipped with most modern machinery, fully fledged testing facilities and well-equipped laboratories. Production of flawless products conforming to international standards with strict quality control, right from raw material procurement stage, has become the way of life in our Company. Trace ability, Statistical Process Control are well adopted to avoid errors.

Our Company has, from the initial stage adopted policy to develop products in such a manner which ensure complete satisfaction to our customers in terms of quality and price. The Company has a dedicated team of experts who analyze the requirements of agriculture industry and develop the product as per the industry needs.

## PLACE OF BUSINESS OF THE COMPANY

We operate our business from our Registered Office, Head Office, and Warehouses. For detailed information of our places of business please refer “Land & Properties” in section “Our Business” on page no. 88 of this Draft Prospectus.

#	State	Address	Category	Rented/Owned/C&F Agreement
1	Haryana	D-52, S C O 133, Sector 25, Panchkula, Haryana 134116.	Head Office	Rented
2		NH 73, Welcome Complex, V&PO, Mouli Panchkula Haryana-134118.	Registered Office & Factory	Rented
3		41,4th Mile Stone, Sirsa Road, Hisar	Branch Office & Warehouse	C&F Agreement
4		Plot No. 264, HSIIDC, Alipur, Barwala, Panchkula, Haryana-134116	Warehouse	Rented
5		Property No. 33-16, Tehsil 15, District Panchkula, Tabbar.	Land	Rented
6	Madhya Pradesh	Godown No - 81, S. R. Compound, Lasudiya Mori Diwas Naka, Indore (M.P.)	Warehouse	Rented
7		424, Gulab Bagh Colony, Near Shiv Convent School, Devas Naka, Indore, MP	Branch Office	Rented
8	Maharashtra	Plot no. 1630, Jadhav Wasti, Behind IBP Petrol Pump, Pune Tq Haveli & Distt. Pune, Maharashtra	Warehouse	Rented
9		Plot No. 122, 121, at Khadgaon Road, Mouza Lava, Distict, Nagpur, Maharashtra-440023	Warehouse	Rented
10	Punjab	Opp. KC Complex, Backside Numbardar Petrol Pump , Malout Road, Bathinda	Warehouse	C&F Agreement
11	Rajasthan	Godown No. 4 &5 , Plot No. 4B-A, Vinayak Enclave, Akheypura, Road No. 14 ,VKI Area Jaipur	Warehouse	C&F Agreement
12		41-G, Udhog Market, Mandi Yard Gate, Sri Ganganagar.	Warehouse	C&F Agreement
13	Uttar Pradesh	Godown No. C 29 Inderparasth Enclave Near Uttam Toyota Showroom Meerut Road Ghaziabad	Warehouse	Rented

## CAPACITY UTILISATION

#	Address	Category	Manufacturing/Storage Capacity (Tonne)	Utilized Capacity (Tonne)	% of Utilization
1	D-52, S C O 133, Sector 25, Panchkula, Haryana 134116	Head Office	NA	NA	NA
2	NH 73, Welcome Complex, V&PO, Mouli	Registered	1085	435	40.09



	Panchkula Haryana-134118	Office & Factory			
3	41,4th Mile Stone, Sirsa Road, Hisar	Branch Office & Warehouse	90.00	68.00	75.56
4	Plot No. 264, HSIIDC, Alipur, Barwala, Panchkula, Haryana-134116	Warehouse	50.00	5.00	10.00
5	Godown No - 81, S. R. Compound, Lasudiya Mori Diwas Naka, Indore (M.P.)	Warehouse	50.00	33.00	66.00
6	424, Gulab Bagh Colony, Near Shiv Convent School, Devas Naka, Indore, MP	Branch Office & Warehouse	80.00	45.00	56.25
7	Plot no. 1630, Jadhav Wasti, Behind IBP Petrol Pump, Pune Tq Haveli & Distt. Pune, Maharashtra	Warehouse	50.00	10.00	20.00
8	Plot No. 122, 121, at Khadgaon Road, Mouza Lava, Distict, Nagpur, Maharashtra-440023	Warehouse	45.00	20.00	44.44
9	Opp. KC Complex, Backside Numbardar Petrol Pump , Malout Road, Bathinda	Warehouse	60.00	32.00	53.33
10	Godown No. 4 & 5 , Plot No. 4B-A, Vinayak Enclave, Akheypura, Road No. 14 , VKI Area Jaipur	Warehouse	70.00	53.00	75.71
11	Godown No. 3, Near Canera Bank, New Grain Mandi, Sri Ganganagar, Rajasthan-335001	Warehouse	70.00	30.00	42.86
12	Godown No. C 29 Inderparasth Enclave Near Uttam Toyota Showroom Meerut Road Ghaziabad	Warehouse	50.00	38.00	76.00
13	Property No. 33-16, Tehsil 15, District Panchkula, Tabbar.	Land	NA	NA	NA

## OUR PRODUCT LINE

### Herbicides

Glyphosate 41% SL  
 Pretilachlor 37% EW  
 2,4-D Amine Salt 58% SL  
 Sulfosulfuron 75% WG  
 Oxyfloufen 23.5% EC  
 Atrazine 50% WP  
 Imazethapyr 10% SL  
 Metsulfuron Methyl 20% WP  
 Ammonium Salt Of Gly-Phosate 71% SG  
 Clofenopropargly 15% WP  
 Metribuzin 70% WP  
 Ethionan 39% SL  
 Triazonal EW 0.1% MIN  
 Gibberlic Acid 0.001% L

### Fungicides

Tebuconazole 25.9% EC  
 Sulphur 40% SC  
 Carbendazim 46.27% SC  
 Propiconazole 25% EC  
 Difenoconazole 25% EC  
 Copper Oxchloride 50%WP  
 Tricyclazole 75% WP  
 Carbendazim 12% + Mancozeb 63% WP  
 Captan 70% + Hexaconazol 5% WP  
 Sulphur 80% WDG  
 Chlorothalonil 75% WP  
 Carbendazim 50% WP  
 Tebuconazole 2% DS  
 Thiophanate Methyl 70% WP  
 Mancozeb 75% WP  
 Metalaxyl 8% + Mancozeb 64% WP

### Plant Growth Regulator



**Rainbow Crop Health Limited (RCHL)** established in 2012 and has risen out the demerged portfolio of agrochemical products segment. Rainbow Crop Health Limited manufactures a wide range of agro-chemicals like herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms - liquid, dust, powder and granules. The Company has a pan-India expansion plan and has its presence in seven major states of North India (Haryana, Punjab, Madhya Pradesh, Uttar Pradesh, Uttarakhand, Rajasthan, Maharashtra). Today it has realized its pride of being the 'farmers choice' by reaching out to millions of farmers. RCHL's vision is to provide best quality products in affordable price range even in the interiors of rural India by following our company's slogan: *"Healthy Crop, Prosperous Farmer"*

### Insecticides



THIAMETHOXAM 25% WG    TRIAZOPHOS 40% EC    DELTAMETHRIN 1% + TRIAZOPHOS 35% EC    CHLORPYRIFOS 20% SC



Perflorox 40% EC + Cypermethrin 4% EC    Cypermethrin 25% EC    Permethrin 25% EC    Imidacloprid 17.8% SL



Azadirachtin 0.15% EC    Fipronil 5% SC    Malathion 30% EC    Chlorpyrifos 50% + Cypermethrin 5% EC



Cartap Hydrochloride 75% SC    Dimethoate 30% EC    Bifenthrin 10% EC    Etlon 50% EC

### Insecticides



Alpha Cypermethrin 10% SC    Quinalphos 25% EC    Lambda Cyhalothrin 4.9% CS    Thiamethoxam 30% FS



Bifenthrin 5% SC    Imidacloprid 30.5% SC    Buprofezin 25% SC    Difenthrin 50% WP



E-mectin Bencate 5% SG    Indoxacarb 14.5% SC    Imidacloprid 70% WG    Acephate 75% SP    Cartap Hydrochloride 4% GR

### Herbicides



Pendimethin 30% EC    Pretilachlor 50% EC    Isoprotinise 40% EC    Pendimethalin 38.7% CS    Paraquat Dichloride 24% SL

### Insecticides



Azoxystrobin 11% + Tebuconazole 18.35% SC    Azoxystrobin 18.2% + Difenoconazole 11.6% SC    Tebuconazole 12% + Sulfur 65% WG    E-mectin Benzoate 1.9% EC    Fenoxazole 75% WG



Cartap Hydrochloride 50% SP    Acetamiprid 20% SP    Fipronil 3% GR    Cellulose 3% CG

### Fertilizers (Newly Introduced)



We have divided our whole products portfolio into following categories:

S. N.	PRODUCT TECHNICAL NAME	BRAND NAME	RECOMMENDATION (ACCORDING TO LABEL)	RECOMMENDATION (ACCORDING TO LEAFLET)	
				CROP	PEST'S NAME
<b>INSECTICIDES</b>					
1	Imidacloprid 30.5% SC	9X GOLD	It is used for control of termites in buildings and Crops.	Rice	Brown Plant hopper, White Backed plant hopper
2	Imidacloprid 17.8% SL	9 X	It is used for control of whitefly, Hoppers, Jassids, Thrips in crops of Cotton, Paddy, Chillies, Sugarcane.	Cotton	Aphid, Jassids, Thrips
				Cotton	Aphid, Jassids, Thrips, White Fly
				Paddy	BPH, WBPH, GLH
				Chilly	Aphid, Jassids, Thrips
				Sugarcane	Termite
3	Acetamiprid 20% SP	ASMI	It is a Systemic Insecticide that provides excellent control of aphids, jassids and whiteflies in cotton.	Mango	Hopper
				Cotton	Cabbage, Aphids
				Rice	Jassids, Aphids, Whiteflies
4	Indoxacarb 14.5% SC	A-WANT	It is a Broad Spectrum Contact and stomach insecticide use for the control of bollworms in Cotton Crops.	Chilli	Thrips
				Cotton	Bollworm
5	Acephate 75% SP	BALWAN	It is recommended to control jassids and bollworms of cotton and aphids of sunflower crops.	Cotton	Sunflower Aphids
				Rice	Stem Borer, Leaf Folder, Plant Hoppers, Green Leaf Hopper Jassids, Boll worms
6	Cartap Hydrochloride 4% GR	CARGO 4G	It is used for control of Stem Borer, Leaf Folder and Whorl Maggot on Rice Crops.	Rice	Stem Borer, Leaf Folder, Whorl Maggot
7	Cartap Hydrochloride	CARGO SP	It is Recommended to control Stem Borer and leaf	Rice	Stem Borer, Leaf Folder



	50%SP		folder on rice crops.		
8	Bifenthrin 10 % E.C.	EXPERT	It is used for control of Bollworms and white fly on Cotton Crops.	Cotton	Boll worms, Whiteflies
				Rice	Stem Borer, Leaf Folder, Green Leaf Hopper
9	Lambda-cyhalothrin 4.9% C.S.	FOSTER	It is used for the control of Bollworm in cotton.	Cotton	Bollworms
				Paddy	Stem Borer, Leaf Folder
				Brinjal	Shoot & Fruit Borer
				Okra	Fruit Borer
				Grapes	Thrips & Flea Beetle
				Chilli	Thrips & pod borer
10	Fipronil 0.03%G.R.	INDEX GR	It is used for the control of Stem Borer, Browns Plant Hopper, Green leaf Hopper, Rice leaf Folder, Gall midge, White backed plant hopper, whorl maggot of Rice and Root Borer of Sugarcane.	Rice	Stem Borer, Brown Plant hopper, Green Leaf Hopper
				Sugarcane	Early shoot borer and root borer
11	Fipronil 5% SC	INDEX SC	It is used to control insects like stem borer, brown plant hopper and whorl maggot etc. on rice, Diamond back moth in cabbage and thrips, aphid, fruit borer of chilli & shoot borer of sugarcane crops.	Rice	Stem Borer, Brown Plant hopper, Green Leaf Hopper
				Sugarcane	Early shoot borer and root borer
12	Buprofezin 25% SC	JAGRAN	It is used to control sucking pests of rice.	Cotton	Whiteflies, Aphids, Jassids, Thrips
				Rice	BPH, GLH, WBPH
				Mango	Hoppers, Grapes, Mealy Bugs
				French Bean	White Grubs, Gray and Stem Weevil
				Tea	Cock, Chafer Grub
13	Thiamethoxam 25% WG	JAIKARA	It is used to control stem borer, gall midge, Leaf folder, Brown Plant hopper, white backed plant hopper, Army worms in Rice as well as Aphids, Jassids and whiteflies in cotton.	Cotton	Aphid, Jassid, Thrips, White Flies
				Rice	Stem borer, Gall midge, Leaf folder
				Okra	Jassid, Aphid, White Flies
				Mango	Hoppers
				Wheat	Aphid
				Mustard	Aphid
				Potato	Aphids- foliar applications- Soil drench
14	Carbofuran 3% C.G.	KARTOOS	It is recommended to control shoot fly of bajra, brown plant hopper, gall midge, green leaf hopper and nematode of paddy and white grub of groundnut and insects of other crops.	Barley	Aphids, Jassids
				Bajra	Shootfly
				Sorghum	Shootfly, Stem Borer
				Jute	Nematodes
				Groundnut	Pod Borer, White grub
				Potato	Aphids
				Tomato	Whitefly
15	Malathion 50% EC	MARK-50	It is used to control rice hispa of paddy and insects of vegetables and fruit trees.	Sorghum	Earhead midge
				Paddy	Rice Hispa
				Pea	Pod Borer
				Soyabean	Leaf Weevil
				Castor	Jassids, Semi looper
				Tomato	White Fly
				Mango	Mealy Scale, Mango hooper
16	Emamectin Benzoate 5% SG	MILES	It is recommended for the control of bollworms in cotton and shoot and fruit borer in okra.	Cotton	Bollworms
				Okra	Fruit and Shoot Borer
17	Monocrotophos 36%SL	POWER	It is recommended to control brown plant hopper, green leaf hopper and yellow stem borer of paddy and plack gram, leaf minor of pea, early shoot borer, mealy bug, pyrila scale insects and stalk borer of sugarcane and insects of cotton.	Black gram	Pod Borer
				Paddy	BPH, Glh, Leaf roller/folder
				Maize	Shoot Fly
				Pea	Leaf minor
				Red gram	Plume mouth, Pod borer, Pod fly
				Cotton	Bollworms, Aphid, Leaf hopper, Thrips
				Sugarcane	Shoot borer, Mealy bug, Pyrilla
18	Quinalphos 25% E.C.	CUT	It is recommended against bollworms, caterpillars, borers, leafminers etc. on cotton, groundnut, vegetables, tobacco and plantation crops.	Sorghum	Mites, Shoot fly
				Wheat	Aphid, Ear head Caterpillar
				Jute	Leaf roller, Semi looper, Yellow mite
				Paddy	Brown Plant hopper, Hispa/bune beetle
				Groundnut	Leaf hopper, Leaf miner, Thrips
				Tomato	Fruit borer



19	Dimethoate 30% E.C.	RA-GOR	It is used to control insects of vegetables fruit trees & miscellaneous crops.	Bajra	Milky Weed Bug
				Castor	Jassids , Mites , Semi looper
				Bhindi	Aphid , Leaf hopper , Jassid
				Apple	Aphid , Lace Wing bug Stem borer
20	Phorate 10% C.G.	RAINMET	It is recommended to control shoot fly & white grub of bajra, aphid of barley, gall fly,hispa, leaf hopper,plant hopper & root/weevil of paddy, shoot fly of wheat and miscellaneous crops.	Bajra	Shoot fly, White grub
				Barley	Aphid
				Maize	Shoot fly, Stem borer
				Paddy	Gall fly, Hispa, Leaf hopper, Plant hopper
				Wheat	Shoot fly
				Potato	Aphid
21	Dichlorvos 76% EC	RAINVOS	It is recommended to control brown plant hopper, cut worm/army worm, leaf roller, caterpillar of wheat and insects pests of vegetables and fruit trees.	Paddy	BPH
				Wheat	Caterpillar
				Soyabean	Leaf eating Caterpillar
				Cashew	Apple Borer
				Groundnut	Red hairy Caterpillar
22	Chlorpyrifos 20% EC	RDX-20	It is used to control hispa, leaf roller, gall midge, stem borer of paddy, aphid and pod borer of beans, bollworms, whitefly & cut worm of cotton and termite in building, forestry, wheat, gram, barley. Sugarcane crops etc.	Paddy	Hispa, Leaf Roller, Gall Midge
				Sugarcane	Black Bug, Early Shoot and Stalk Borer
				Cotton	Aphids, Bollworm, White Fly, Cut Worm
				Onion	Root Grub
				Apple	Aphid
23	Chlorpyrifos 50% EC	RDX-50	It is used to control termites in buildings during construction and in existing buildings, control of stem borer and leaf roller in rice and bollworms in cotton.		Termite
24	Chlorpyrifos 50% + Cypermethrin 5% EC	RDX-505	It is recommended to control Aphid, jassid, thrips, white fly, American bollworm, pink bollworm, spodotera litura of cotton.	Cotton	Aphid, Jassids, Thrips, Whitefly
				Rice	Stem borer, Leaf folder
25	Imidacloprid 70% WG	SARTAJ-70	It is recommended for the control of sucking pests Viz Jassids & Thrips in cotton and Brown Plant hoppers in rice and Jassids.	Cotton	Jassids, Aphids, Thrips
26	Lambda Cyhalothrin 2.5% EC	SKYLARK-25	It is used to control of pest like bollworms jassids, thrips on cotton.	Rice	Brown Plant & White Backed Plant hoppers
				Cotton	Bollworms, Jassids, Thrips
27	Lambda Cyhalothrin 5% EC	SKYLARK-50	It is used to control of pest like bollworms jassids, thrips on cotton.	Cotton	Bollworms, Jassids, Thrips
28	Cypermethrin 25% E.C.	SUPER-25	It us used to conrol wide range of pests like Bollworms, jassids, thrips shoot & fruit borers etc.	Cotton	Bollworms, Jassids, Thrips
				Bhindi	Shoot and Fruit Borer, Jassids
				Brinjal	Fruit Borer,Jassids,Epilachna grub
29	Fipronil 80% WG	INDEX PLUS	It is an insecticide which is used to control insects like stem borer and rice leaf folder on rice and thrips in grapes.	Grape	Thrips
				Cotton	Thrips
				Rice	Stem Borer, Leaf folder
				Cabbage	Diamond Back moth
				Onion	Thrips
30	Fipronil 40% + Imidacloprid 40% WG	INDUS	It is a very effective Insecticides used on white Grub.	Sugarcane	White Grubs (Holotrichia Consanguinea)
31	Bifenthrin 8 % SC	EXPERT SUPER	It has both contact as well as stomach action and it hits the central and peripheral nervous system of the insects resulting into their paralysis and death.	Tea	Red Spider Mite, Tea Mosquito Bug
				Apple	Mites
32	TRIAZOPHOS 40% EC	TRUMP-40	It is recommended to control pink bollworms, spotted bollworms and white fly of cotton, stem borer, leaf folder, green leaf hopper and hispa etc. of rice and griddle beetle, stem borer and leaf minor of soyabean and shoot & Fruit Borer, Epilachna Beetle of Brinjele.	Cotton	Bollworms, White Fly
				Rice	Stem Borer, Leaf Folder. Green Leaf Hopper
33	DELTAMETHRIN 1% + TRIAZOPHOS 35 % EC	TRUMP PLUS	Control potted bollworm, pink bollworm, American Bollworm and White fly of cotton crop and shoot & Fruit Borer, Aphid Epilachna beetle of brinjal cop.	Cotton	Spotted Bollworms, White Fly
				Brinjal	Shoot & Fruit Borer, Jassid, Aphid
34	PROFENOPHOS 40% + CYPERMETHRIN 4% EC	MIT-404	It is used to control bollworm complex of cotton crops.	Cotton	Bollworm Complex
35	PERMETHRIN 25% EC	TARGET	Permethrin 25% E.C. is used to control Bollworms of cotton.	Cotton	Bollworm
36	AZADIRACHTIN 0.15% EC	NIMON	Azadirachtin 0.15% min. pest control agent used for the control of white fly and bollworm of cotton and thrip, sem borer brown plant hopper and leaf folder	Cotton	white fly, Bollworms
				Paddy	Thrips, Stem Borer, Leaf



			on paddy.		Folder
37	ETHION 50% EC	DEMATE	It is used to control thrips, pin mite, purple mite, scarlet mite, red spider mite, aphid, caterpillar, and helopeltis.	TEA	Thrips, Pinkmite, purple mite, Scarlet mite, Red spider mite, Aphid, Caterpillar, Helopiltis
38	ALPHACYPERMETH RIN 10% SC	ALFA-SC	Adult Mosquitoes, Adult Houseflies, Cockroach		Adult Mosquitoes, Adult Houseflies, Cockroach
39	THIAMETHOXAM 30% FS	JAIKARA PLUS	Its is used as seed treatment to control Jassids, aphids and whitefly in cotton, shoot fly on sorhum and maize, termites in wheat, jassid in okra, thrips, GLH and whorl maggot in rice and jassid and thrips in sunflower crops.	Cotton	Jassids, Aphids, white flies
				Wheat	Termites, Shoot fly
				Okra	Jassids
40	DIAFENTHIURON 50% WP	VOLVO	It is broad spectrum insecticide. It is recommended for its use to control Whiteflies, Aphids, Thrips, Jassids in Cotton & Diamond Back Moth (DBM) in Cabbage, Mites in Chilli, Whiteflies in Brinjal and Thrips and Capsule borer in Cardamom.	Cotton	Whiteflies, Aphids, Jassids, Thrips
				Cabbage	Diamond Back moth
				Chilli	Mites
				Brinjal	Whitefly
<b>HERBICIDES/WEEDICIDES.</b>					
1	Ammonium Salt of Glyphosate 71% SG	AVAST-71	It is Recommended against annual , perennial & broad leaf and grassy weed in tea and non-cropped area.	Tea and Non Crop	Acalypha Indica, Sida aculata, Ipomea digitara, Chicorium entibus, Paspalum Conjugatum, Cynadon dactylon
2	2 4D Amine Salt 58% SL	I-10	It is used to control Trianthema monogyna, Amaranthus sp & Cyperus sp of maize.	Maize	Tribulus, terristris, Boerhaavia diffusa, Cyperus sp
				Wheat	Chenopodium album, Fumaria parviflora
				Sorghum	Cyperus iria, Striga sp, Trianthema sp.
3	Isoprotouron 75% W.P.	KATAR	It is used for the control of phalaris minor, wild oat and some broadleaved weeds in wheat.	Wheat	Canary grass (gulli danda), Wild Oats (Jungli jayee), Chaenopodium(bathus Anagallis)
4	Metribuzin 70% W.P.	MATRIX	It is recommended for the control of Cyperus rotundus. Cynodon dactylon, Parathenium hysterochorous, fumaria, chloris, Echinochloa colonum etc.	Sugarcane	Cyperus rotundus, Cyndon dactylon
				Potato	Chenopodium album, Gyna
				Tomato	Trianthema portula - Cartrum, Gynadropsis
				Wheat	Chenopodium Album Maliotus Spp.
5	Pendimenthalin 30% E.C.	PANDA-303	It is recommended to control Phalaris minor, Chenopodium album portulaca oleracea on wheat and Echinochloa clolonum Echinochloa crusgalli, Marsila quadrifoliata, Altarmanthus sessilis of Paddy cotton and soyabean.	Wheat	Phalaris minor, Chenopodium album
				Rice	Echinochloa Colonom
				Chilies	Anagallies arvensis, Digitaria Spp
				Cotton	Echenno, Cloa spp. Euphorbia Spp.
6	Oxyflourfen 23.5% E.C. W/w	RAIN-OXY	It is used to control major grasses, broadleaf and sedges in direct seeded rice, tea, potato, onion and mentha crops.	Paddy	Echinichloa Spp.
				Groundnut	Echinochloa Colonom
7	Pretilachor 50% EC	RAINFIT	It is used to control grassess, sedges, broad leaved weeds like Echinochloa spp. Cyperus difformis, Fimbristylis, Pannicum repens etc. in transplanted rice.	Rice	Cyperus difformis, Cyperus iria, Fimbristylis, Monochorea vaginallis
8	Metsulfuron Methyl 20% W. P.	RAINGRIP	It is used for the control of weeds of Wheat and Rice.	Wheat	Chenopodium album, Meliotus indica, Anagallis
9	Glyphosate 41%S.L.	RAINUP	Recommended for the control of Broad leaf weeds and annular grasses.	Tea	Axonopus, Camprissus, Cynodon dactylon
10	Paraquat Dichloride 24% SL	REXTON	It is used to control imperata cylindrica, Setaria Sp, Borhavia hispida paspa lum conjugatum of tea and weeds of potato, Sugarcane, Rice , Wheat, Sunflower, grapes & Aquatic weeds.	Tea	Imperata, cylindrica, Seteria sp, Commelina
				Potato	Chenopodium sp, Anagallis arvensis
				Cotton	Digeria, arvensis, Cyperus iria
				Rubber	Digitaria, Sp., Eragrostis Sp.
				Rice	Ageratum conyzides, Commelina
				Wheat	Grassy & Broadleaved
				Grapes	Cyperus rotundus, Cyndon dactylon
Apple	Rosa moschata, Rubus ellipticus				
11	Clodinafop - Propargly	TOPICANA	It is recommended for use to control grass weeds	Wheat	Phalaris minor



	15% WP		(Phalaris minor) in wheat.		
12	Atrazine 50% W.P.	ZOOM	It is used for the control of weeds like Trianthema, Mongyana, Digeria arvanals, Cleomeviscose, Cheropodium album in Maize Sugarcane.	Maize Sugarcane	Trianthema, monogyna, Xanthium, Viridis Portulaca, Oleracea, Digitaria, Boerhaavia
13	Pendamethalin 38.7% CS	PANDA SUPER	It is used in premergence and postmergence applications to control annual grasses and certain broadleaf weeds.	Cotton Onion Chilli Soyabean	Digitaria, Eragrostis, Parthenium Dactyloctenium egyptium, Trianthema Echinichloa Spp. Dinebra arabica, Cleome viscosa
14	Pretilachor 37% EW	ENJOY	It's a selective pre-emergence herbicide that is recommended for th control of grasses, sedges and some broad leaf weed is transplanted rice. It contains 37% of the active ingredient pretilachlor which is equal to 400 g per litre of the formulation.	Trans planted Roce	Echinochloa Colonom, E.crusgalli, Cyperus difformis, Digitaria, Miliacea, Monochoria vanginalls
15	Sulfosulfuron 75% WG	ATAL	Sulfosulfuron is a selective early post emergence herbicide used for the effective control of Phalaris minor in wheat crop.	wheat	Phalaris minor Chenopodium album, Melilotus alba
16	Imazethapyr 10% SL	DISSMISS	Recommended for use of Soyabean and Groundnut for control of annual grasses, broad leaf weed and sedges.	Soyabean Groundnu t	Cyperus, Dofformis, Sperssifiours, Digeria Cyperus difformis, Trianthema, Commelina
<b>FUNGICIDES</b>					
1	Chlorthalonil 75% W.P.	BAAZ	It is used for the control of Tikka leaf, Spot, Rust on Groundnut and Potato.	Groundnu t Potato	Tikka, Rust Early & late blight
2	Tricyclazole 75% WP	BOOM	It is recommended for the control of blast diseases of rice crop only( as seed treatment and for foliar spray for leaf and panicle blasts)	Paddy	Blast
3	Carbendazim 12%+ Mancozeb 63% WP	COMBI GOLD	It is used for the control of blast disease of paddy and leaf spot and rust diseases of groundnut.	Paddy	Blast
4	Copper Oxy Chloride 50% WP	COPPER PLUS	It is used for foliar application on arecanut, banana, vegetables, groundnut, potatoes, grapes, coffee, tea etc. for control of diseased like shot hole fungus, pear blight, leaf curl, and vegetables etc.	Grapes Potato Cardamo m Banana Coffee Citrus	Downy Mildew Early Blight, Late Blight, Black Rot, Rust Clump Rot, Leaf Spot Fruit Rot, Leaf Spot Black Rot, Rust Leaf Spot, Canker
5	Carbendazim 46.27% S.C.	DOVE SUPER	It is used for the control of Powdery mildew of grapes and mango.	Grape Mango	Powdery Mildew Powdery Mildew
6	Carbendazim 50% WP	DOVE	It is recommended to control blast & sheath blight of paddy, loose smut of wheat & barely, brown rot of maize, powdery mildew of sugar beet and tobacco, seedling blight of jute and downy leaf spot of walnut etc.	Paddy Wheat Barley Topioca Cotton Jute Chillies	Blast Loose Smut Loose Smut Set Rot Leaf Spot Seeding Blight Damping Off
7	Hexaconazole 5% SC	MEGMA GOLD	It is used for the control of Powdery mildew of mango and sheath blight of rice.	MANGO Rice Grapes	Powdery mildew Sheath blight Powdery mildew
8	Propiconazole 25% EC	SAFETY	It is used for the control of diseases such as karnal bunt, rusts of wheat, leaf spot, sheath blight of rice and rust of Soyabean.	Wheat Rice Groundnu t Tea Soyabean	Leaf Rust, Stem Rust, Stripe Rust Sheath Blight Early leaf spot Blister blight Rust
9	Thiaphanate Methyl 70% WP	SELSUN	It is recommended to control powdery mildew of papaya, scab of apple, ring rot of tomato and anthracnose of bottle gourd.	Papaya Apple Wheat Tomato Bottle Cucurbits Pigeon	Powdery Mildew Scab Brown Rust Ring Rot Anthracnose gourd Powdery Mildew Fusarium Wilt
10	Sulphur 80% WDG	SULF-DF	It is used for the control of powdery mildew and scab on grapes, cowpea, Guar, Pea, Cumin & Mango.	Grapes Apple Cowpea	Powdery Mildew Powdery Mildew Powdery Mildew



				Guar	Powdery Mildew
				Cumin	Powdery Mildew
				Mango	Powdery Mildew
11	Mancozeb 75% WP	SUPER M-45	It is used to control brown and black rust & blight of wheat, leaf spot of sorgham and other fungal diseases of guava potato, tomato, apples, grapes and cumin crops.	Wheat	Brown & Black rus blight
				Maize	Leaf Blight
				Paddy	Blast
				Jowar	Leaf Spot
				Beans	Leaf Spot
12	ISOPROTHIOLANE 40% EC	HOT STAR	ISOPROTHIOLANE 40% EC is approved for the control of blast disease of rice crop only.	Rice	Blast
13	Tebuconazole 25.9% EC	MERCY	Its used for foliar spray for control of powdery mildew and fruit rot of chilli, tikka and rush of groundnut, blast and sheath blight of rice.	Rice	Blast, Sheath Blight
				Chilli	Fruit Rot,
				Groundnut	Tikka, Rust
14	SULPHUR 40% SC	SULF-40	Recommended as fungicide for control of powdery mildew of beans, Cumin, Opium, Rose, Mango Grapes, Tikka, Leaf spot on ground nuts.	Cotton	Mites
				Cluster Beans	Powdery Mildew
				Cumin	Powdery Mildew
				Grapes	Powdery Mildew
				Mango	Powdery Mildew
				Pomegranate	Fruit Rot
				Paddy	Sheath blight
				Chillies	Die back,
				Apple	Scab
15	CAPTAN 70% + HEXACONAZOLE 5% WP	PUNCH	It's a contact fungicide used for the control of fruit rot (anthraconose) of chillies and early & late blight of potato.	Chillies	Fruit rot
				Potato	Early Blight, Late Blight
16	Tebuconazole 2% DS	RAINXIL	It is a systemic fungicide used as seed dressing for the control of loose smut & flag smut of wheat and collar rot, root rot and stem rot of groundnut only.	Wheat	Loose Smut, Flag smut
				Groundnut	Collar root, Root rot, Stem rot
17	METALAXYL 8+ MANCOZEB 64% WP	RAINOMIL	Its used for control of downy mildew of grapevine and damping off and black shank diseases in tobacco in nursery.	Grapes	Downy Mildew
				Potato	Late Blight
				Pearl millet	Downy Mildew
<b>PLANT GROWTH REGULATOR</b>					
1	Ethephon 39% SL	FRUTIS	It is use on mango, pineapple, coffee, tomato & Rubber for increasing the yield.	Mango	For breaking alternate bearing tendencies
				Pineapple	Uniform ripening
				Coffee	For post harvest treatment
				Tomato	For uniform ripening
2	Triacantanol EW 0.1% MIN.	OXYZEN LQ.	It is recommended to increase the yield of crops like cotton, Chillies, Rice and Groundnuts.	Grapes	Downy Mildew
				Wheat	Loose Smut, Flag smut
				Groundnut	Collar root, Root rot, Stem rot
3	Triacantanol GR 0.05% Min.	OXYZEN GR	It is recommended to increase the yield of crops like cotton, Tomatoes, Rice and Groundnuts.	Potato	Late Blight
				Cumin	Powdery Mildew
				Grapes	Powdery Mildew
4	ORGANIC SOIL CONDITIONER	TEJAS ONE BE	It is recommended on various crops namely Soyabean, Cotton, Paddy, Pulse, Grapes and other vegetables and Fruits.	Pearl millet	Downy Mildew
5	2-BROMO-2 NITROPROPANE-1,3 DIOL	BACTRA-007	It creates resistance against bacterial diseases like leaf blight, black arm, seeding blight etc. in cotton, paddy, beetleleaf, onion and fruits.	Maize	Leaf Blight
6	GIBBERLLIC ACID 0.001% L	REMBO	It is recommended for use in paddy, cotton, sugarcane, groundnut, brinjal, bhindi, grapes etc. for better yields.	Paddy	Blast
				Wheat	Loose Smut
				Barley	Loose Smut
				Topioca	Set Rot
<b>FERTILIZER</b>					
1	Zinc Sulphate 33%	NANO MAHAZINC	It is use on Paddy, cotton, vegetables, groundnut and Horticultural Crops.	Paddy	Blast
2	Zn EDTA 12%	NANO ZINC	It is used to overcome the deficiency symptoms like little leaf of Apple, Mottle leaf, Sick leaf or cocoo, white bud of maize Auxin deficiency of tomato.	Apple	Scab
3	FE EDTA 12%	NANO FERRO	It is use on Paddy, cotton, vegetables, groundnut and Horticultural Crops.	Groundnut	Tikka, Rust
4	NPK 19:19:19	NANO NPK 19:19:19	It is recommended on all fruit crops like grapes, Mango etc. and all field crops.	ALL FRUITS	Powdery Mildew
5	NPK 13:00:45(100% WS)	NANO NPK 13:0:45	It is recommended on all fruit crops like grapes, Mango etc. and all vegetables crops.	Grapes	Downy Mildew
				Wheat	Loose Smut, Flag smut
				Groundnut	Collar root, Root rot, Stem



				t	rot
6	COPPER SULPHATE 24%	NANO COPPER	It is use on Paddy, cotton, vegetables, groundnut and Horticultural Crops.	Paddy & All Fruits	For breaking alternate bearing tendencies
7	MAGNESIUM SULPHATE 9.6%	NANO MAGNESIUM 9.6%	It is increase the absorption of other nutrients from the soil and plants become resistant for diseases.	Tomato	For uniform ripening
8	SULPHUR 90%	NANO SULF-DF	It is used for development of resistance in plants of frost/cold.	Groundnut	Red hairy Caterpillar
9	MANGANESE SULPHATE 30.5%	NANO MANGANESE 30.5%	it is used to remove manganese deficiency of potato, wheat, citrus, paddy, sugarcane and all other crops showing Manganese deficiency symptoms.	Pearl millet	Downy Mildew
10	BORON 20%	NANO BORON 20%	It is use on Apples, grapes, Papaya, Coffee, Tea, Citrus fruit, Banana, Maize, Carrot & Celery etc.	Chillies	Die back,
11	CALCIUM NITRATE	NANO CALCIUM	Calcium nitrate is mainly produced as a fertilizer, used for plant nutrition purposes, and for wastewater treatment. It is a source of both calcium and nitrogen, for plants.	Tomato	For uniform ripening
12	MONO AMMONIUM PHOSPHATE (NPK 12:61:0)	NANO NPK 12:61:0	It is recommended for use at the beginning of the growing season, because phosphorus availability is crucial for the establishment of root system at this stage	All Fruits	Tikka, Rust
13	MONO POTASSIUM PHOSPHATE (NPK 0:52:34)	NANO NPK 0:52:34	It is used in the productive stages of sugar-rich fruit crops helps to increase sugar content and to improve the quality of these.	All Fruits	Collar root, Root rot, Stem rot
14	POTASSIUM SULPHATE (NPK 0:0:50)	NANO NPK 0:0:50	It is improve a plants vigor, make leaves grow larger, reverse a decline and lessen the chance of insects and disease.	Pineapple	Uniform ripening
15	ZINC SULPHATE 21%	NANO ZN SULPHATE 21%	It is use on Apples, grapes, Papaya, Coffee, Tea, Citrus fruit, Banana, Maize, Carrot & Celery etc.	Apple	Scab
16	FERROUS SULPHATE 19%	NANO FE SULPHATE 19%	Ferrous sulfate, also called iron sulfate, is a form of iron with several uses as a lawn treatment. Iron products encourage deep greening of turf grasses without encouraging excessive growth, helping lawns achieve a lush appearance without the overuse of nitrogen fertilizers.	All Fruits	For breaking alternate bearing tendencies
17	ZINC OXIDE SUSPENSION CONCENTRATE(39.5% ZINC)	NANO SUPER LQ.	It is recommended for constant and continuous supply of zinc is needed for optimum growth and maximum yield.	All Fruits	Collar root, Root rot, Stem rot
18	BORON 10.5%	NANO BORON 10.5%	It improves the quality of plant roots and the fruits yielded by the plants.	Paddy	Blast
<b>BIO-FERTILIZER</b>					
1	Mycorrhizal Biofertilizer	TEJAS	It helps in rapid and extensive root growth. It increased uptake of Phosphorous and other nutrients.	Wheat	Leaf Rust, Stem Rust, Stripe Rust
				Rice	Sheath Blight
				Groundnut	Early leaf spot
				Tea	Blister blight
				Soyabean	Rust

### End User to our above mentioned products

End users to our products are farmers who use them to safe guard their crops. As mentioned above different product is available from our product portfolio for different types of pests.

### OUR STRENGTHS

#### *Experienced management and a well-trained employee base*

Our management and employee team combines expertise and experience to outline plans for the future development of the Company. Mr. Ajay Rulhania, our Promoter and Managing Director have significant industry experience and has been instrumental in the consistent growth of our company. The promoters are supported by an experienced team who knows in and out of the Company's business. We believe that the



knowledge and experience of our promoter and management enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.

### ***Existing client relationship***

We believe in constantly addressing the customer needs for variety of our products. Our existing client relationships help us to get repeated business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. We have a strong existing client relationship which generates multiple repeated orders. We believe that our existing relationship with our clients represents a competitive advantage in achieving stable growth, gaining new clients and increasing our business.

### ***Quality Assurance and Standards***

Our Company believes in maintaining the highest quality for our product offerings. We are dedicated towards quality of our products. We adhere to quality standards as prescribed by our customers. We generate repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables us to maintain and enhance our brand image in the market.

### ***Expertise and vast industry experience***

Our Promoters are experienced in our line of business. Also our company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike. A lot of care is taken in choosing the right people for the right job and creating a strong employee base.

### ***Innovative Ideas***

Our Company is focusing on expanding our existing range of products in line with this vision our strategy is to add new products to the existing product range and comes out with new business ideas.

## **PLANT & MACHINERY**

Following is the list of Machinery operated manually/automatically by the Company:

<b>S. No.</b>	<b>Instrument Name</b>	<b>Quantity(per machine)</b>
1	Mixture For Granules (Cap. 500 Kg.)	3
2	Phorate Plant (Cap. 1000 Kg.)	1
3	Stepling Machine (C. Box)	2
4	Sealing Machine Foot	3
5	Sealing Machine Hand	5
6	Sealing Machine Continue	4
7	Shrink Machine Continue	1
8	Liquid Filling Machine (Cap. 30 MI To 100 MI)	4
9	Liquid Filling Machine (Cap. 500 MI & 1 Liter)	1
10	Liquid Filling Machine (Cap. 50 MI To 1 Liter)	1
11	Induction Machine	3



12	Continue Induction Machine	3
13	Sieve Machine	2
14	Bag Sealer Machine	3
15	Mixing Tank (Cap. 1000 Liter)	4
16	Mixing Tank (Cap. 300 Liter)	3
17	Mixing Machine For Sc	2
18	Solvent Storage Tank (Cap. 20000 Liter)	1
19	Powder Filling Machine	1
20	Powder Blinder Machine	2
21	Weight Machine Electronic (Cap. 1000 Kg)	2
22	Weight Machine Electronic (Cap. 500 Kg)	3
23	Weight Machine Electronics ( Cap. 5 Kg)	6
24	Chilling Plant	2
25	Coding Machine	1
26	Air Compressor	2
27	Water Heating System	2
28	Generator- Set (Big)	2
29	Water Pump (Bore well)	2
30	Acme Machine	1
31	Manual Pump	1
32	Measurements Cap – 5 Liter	5
33	Measurements Cap – 1 Liter	6
34	Measurements Cap – 500 ml	6
35	Measurements Cap – 200 ml	4
36	Measurements Cap – 100 ml	6
37	Videojet Screen Machine	1
38	Videojet Screen + Labeling Machine	1
42	Red Bucket (Fire)	14
43	Fire Extinguisher	20
44	Helmet	10
45	Gloves Pair	100
46	Shoes Pair	12
47	Apron	20
48	Face Mask	200
49	Gloves Disposal	2000
50	Sun Glass	24
51	Gas Chromatography	1
52	Ph Meter	1
53	Oven	1
54	Distillation Plant	1
55	Water Bath	1
56	Karl Fisher	1
57	Refrigerator	1
58	Heating Mantel	1
59	Magnetic Stirrer With Hot Plat	1
60	Sieve Shaker	1



61	Electronic Balance	1
62	Ultra Violet Spectra Meter	1
63	Lab Computer System	1
64	Sonicator	1
65	Desiccators	1
66	Flash Point Apt.	1
67	Melting Point Apt.	1
68	Vacuum Pump	1
69	Thermometer	6
70	Viscosity Meter	1
71	Glass Wares	As Per Chemical Testing

**Oven, B.F Machine, Hot Plate, GLC (Lab), UV Machine, EC Formulation Plant**





## PROCESS OF MANUFACTURING

<i>Flow Chart for Pesticides EC formulation</i>	
<i>Step 1.</i>	Solvent <span style="float: right;"><i>Charging Solvent</i></span>
<i>Step 2.</i>	Technical <span style="float: right;"><i>Technical is put into Water bath for melting.</i></span>
<i>Step 3.</i>	Both are mixed in legally authorised standard measurements in tank
<i>Step 4.</i>	Blank sample is sent to lab for testing and computation of Emulsifier quantity to be added.
<i>Step 5.</i>	If required more emulsifier is added.
<i>Flow Chart for Noodle form Products</i>	
<i>Step 1.</i>	Silica, Technical, Wetting agent, Dispersing Agent are weighed and authority notified quantity is mixed in blender.
<i>Step 2.</i>	Mixture is tested manually for required texture and readiness for next step.
<i>Step 3.</i>	Mixture is transferred to noodle machine.
<i>Step 4.</i>	Collection of product made in above step and is then put in trays.
<i>Step 5.</i>	The Trays are put into Oven
<i>Step 6.</i>	Checking at regular intervals till preparation of next step.
<i>Step 7.</i>	Once the material is ready its kept outside till reach room temperature
<i>Step 8.</i>	Material is put into Sieve Shaker
<i>Flow Chart for Dynamill of SC products</i>	
<i>Step 1.</i>	Technical and Emulsifier are weighed and authority notified quantity is mixed in Pre Mixture Tank.
<i>Step 2.</i>	Mixture is slowly transfer to mill for grinding.
<i>Step 3.</i>	Post grinding mixture transferred to post mixture tank
<i>Step 4.</i>	In post mixture tank mixture is grinded 3 times again
<i>Step 5.</i>	Washing of mill properly with DM water
<i>Step 6.</i>	Add gum and rest of the DM water to the batch
<i>Step 7.</i>	Checking at regular intervals till preparation.
<i>Flow Chart for Powder Formulation</i>	
<i>Step 1.</i>	Technical and Emulsifier are weighed and authority notified quantity is mixed in Pre Mixture Tank.
<i>Step 2.</i>	Mixture stays in Mixing Tank for ½ Hour.
<i>Step 3.</i>	Post mixing the material is transferred to classifier and compressor.
<i>Step 4.</i>	Post classification Powder Milling is done.
<i>Step 5.</i>	Powder is transferred to post blender though blender bag house.
<i>Flow Chart for SL products formulation</i>	
<i>Step 1.</i>	Charge DM water to double jacket vessel
<i>Step 2.</i>	Pour powder form technical slowly.
<i>Step 3.</i>	Charge MIPA slowly until it takers for of solution.
<i>Step 4.</i>	When solution takes clear form Emulsifier is charged into it.
<i>Common Process for all types of products</i>	
<i>Step 1.</i>	Final Product is sent for testing
<i>Step 2.</i>	Transfer final product to bulk stock
<i>Step 3.</i>	Filling
<i>Step 4.</i>	Packaging material quality standard checking
<i>Step 5.</i>	Packaging
<i>Step 6.</i>	Random sampling Quality Check
<i>Step 7.</i>	Storage
<i>Step 8.</i>	Dispatch

## COLLABORATIONS

We have not entered into any technical or other collaboration.



## INFRASTRUCTURE FACILITIES

### Raw Material

Major raw materials used in the manufacturing of our products are chemicals. The raw material used in the manufacturing are procured from the domestic market. The raw material required for our manufacturing activity is procured by inviting quotations from different vendors and the order is placed with the vendor who offers better quality, favorable credit terms and competitive price.

From our wide product portfolio, every product has a market and seasonality of its own, which allow us to surmount season based downfall in operative revenues. Although if discussed on industry scale our business is seasonal in nature i.e. demand for certain products are quite high during monsoon, incidence of pest and/or disease infestation. For planning our raw material procurement inputs of sales/ field staff across the country is taken periodically and sales target for the next financial year is finalized, based on which, monthly production targets and raw materials procurement target are finalized. Sales, production and raw material procurement targets are reviewed on a regular basis depending upon market conditions.

We classify our raw material into two category Technicals and Adjuvants. Each product requires different Technical. We source the majority of Technical from suppliers in India. The adjuvants like granules, emulsifiers, solvents, powders etc. are sourced from various suppliers in India. We normally keep the sufficient stock of adjuvants to avoid any disruption in production of end product. All the raw materials procured are tested for various chemical properties including solubility, purity etc. in our laboratory. The raw material is released for further processing only if it passes the quality standard.

### Power

The requirement of power for our production units is for lighting and operating the machines. It is met through the local power distribution company and 2 Generator Sets for power backup.

### Water

Water required for manufacturing process, human consumption and other purposes is fully met at the existing premises from ground water.

### Human Resource

We believe that a motivated and empowered employee base is the key to our operations and business strategy. Over the years, we have developed a large pool of skilled and experienced personnel. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans. As on the date of Draft Prospectus, Company has the following number of employees on the payroll of the Company. Department Wise Employee Break Up as following:

Department	Number of Employees
Finance & Accounts	15
Manufacturing	9



Administration	3
Sales & Marketing	49
Company Secretary & Compliance Officer	1
Other	6

## FINANCIAL ACHIEVEMENTS OF THE COMPANY

(Rupees in Lakh)

Particulars	July 15, 2019	As on March 31 <sup>st</sup>		
		2019	2018	2017
Share Capital	200.00	200.00	200.00	25.00
Reserves & Surplus	175.46	151.34	79.63	43.55
Net Worth	375.46	351.34	279.63	68.55
Total Income	692.78	1634.04	1775.36	1313.68
PAT	24.12	71.72	36.08	20.94

## SEGMENT WISE REVENUE BREAKUP

(Rupees in Lakh)

Segment	2018-19	%	2017-18	%	2016-17	%
Insecticides	739.40	46.23	875.73	49.33	666.18	50.72
Herbicides/Weedicides.	538.47	33.67	513.75	28.94	455.44	34.67
Plant growth regulator	203.87	12.75	275.98	15.55	105.07	8.00
Fungicides	83.26	5.21	82.63	4.65	63.91	4.87
Fertilizer	34.47	2.15	27.05	1.52	22.96	1.75
<b>Total sales</b>	<b>1,599.47</b>	<b>100.00</b>	<b>1,775.14</b>	<b>100.00</b>	<b>1,313.56</b>	<b>100.00</b>

## GEOGRAPHICAL BREAKUP

(Rupees in Lakh)

State	2019	%	2018	%	2017	%
Maharashtra	13.92	0.87	114.85	6.47	0.00	0.00
Madhya Pradesh	129.72	8.11	102.96	5.80	117.69	8.96
Punjab	227.44	14.22	165.98	9.35	105.22	8.01
Rajasthan	198.33	12.40	254.38	14.33	343.10	26.12
Haryana	860.51	53.80	952.01	53.63	706.17	53.76
Uttarakhand	0.00	0.00	6.57	0.37	0.00	0.00
Uttar Pradesh	169.54	10.60	178.22	10.04	41.51	3.16
<b>Total</b>	<b>1599.47</b>	<b>100.00</b>	<b>1775.14</b>	<b>100.00</b>	<b>1313.56</b>	<b>100.00</b>

## COMPETITION

We operate in a highly competitive industry as our industry has number of players. Instead of providing quality standards, brand value and value for money client's decision depends highly on prices and our competitors may have access to raw material at lower prices. Monsanto India Ltd., Insecticides (India) Ltd., Dhanuka Agritech Ltd., Meghmani Organics Ltd. are some our major competitors.



## MARKETING

We have some reputed companies in this industry as our customers. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of such customers. We have spread our presence to domestic markets with large sales potential, low infrastructure costs and the availability of professional expertise. We have experienced & skill management team to motivate the sub-ordinates & staff to step towards their achievements & organizational goals. With their efficient management skills & co-ordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development & nourishment of the organization. Before the close of each financial year, an assessment of market needs for the year is done which involves inputs from all key managerial personnel. On the basis of this market data we foresee the following year's needs of market and strategise our marketing methods and focus on targeted product needs by the market.

## OUR BUSINESS STRATEGY

*Our keen focus is on uplifting operational effectiveness of our existing production facilities, which will result in increased production volume. When more units of the goods will be produced on larger scale economies of scale are said to be achieved. Alternatively, this means that as a company grows and production increases, a company will have a better chance to decrease its costs. Hence, we will achieve higher profit margins. Our future initiative would be to add new products to our product portfolio. We intend to continue to provide high quality products to our clients and grow our business by leveraging our strengths and implementing the following strategies:*

### a) **Further Widening Of Our Customer Base**

With the growing opportunities available in the market, we will endeavour to continue to grow our business by adding new customers in existing and new geographies and also new market segments & products. We are looking towards expanding customer base in all over India. With the widening of the customer base for our products we will be leveraging our marketing skills and relationships and focusing on total customer orientation.

### b) **Reduction of Operational costs and achieving efficiency**

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. We try to reduce the wastage and control the fabrication on the production floor through effective supervision at our own premises as well as on the premises of other suppliers.

### c) **To Build-Up a Professional Organization**

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



**d) Focus on cordial relationship with our suppliers, customer and employees.**

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

**e) Optimal Utilization of resources**

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

**INSURANCE**

We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, explosion, burglary, theft and robbery, which we believe is in accordance with customary industry practices. We have also availed out various insurance policies to cover our vehicles at our all the offices. Following are the insurance policies taken by us:

#	Policy No.	Company Name	Type of Insurance	Insurance Due Date
1.	3001/MI-07385729/00/000	ICICI LOMBARD GENERAL INSURANCE	Car	19-04-20
2.	20112005031980170700000	Liberty General Insurance Ltd	Car	14-05-20
3.	4205013118100003820	National Insurance Co. Ltd	Car	12-03-20
4.	4205013118100003822	National Insurance Co. Ltd	Car	12-03-20
5.	4205013118100003834	National Insurance Co. Ltd	Car	13-03-20
6.	420501311910000462	National Insurance Co. Ltd	Car	05-06-20
7.	420501311910000000	National Insurance Co. Ltd	Car	30-05-20
8.	420501311910000464	National Insurance Co. Ltd	Car	05-06-20
9.	420501211910000004	National Insurance Co. Ltd	Marine Cargo Open Policy	11-06-20
10.	420501311810002000	National Insurance Co. Ltd	Car	28-10-19
11.	42501118100000067	National Insurance Co. Ltd	Marine Cargo Open Policy	18-11-19
12.	231102/31/2019/8757	Oriental insurance	Car	24-01-20
13.	2053204/31/2019/6461	Oriental insurance	Car	16-02-20
14.	2053204/31/2019/6504	Oriental insurance	Car	16-02-20
15.	130521923110054000	Reliance General Insurance	Car	30-05-20
16.	HSB/00243062	SBI GENERAL INSURANCE	Car	26-12-19
17.	TSB/30237422	SBI GENERAL INSURANCE	Car	27-06-20
18.	31270331190300001692	The New India Assurance Co. Ltd.	Car	24-05-20



19.	31270331190100001726	The New India Assurance Co. Ltd.	Car	23-05-20
20.	1117003119P101206269	United India Insurance Co. Ltd	Car	23-04-20
21.	1117003119P101206307	United India Insurance Co. Ltd	Car	23-04-20
22.	1117003119P101206187	United India Insurance Co. Ltd	Car	23-04-20
23.	1117003119P101206206	United India Insurance Co. Ltd	Car	23-04-20
24.	OG-20-1217-1825-00001365	Bajaj Alliance	Car	16-05-22

## INTELLECTUAL PROPERTY

Our Company has applied for the following registrations under the Trade Mark Act 1999 and Trade Mark Rules 2003. The Status of our applications is as under:

S. No.	Trade Mark No.	Class	Date of Application	Word Mark/Logo	Status
1	2929458	5	25-03-15	FRUCTIS	Registered
2	2929457	5	25-03-15	JAIKARA	Registered
3	2932484	31	30-03-15	RAINBOW TEJAS	Registered
4	2932315	1	30-03-15	RAINBOW TEJAS	Registered
5	2932316	5	30-03-15	RAINBOW TEJAS	Advertised
6	2929459	5	25-03-15	RAINOMIL	Registered
7	2934052	1	01-04-15		Registered
8	2932483	35	30-03-15		Registered
9	2932313	31	30-03-15		Registered
10	2932314	5	30-03-15		Registered
					Registered



## **KEY 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 chapter titled “Government and Other Approvals” beginning on page 187 of this Draft Prospectus.

### **RELATED TO OUR BUSINESS**

#### **LEGAL METROLOGY ACT, 2009 (THE “LEGAL METROLOGY ACT”) AND LEGAL METROLOGY (PACKAGED COMMODITIES) RULES, 2011 (THE “PACKAGED COMMODITIES RULES”)**

The Legal Metrology Act has been in force since April 1, 2011 and replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centers for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions under the Legal Metrology Act; (c) requirement of licenses for companies in order to manufacture and sell products; and (d) stringent punishment for violation of provisions.

In exercise of powers under the Legal Metrology Act, the Packaged Commodities Rules were framed the Packaged Commodities Rules lays down specific provisions applicable to packages intended for retail sale and whole sale. A “pre-packaged commodity” is defined as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. As per the Packaged Commodities Rules, it is illegal to manufacture, pack, sell, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed. No pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the Packaged Commodity Rules.

#### **BUREAU OF INDIAN STANDARDS ACT, 1986 (THE “BIS ACT”)**

The BIS Act provides for the establishment of a bureau for the standardisation, marking and quality certification of goods. The BIS Act provides for the functions of the bureau which includes, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the, Bureau of Indian Standards Certification Mark, which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms



to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### **THE FACTORIES ACT, 1948**

The Factories Act, 1948 (“the Factories Act”) seeks to regulate labour employed in factories and makes provisions for safety, health and welfare of the workers. The Factories Act defines a ‘factory’ to cover any premises, which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover any premises, where there are at least 20 (twenty) workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories. The Factories Act also provides for the mechanisms for safety of certain equipment used in factories, procedures for periodic examination of equipment such as pressure vessels and lifting tackles, regulation of working conditions within the factories and includes specific provisions applicable to women and children employed in factories.

### **LABOUR LAWS**

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to our Company in India include the following which is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees’ Compensation Act, 1923;
- Workmen's Compensation Act, 1923;
- Employees (Provident Fund and Miscellaneous Provisions) Act, 1952;
- Employees’ State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act 1946;
- Child Labour (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Apprentices Act, 1961;
- Weekly Holidays Act, 1942
- Payment of Wages Act, 1936;
- Equal Remuneration Act, 1976;
- Public Liability Insurance Act, 1991;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

### **THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (**MSMED Act**) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:



- i. where the investment in plant and machinery does not exceed twenty-five Lakh rupees shall be regarded as a micro enterprise;
- ii. where the investment in plant and machinery is more than twenty-five Lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise;
- iii. Where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (“Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The MSMED act provides for appointment and establishment of National Board by the Central Government for MSME enterprise with its head office at Delhi. The Central Government may from time to time for the purpose of promotion and development of the MSME and to enhance the competitiveness in the sector organise such programmes, guidelines or instructions, as it may deem fit. In case of any offences under this act, no court inferior to that of Metropolitan Magistrate or Chief Metropolitan Magistrate shall try the offence under this act.

### **THE INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951.**

The Industries (Development and Regulation) Act, 1951 (“Industries Regulation Act”) is an act which governs the development and regulation of industries in India. The main objectives of the Industries Regulation Act is to empower the Government:- (i) to take necessary steps for the development of industries; (ii) to regulate the pattern and direction of industrial development; (iii) to control the activities, performance and results of industrial undertakings in the public interest. The Industries Regulation Act applies to the 'Scheduled Industries' listed in the First Schedule of the Act. However, small scale industrial undertakings and ancillary units are exempted from the provisions of the Industries Regulation Act.

The Industries Regulation Act is administered by the Ministry of Industries & Commerce through its Department of Industrial Policy & Promotion (“DIPP”). The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector. It monitors the industrial growth and production, in general, and selected industrial sectors. Certain categories of industries require industrial licensing under the Industries Regulation Act. Such industries have to file an Industrial Entrepreneur Memoranda (“IEM”) with the Secretariat of Industrial Assistance (SIA), Department of Industrial Policy and Promotion to obtain an acknowledgement.



### **SEXUAL HARASSMENT AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013, (the “SHWPPR Act”) aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines ‘sexual harassment’ to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an ‘internal complaints committee’ at each office or branch, of an organization employing at least 10 employees. The government in turn is required to set up a ‘local complaint committee’ at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **THE APPRENTICES ACT, 1961**

The Apprentices Act, 1961, as amended (the “Apprentices Act”) regulates and controls the programme of training of apprentices and matters connected therewith. The term ‘apprentice’ means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. ‘Apprenticeship training’ means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952 (“EMPLOYEES PROVIDENT FUND AND MISCELLANEOUS PROVISIONS ACT”)**

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees’ Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees’ Provident Fund Schemes, 1952;
- (b) The Employees’ Pension Scheme, 1995; and
- (c) The Employees’ Deposit-Linked Insurance Scheme, 1976.

The Central Government has been constituted Employees’ Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.

### **THE EMPLOYEES COMPENSATION ACT, 1923**

The Employees Compensation Act, 1923 (“EC Act”), provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner



for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of receiving a notice.

### **THE EQUAL REMUNERATION ACT, 1976**

The Equal Remuneration Act, 1976, as amended (“ER Act”) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

### **THE MATERNITY BENEFIT ACT, 1961**

The Maternity Benefit Act, 1961, as amended (“**Maternity Benefit Act**”) regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

### **THE PAYMENT OF BONUS ACT, 1965**

The Payment of Bonus Act, 1965 as amended (the “Payment of Bonus Act”) was enacted to provide for the payment of bonus to persons employed in establishments where 20 or more persons are employed on any day during an accounting year. The Payment of Bonus Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer any allocable surplus in the accounting year in which the bonus is payable. Under the Payment of Bonus Act, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher. Contravention of the provisions of the Payment of Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to Rs. 1,000 or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention, as well as the company.

### **THE PAYMENT OF GRATUITY ACT, 1972**

The Payment of Gratuity Act, 1972 as amended (the “Payment of Gratuity Act”) provides for payment of gratuity to an employee at the time of termination of services. Payment of Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding 12 months; and as the Central Government may, by notification, specify. Gratuity under the Payment of Gratuity Act, is payable to an employee after he has rendered his services for a period not less than five years: (a) on his / her superannuation; (b) on his / her retirement or resignation; or (c) on his / her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). Under the Payment of Gratuity Act, the maximum gratuity payable may not exceed Rs.1,000,000.



### **THE PAYMENT OF WAGES ACT, 1936**

The Payment of Wages Act, 1936 (“PWA”) is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

### **TAXATION LAWS**

#### **INCOME-TAX ACT, 1961**

The government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families(HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

### **INTELLECTUAL PROPERTY LAWS**

#### **TRADEMARKS ACT, 1999 (TM Act)**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

#### **COPYRIGHTS ACT, 1957 (Copyright)**

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.



### **PATENTS ACT, 1970 (Patent Act)**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first invention in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

### **THE INFORMATION TECHNOLOGY (“IT”) ACT, 2000**

This Act aims to provide the legal infrastructure for e-commerce in India. And the cyber laws have a major impact for e-businesses and the new economy in India. So, it is important to understand what are the various perspectives of the IT Act, 2000 and what it offers. The Information Technology Act, 2000 also aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The Act states that unless otherwise agreed, an acceptance of contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability.

### **PROPERTY RELATED LAWS**

#### **TRANSFER OF PROPERTY ACT, 1882**

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

#### **THE INDIAN STAMP ACT, 1899**

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Indian Stamp Act, 1899 (the “Stamp Act”) provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

### **ENVIRONMENTAL REGULATIONS**

#### **The Environment Protection Act, 1986 (“Environment Protection Act”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons



carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

#### **Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act 1981(—the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

#### **Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (—the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

#### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

#### **HAZARDOUS WASTES (MANAGEMENT, HANDLING AND TRANSBOUNDARY MOVEMENT) RULES, 2016 ("HAZARDOUS WASTE RULES")**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous



waste must obtain approval from the relevant state pollution control board. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

## **IN GENERAL**

### **THE FACTORIES ACT, 1948 (“FACTORIES ACT”)**

The Factories Act, 1948 aims at regulating labour employed in factories. A “factory” is defined as “any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places. Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### **THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013**

The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

### **FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be



required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **THE COMPETITION ACT, 2002**

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

### **CONSUMER PROTECTION ACT, 1986 (COPRA)**

The Consumer Protection Act, 1986 (“COPRA”) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

### **THE INDIAN CONTRACT ACT, 1872 (“CONTRACT ACT”)**

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **INDUSTRIAL DISPUTES ACT, 1947 (“ID ACT”) AND INDUSTRIAL DISPUTE (CENTRAL) RULES, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are



protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lockouts, closures, lay-offs and retrenchment.

### **FINANCE ACT, 2018**

The Finance Act, 2018 received the assent of the President on 29th March, 2018 and came into force on April 1, 2018 to give effect to the financial proposals of the Central Government for the financial year 2018-2019. The Finance Act contains necessary amendments in the direct taxes (e.g. income tax and wealth tax) and indirect taxes (e.g. excise duties, custom duties and service tax) signifying the policy decisions of the Union Government for the year 2018-2019.

### **GOODS AND SERVICES TAX**

The Constitution (One Hundred and First Amendment) Act, 2016 which received presidential assent on September 8, 2016 paved the way for introduction of goods and services tax (“GST”) by making provisions with respect to goods and services tax. Accordingly, the following GST acts have been enacted:

- Central Goods and Services Tax Act, 2017
- Integrated Goods and Services Tax Act, 2017
- Union Territory Goods and Services Tax Act, 2017, and
- Goods and Services Tax (Compensation to States) Act, 2017.

### **TAXES ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS**

Every person engaged in any profession, trade, callings and employment is liable to pay tax at the rate prescribed by the respective state government. It is considered necessary to levy tax on profession, trade callings and employment in order to augment state revenues. Every state is empowered by the Constitution of India to make laws relating to levy of taxes on professions, trades, callings and employments that shall serve as the governing provisions in that state.

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## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### HISTORY OF OUR COMPANY

Our Company was incorporated as a public limited company namely “Rainbow Crop Health Limited” under the Companies Act, 1956, in Haryana, vide certificate of incorporation dated March 30, 2012 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana bearing registration number 045551. The Company’s Corporate Identity Number is U01403HR2012PLC045551. Mr. Ajay Rulhania a first generation industrialist had a very novice start in pesticide industry. Being a sales representative in a pesticide company he got deep insight of working of this industry which helped him to incept this business as a trader of herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules. On July 15, 2019 we took over, an ongoing business, M/s Welcome Crop Health a Sole Proprietorship Firm which is into the business of manufacturing of Pesticides, Insecticides, Weedicides, Fungicides, Herbicides, Micro-nutrient and Fertilizers etc. Pursuant to this agreement Rainbow Crop Health Limited has now entered into manufacturing of herbicides, insecticides, fungicides, plant growth regulators & fertilizers. We expect synergy benefits with consolidation of customer base of RCHL and M/s Welcome Crop Health. Acquisition of this manufacturing facility has enabled us to diversify our business and enter into vertical of manufacturing also. This acquisition is a punch in the ticket for mitigation of costing of our products and higher profit margins.

### CHANGES IN OUR REGISTERED OFFICE

Registered Office of the Company is presently situated at NH -73, Welcome Complex V&PO, Mouli Panchkula, Haryana - 134118. The Registered office of our Company has not been changed since incorporation.

### MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

*To carry on the business of manufacturing and trading of Pesticides, Insecticides, Weedicides, Fungicides, Herbicides, Micro Nutrient, Fertilizers, House Hold Insects, Public Health Insects etc. and to work as Clearing and Forwarding Agent, Government Suppliers & Consignment Agents for others.*

### AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION:

Since incorporation, there has been following amendment made to the MoA of our Company:

Date of Amendment	Particulars of Amendment
January 15, 2018	Increase in authorised share capital of the company from Rs. 25,00,000 to Rs. 2,00,00,000.
September 05, 2019	Alteration of MOA as per Companies Act, 2013
September 05, 2019	Increase in authorised share capital of the company from Rs. 2,00,00,000 to Rs. 4,00,00,000.



## **KEY EVENTS AND MILESTONES:**

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

<b>Year</b>	<b>Event</b>
2014	Achieved Revenue of Rs. 400 Lakh approx compare to Revenue of Rs. 9 Lakh in 2013.
2017	Achieved Revenue of Rs. 1300 Lakh approx compare to Revenue of Rs. 400 Lakh in 2014.
2018	Achieved Revenue of Rs. 1775 Lakh approx compare to Revenue of Rs. 1300 Lakh in 2017.
2019	Takeover of M/s. Welcome Crop Health Products, a Sole Proprietorship, as a going concern.

## **DETAILS OF BUSINESS OF OUR COMPANY**

For details on the description of Our Company's activity, business model, marketing strategy, strength, completion of business, please see "Our Business", 'Management Discussion and Analysis of Financial Conditions' and "Basis For Issue Price" on page 88, 172 and 64 respectively.

## **HOLDING COMPANY OF OUR COMPANY**

Our Company does not have any Holding Companies as on the date of filing of this Draft Prospectus.

## **SUBSIDIARY COMPANY OF OUR COMPANY**

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

## **OTHER DECLARATIONS AND DISCLOSURES**

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

## **FUND RAISING THROUGH EQUITY OR DEBT**

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled 'Capital Structure' and Annexure 6 of Restated Financial Statements of the Company beginning on page number 45 and 149, respectively, of this Draft Prospectus.

## **REVALUATION OF ASSETS**

Our Company has not re-valued its assets since its incorporation.



## **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT**

Other than as stated in this Draft Prospectus, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Draft Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

## **INJUNCTIONS OR RESTRAINING ORDERS**

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

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

## **STRIKES AND LOCK-OUTS**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Prospectus, our employees are not unionized.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

## **SHAREHOLDERS' AGREEMENT**

Our Company does not have any subsisting shareholders' agreement as on the date of this Draft Prospectus.

## **OTHER AGREEMENTS**

As on the date of this Draft Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Prospectus.

## **STRATEGIC PARTNERS**

Our Company does not have any strategic partner(s) as on the date of this Draft Prospectus.

## **FINANCIAL PARTNERS**

As on the date of this Draft Prospectus, our Company does not have any financial partners.

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

On July 15, 2019 Rainbow Crop Health Limited has acquired M/s Welcome Crop Health a Sole Proprietorship Firm which is into the business of manufacturing of Pesticides, Insecticides, Weedicides,



Fungicides, Herbicides, Micro-nutrient and Fertilizers etc. Except the said acquisition there is no Merger, Amalgamation etc. with respect to our Company and we have not acquired a business undertaking in last 10 years.

#### **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS**

The Company transferred its Land on December 06, 2018. Except the said divestment the Company has not made divestment of any business or undertaking in the last 10 years.

#### **NUMBER OF SHAREHOLDER OF OUR COMPANY**

Our Company has 7 (seven) shareholders as on date of the Draft Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled “Capital Structure” beginning on page 45 of this Draft Prospectus.

#### **DETAILS OF PAST PERFORMANCE**

For details of Change of management, please see chapter titled “Our Business” and “Our History and certain corporate matters” on page 88 and 119 respectively of this Draft Prospectus.

#### **DETAILS OF FINANCIAL 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 section titled “Financial Statements” beginning on page 149 of this Draft Prospectus.

#### **COLLABORATION AGREEMENT**

As on the date of this Draft Prospectus, Our Company is not party to any collaboration agreement.

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## OUR MANAGEMENT

### BOARD OF DIRECTORS

*As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Prospectus, our Board consist of 5 (Five) Directors. Mr. Ajay Rulhania is the Managing Director of Our Company. The Board consists 1(One) Executive Director and 4 (Four) Non-Executive out of which two are Independent Directors and 1 (One) is a Woman Director.*

S.N.	Name	DIN	Category	Designation
1.	Mr. Ajay Rulhania	06937931	Executive	Managing Director
2.	Ms. Rekha Rani	05216061	Non-Executive	Director
3.	Mr. Raj Kumar Siwach	06937932	Non-Executive	Director
4.	Mr. Abhay Singh	08516052	Non-Executive	Independent Director
5.	Mr. Deepak Kumar	07625867	Non-Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Prospectus:

#	Particulars	Details
1	<b>Name</b>	<b>Ajay Rulhania</b>
	Father's Name	Shri Molu Ram Rulhania
	Address	H. No. 304, GH-2, Haryana Vidhan Sabha Society, Sector-24 Panchkula - 134116, Haryana
	Date of Birth	06/10/1981
	Age	37 years
	Designation	Managing Director
	Status	Executive
	DIN	06937931
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Arts
	No. of Years of Experience	15 years
	Date of Appointment (DOA) & Term	DOA: 31/07/2014
		DOA on present designation: 10/08/2019
Term: 5 Years		
Directorship in other Companies	Welcome Machan Resorts Private Limited	
2	<b>Name</b>	<b>Rekha Rani</b>
	Father's Name	Shri Ram Chander
	Address	H. No. 304, GH-2, Haryana Vidhan Sabha Society, Sector-24 Panchkula - 134116, Haryana
	Date of Birth	01/01/1988
	Age	31 years
	Designation	Director
	Status	Non Executive



	DIN	05216061
	Occupation	Business
	Nationality	Indian
	Qualification	Undergraduate
	No. of Years of Experience	6 years
	Date of Appointment (DOA) & Term	DOA : 12/06/2019 Term : Liable to retire by rotation
	Directorship in other Companies	Welcome Machan Resorts Private Limited
3	<b>Name</b>	<b>Raj Kumar Siwach</b>
	Father's Name	Shri Dalip Singh
	Address	H. No. 29, Kendriya Vihar 2, Sector 25, Panchkula - 134116 Haryana
	Date of Birth	12/08/1971
	Age	48 years
	Designation	Director
	Status	Non - Executive
	DIN	06937932
	Occupation	Business
	Nationality	Indian
	Qualification	Undergraduate
	No. of Years of Experience	20 years
	Date of Appointment (DOA) & Term	DOA : 31/07/2014 Term : Liable to retire by rotation
	Directorship in other Companies	None
4	<b>Name</b>	<b>Abhay Singh</b>
	Father's Name	Shri Mahendra Singh
	Address	C-304, Vikram Vihar, Awho, Sestro 27, Panchkula, Sector-8, Haryana-134109
	Date of Birth	18/08/1984
	Age	35 Years
	Designation	Independent Director
	Status	Non – Executive
	DIN	08516052
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Commerce
	No. of Years of Experience	10 years
	Date of Appointment (DOA) & Term	DOA : 23/07/2019 Term : 5 years (upto 22/07/2024)
	Directorship in other Companies	NIL
5	<b>Name</b>	<b>Deepak Kumar</b>
	Father's Name	Shri Yash Pal
	Address	484, Faridpur, 39, Karnal, Haryana-132114
	Age	28 Years
	Designation	Independent Director
	Status	Non – Executive



DIN	07625867
Occupation	Business
Nationality	Indian
Qualification	Master of Business Administration
No. of Years of Experience	4 years
Date of Appointment (DOA) & Term	DOA : 23/07/2019 Term : 5 years (upto 22/07/2024)
Directorship in other Companies	NIL

## BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

**Mr. Ajay Rulhan**ia, aged 37 years, is Promoter, Managing Director of our Company. He is a Bachelor of Arts from Kurukshetra University. He has more than 15 years of experience in our industry. He has vast and deep experience in the field of various products which we manufacture. He is the founder of our Company and his functional responsibility in our Company involves handling the overall operations of including Client Relationships and managing new setup of our Company. He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations of our Company.

**Mrs. Rekha Rani**, aged 31 years, is Promoter and Director of our Company. She has 6 years of experience in our industry. She is one of the founding members of the Company. Her functional responsibility in our Company involves advising the Company on the crucial matters relating to procurement of material and managing sales.

**Mr. Raj Kumar Siwach**, aged about 47 years, Non Executive Director of our Company. He has about 20 years of experience in the field of Product Marketing and Brand building and considered to be an expert in the field of Marketing. His functional responsibility in our Company involves advising the Company on the matters related to Positioning and Marketing of the products of the Company.

**Mr. Abhay Singh**, aged 35 years, is an Independent Director of our Company. He is a Bachelor of Commerce. He is Creative Director of Brand Mascots Chandigarh. He has experience of over 10 years in his industry with leadership roles managing large teams. He was appointed as an Independent Director of our Company from July 23, 2019.

**Mr. Deepak Kumar**, aged 28 years, is an Independent Director of our Company. He is a Master of Business Administration. He has experience of over 4 years in our industry. He was appointed as an Independent Director of our Company from July 23, 2019.

### **Note:**

- 1) *None of the above mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Prospectus.*
- 2) *None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.*
- 3) *None of the Promoters, Directors or persons in control of our Company, have been or are 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.*



## FAMILY RELATIONSHIP BETWEEN DIRECTORS

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

Sr. No.	Name of the Director	Relationship with other Director
1	Mrs. Rekha Rani	Wife of Mr. Ajay Rulhania

### Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension

None of our Directors is / was a Director in any listed company during the last five years before the date of filing of this Draft Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

### Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

### Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors were selected as a director or member of senior management.

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

## TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS

### i. *Executive Directors*

<b>Name</b>	<b>Mr. Ajay Rulhaina</b>
<b>Designation</b>	Chairperson & Managing Director
<b>Period</b>	Five Years from August 10, 2019
<b>Date of approval of shareholder</b>	September 05, 2019
<b>Remuneration</b>	Salary of Rs. 15,00,000 p.a.
<b>Perquisite</b>	Re-imbursement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Chairman and Managing Director.

### ii. *Non-Executive Directors*

Non-Executive Non-Independent Directors and Independent Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board, or of any committee of the Board. They are entitled to a sitting fee for attending the meeting of the Board and the Committee thereof respectively.



*Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.*

## **SHAREHOLDING OF DIRECTORS IN OUR COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Prospectus:

#	Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our Company
1.	Ajay Rulhania	1,371,490	53.57%
2.	Rekha Rani	6,51,000	25.43%
3.	Raj Kumar Siwach	10	0.00%

## **INTEREST OF DIRECTORS**

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

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### ***Interest in promotion of Our Company***

Except Promoters, none of our Directors have any interest in the promotion of our Company.



### ***Interest in the property of Our Company***

Our Directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

### ***Interest in the business of Our Company***

Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “*Financial Information*” beginning on page number 167 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

### **DETAILS OF SERVICE CONTRACTS**

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

### **BONUS OR PROFIT SHARING PLAN FOR THE DIRECTORS**

There is no bonus or profit sharing plan for the Directors of our Company.

### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

No Director has received or is entitled to any contingent or deferred compensation.

### **OTHER INDIRECT INTEREST**

Except as stated in chapter titled “*Financial Information*” beginning on page 149 of this Draft Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

### **BORROWING POWER OF THE BOARD**

In terms of the special resolution passed in the Annual General Meeting of our Company held on September 05, 2019, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board



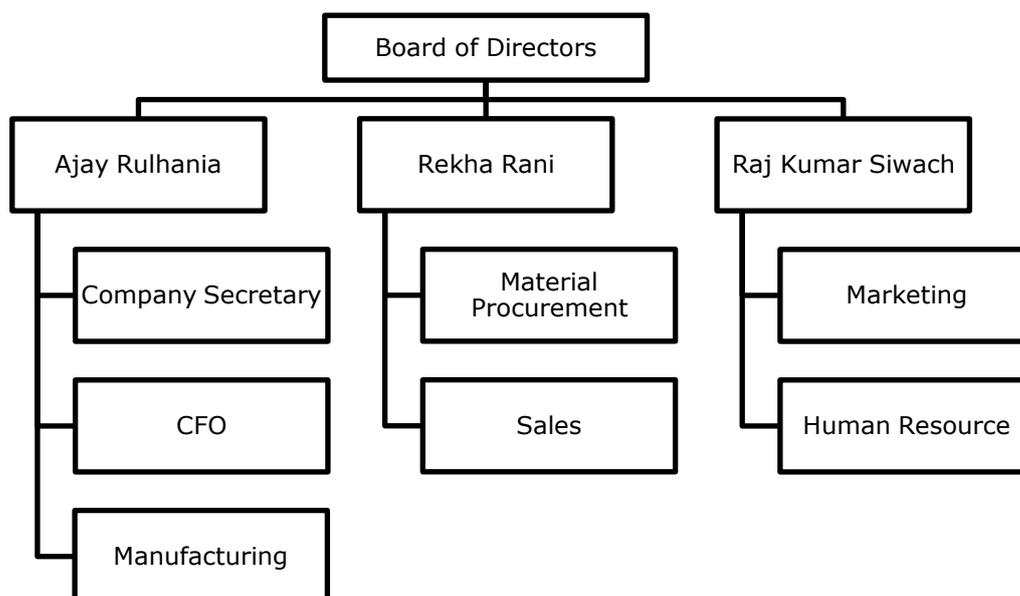
of Directors and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) shall not exceed Rs. 100.00 Crores (Rupees hundred Crores Only) over and above the paid-up share capital, free reserves and securities premium accounts of the Company for the time being.

### CHANGES IN THE BOARD FOR THE LAST THREE YEARS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of Director	Date of Event	Reason for Change
Ajay Rulhania	August 10, 2019	Change in designation to Chairperson & Managing Director
Abhay Singh	September 05, 2019	Regularisation as Independent Director
Deepak Kumar	September 05, 2019	Regularisation as Independent Director
Rekha Rani	September 05, 2019	Regularisation as Director
Abhay Singh	July 23, 2019	Appointment as Additional – Independent Director
Deepak Kumar	July 23, 2019	Appointment as Additional – Independent Director
Anil Kumar	June 13, 2019	Cessation as Director
Rekha Rani	June 12, 2019	Appointment as Additional Director

### Management Organisation Structure



### CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of



independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

#### **AUDIT COMMITTEE**

The Audit Committee was constituted *vide* Board resolution dated August 10, 2019 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Prospectus, the Audit Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Abhay Singh	Chairman	Independent Director
Deepak Kumar	Member	Independent Director
Ajay Rulhania	Member	Managing Director

Our Company Secretary, Ms. Ginny Uppal acts as the secretary of the Audit Committee.

The composition of the Audit Committee may be changed by addition or removal of its members at any time by the Board. Any member of the Audit Committee ceasing to be a director shall also cease to be a member of the Audit Committee.

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

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 being 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, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up thereon.
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. 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.
20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
21. Implementation of Indian Accounting Standards as and when they become(s) applicable to the Company.
22. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
  - a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).



#### **Powers of the Audit Committee:**

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

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on August 10, 2019. As on the date of this Draft Prospectus the Nomination and Remuneration Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Abhay Singh	Chairman	Independent Director
Deepak Kumar	Member	Independent Director
Rekha Rani	Member	Non-Executive, Non-Independent

Our Company Secretary, Ms. Ginny Uppal acts as the secretary of the Nomination and Remuneration Committee.

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

1. Ensure that our Company has in place a programme for the effective induction of new directors;
2. Recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package(i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
3. Authorized at its duly convened meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
4. Review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
5. Implement, supervise and administer any share or stock option scheme of our Company; and
6. Attend to any other responsibility as may be entrusted by the Board within the terms of reference.



The Nomination and Remuneration Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been formed by the Board of Directors at the meeting held on August 10, 2019. As on the date of this Draft Prospectus the Stakeholders' Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Abhay Singh	Chairman	Independent Director
Deepak Kumar	Member	Independent Director
Ajay Rulhania	Member	Managing Director

Our Company Secretary, Ms. Ginny Uppal acts as the secretary of the Stakeholders' Relationship Committee.

This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

1. Redressal of shareholders'/investors' complaints;
2. Reviewing on a periodic basis the approval of transfer or transmission of shares or any other securities made by the Registrar and Share Transfer Agent;
3. Complaints related to issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Complaints related to non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE.

## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

<b>Name</b>	: <b>Mr. Ajay Rulhania</b>
<b>Designation</b>	: Chairman & Managing Director
<b>Date of Appointment</b>	: August 10, 2019
<b>Term Expiration date</b>	: 5 Years
<b>Qualification</b>	: Bachelor of Arts
<b>Previous Employment</b>	: Not Applicable
<b>Overall Experience</b>	: He is Promoter, Chairman and Managing Director of our Company. He has more than 15 years of experience in our industry. He has vast and deep experience in the field of various products which we manufacture. He is the



	founder of our Company. His functional responsibility in our Company involves handling the overall operations of the Company including Client Relationships, new setup of our Company.
<b>Remuneration paid in F.Y. 2018-19)</b>	: As Mr. Ajay Rulhania has received a remuneration of Rs. 15 Lakh p.a. in capacity of Director in FY 18-19.
<b>Name</b>	: <b>Ms. Priyanshu Singh</b>
<b>Designation</b>	: Chief Financial Officer
<b>Date of Appointment</b>	: July 20, 2019
<b>Qualification</b>	: Postgraduate
<b>Previous Employment</b>	: NIL
<b>Overall Experience</b>	: She has been designated as Chief Financial officer of our Company w.e.f. July 20, 2019. She is associated with our Company since 2015. She is a Postgraduate and has more 4 years of experience in the field of accounting, Internal Control and finance. She is responsible for the work relates to Accounting, Finance, Taxation and Banking field of our Company.
<b>Remuneration paid in F.Y. 2018-19)</b>	: As Ms. Priyanshu Singh has received a remuneration of Rs. 3.72 Lakh p.a. in capacity of Accounts Head in FY 18-19.
<b>Name</b>	: <b>Ms. Ginny Uppal</b>
<b>Designation</b>	: Company Secretary & Compliance Officer
<b>Date of Appointment</b>	: July 20, 2019
<b>Qualification</b>	: Company Secretary
<b>Previous Employment</b>	: Ducturus Resolution Professionals Private Limited
<b>Overall Experience</b>	: Qualified as Company Secretary in year 2017 Ms. Ginny Uppal has experience of approx. 2 years. Her area of expertise is Companies Act & Insolvency & Bankruptcy Laws, Secretarial Compliances and various allied laws. Before joining us she worked at Ducturus Resolution Professionals Private Limited (Insolvency Professional Entity) as Associate Company Secretary where she facilitated in the resolution/revival of the companies. She has exposure of NCLT related works and ROC related filings, and liasoning. She has a versatile experience in drafting legal documents, applications and petitions.
<b>Remuneration paid in F.Y. 2016-17)</b>	: Ms. Ginny Uppal has been appointed Company Secretary in the FY 19-20, therefore no remuneration has been received by her in FY 18-19 as Company Secretary.

**Notes:**

- *All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.*
- *There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.*
- *None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they abide by their terms of appointments.*



#### **FAMILY RELATIONSHIP BETWEEN KMP**

None of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

#### **BONUS AND/ OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

Our Company does not have any bonus and / or profit sharing plan for the key managerial personnel.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except Mr. Ajay Rulhania who is holding 1,371,490 Equity Shares of the Company none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Draft Prospectus.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS**

Following have been the changes in the Key Managerial Personnel during the last three years:

#	Name of Director	Date of Joining	Reason for Change
1	Ajay Rulhania	August 10, 2019	Appointed as Chairperson & MD
2	Priyanshu Singh	July 20, 2019	Appointment as Chief Financial Officer
3	Ginny Uppal	July 20, 2019	Appointment as Company Secretary

*Note: 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.*

#### **SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE**

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

There are no loans outstanding against the key managerial personnel as on the date of this Draft Prospectus.



## **PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Information*” and the chapter titled “*Our Business*” beginning on pages 149 and 88 of this Draft Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Prospectus.

## **RETIREMENT BENEFITS**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

*This space has been left blank intentionally.*



## OUR PROMOTERS

The Promoters of our Company are:

#	Name	Category	Shareholding
1.	Ajay Rulhania	Individual Promoter	13,71,490
2.	Rekha Rani	Individual Promoter	6,51,000

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page 45 of this Draft Prospectus.

Brief profile of our Individual Promoters is as under:

	<p>Mr. Ajay Rulhania, aged 37 years, is Promoter, Chairman and Managing Director of our Company. He is a Bachelor of Arts from Kurukshetra University. He has more than 15 years of experience in our industry. He has vast and deep experience in the field of various products which we manufacture. He is the founder of our Company. His functional responsibility in our Company involves handling the overall operations of the Company including Client Relationships, new setup of our Company. He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations of our Company.</p>
<b>Name</b>	<b>Mr. Ajay Rulhania</b>
<b>Age</b>	37 years
<b>PAN</b>	AJGPR1598D
<b>Passport Number</b>	N8536007
<b>Voter Identification No.</b>	IZC0671719
<b>Aadhar No.</b>	914917509918
<b>Driving License</b>	HR-22 38421/FBD
<b>Name of Bank</b>	State Bank of India
<b>Bank Account Number</b>	00000020044200817
<b>Qualification</b>	Bachelor of Arts
<b>Personal Address</b>	H. No. 304, GH-2, Haryana Vidhan Sabha Society, Sector-24 Panchkula - 134116, Haryana
<b>Directorship &amp; Other Ventures</b>	Welcome Machan Resorts Private Limited Welcome Rainbow Marketing Private Limited Ajay Rulhania HUF Welcome Crop Health Products (Partnership Firm) AMR Agrotech (Partnership Firm)
	<p>Mrs. Rekha Rani, aged 31 years, is Promoter and Director of our Company. She has 6 years of experience in our industry. She is one of the founding members of the Company. Her functional responsibility in our Company involves advising the Company on the crucial matters relating to procurement of material and managing sales.</p>
<b>Name</b>	<b>Mrs. Rekha Rani</b>



<b>Age</b>	31 Years
<b>PAN</b>	ANGPR4971C
<b>Passport Number</b>	P4650408
<b>Voter Identification No.</b>	IZC0671701
<b>Aadhar No.</b>	835808471065
<b>Driving License</b>	HR-0320140079755
<b>Name of Bank</b>	State Bank of India
<b>Bank Account Number</b>	00000033825883620
<b>Qualification</b>	Undergraduate
<b>Personal Address</b>	H. No. 304, GH-2, Haryana Vidhan Sabha Society, Sector-24 Panchkula - 134116, Haryana
<b>Directorship &amp; Other Ventures</b>	Welcome Machan Resorts Private Limited Welcome Crop Science (Sole Proprietorship) AMR Agrotech (Partnership Firm)

*For details pertaining to other ventures of our Promoters, refer chapter titled “Our Group Entities” beginning on page no. 142 of this Draft Prospectus.*

#### **Relationship of Promoters with our Directors**

Our Promoters are the part of our Board of Directors as Managing Directors and/or Directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

<b>Promoters</b>	<b>Director</b>	<b>Relationship</b>
Ajay Rulhania	Rekha Rani	Spouse

#### **OTHER UNDERTAKINGS AND CONFIRMATIONS**

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the SME Platform of BSE, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.
- Our Promoters have confirmed that they have not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

#### **INTEREST OF PROMOTERS**

##### ***Interest in promotion of Our Company***

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.



### ***Interest in the property of Our Company***

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Prospectus.

### ***Interest as member of Our Company***

Our Promoters jointly hold 2,022,490 Equity Shares aggregating to 79.00% of pre-Issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Ajay Rulhania and Mrs. Rekha Rani as given in the chapter titled “*Our Management*” beginning on page number 123 of this Draft Prospectus, our Promoters hold no other interest in our Company.

### ***Interest as Director of our Company***

Except as stated in the “*Statement of Related Party Transactions*” beginning on page number 167 of the Draft Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

### **Other Ventures of our Promoters**

Save and except as disclosed in the chapters titled ‘*Our Group Entities*’ beginning on page 142 of the Draft Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### **Change in the control of Our Company**

Our Promoters are the original promoters of our Company and there has been no change in the management or control of our Company.

### **Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 181 of this Draft Prospectus.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Annexure 29 on page number 167 of the section titled “*Financial Information*” beginning on page number 149 of the Draft Prospectus, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Prospectus.



## **Other Confirmations**

As on the date of this Draft Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 181 of this Draft Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

## **Guarantees**

Except as stated in the section titled "*Financial Statements*" beginning on 158 of this Draft Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

## **Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Annexure 29 on page number 167 of the section titled “*Financial Information*” beginning on page number 149 of the Draft Prospectus.

## **Information of our group companies**

For details related to our group companies please refer “*Our Group Entities*” on page no. 142 of this Draft Prospectus.



## OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

### A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations form part of our Promoter Group:

Promoters	<i>Ajay Rulhania</i>	<i>Rekha Rani</i>
<b>Father</b>	<i>Molu Ram Rulhania</i>	<i>Ram Chander</i>
<b>Mother</b>	<i>Raj Bala</i>	<i>Roshni Devi</i>
<b>Spouse</b>	<i>Rekha Rani</i>	<i>Ajay Rulhania</i>
<b>Brothers</b>	<i>Anil Kumar</i>	<i>Om Prakash</i>
<b>Sisters</b>	-	<i>Manisha</i>
<b>Sons</b>	<i>Mitanshu Rulhania</i>	<i>Mitanshu Rulhania</i>
<b>Daughters</b>	<i>Muskan Rulhania</i>	<i>Muskan Rulhania</i>
<b>Spouse Father</b>	<i>Ram Chander</i>	<i>Molu Ram Rulhania</i>
<b>Spouse Mother</b>	<i>Roshni Devi</i>	<i>Raj Bala</i>
<b>Spouse Brothers</b>	<i>Om Prakash</i>	<i>Anil Kumar</i>
<b>Spouse Sisters</b>	<i>Manisha</i>	-

### B. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

Particulars	Entity
Any Body corporate in which 10% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member.	Welcome Machan Resorts Private Limited Welcome Rainbow Marketing Private Limited
Any company in which a company (mentioned above) holds 10% of the total holding	Nil
Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 10% of the total holding	<u>Sole Proprietor Firm</u> Welcome Crop Science  <u>Partnership Firm</u> Welcome Crop Health Products AMR Agrotech  <u>HUFs</u> Ajay Rulhania HUF

### COMMON PURSUITS OF OUR PROMOTERS

The promoter Group entities are having business objects similar to our business. Further, currently we do not have any non-compete agreement/arrangement with any of our Group Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.



## OUR GROUP ENTITIES

Below mention are the details of Companies / Entities promoted by the Promoters of our Company. No equity shares of our group entities are listed on any of the stock exchange and they have not made any public or rights issue of securities in the preceding three years.

### A. The Group Companies of our Company are as follows:

1. Welcome Machan Resorts Private Limited
2. Welcome Rainbow Marketing Private Limited

### Details of Group Companies

#### WELCOME MACHAN RESORTS PRIVATE LIMITED

##### Corporate Information

Welcome Machan Resorts Private Limited was incorporated under the Companies Act, 2013 on June 09, 2016, as a private limited company, having CIN U74999HR2016PTC064490. The registered office of Welcome Machan Resorts Private Limited is situated at Plot No. 264, HSIDC, Alipur Barwala Panchkula HR-134118. Welcome Machan Resorts Private Limited was incorporated to carry on the business of running of hotels, restaurants, resorts and providing all services related to hotels, resorts and restaurants.

##### Board of Directors

The Directors of Welcome Machan Resorts Private Limited as on the date of this Draft Prospectus are as follows:

Name	Designation
Ajay Rulhania	Director
Rekha Rani	Director

##### Shareholding Pattern

The Shareholding Pattern of Welcome Machan Resorts Private Limited as on the date of this Draft Prospectus is as follows:

Shareholders name	No. of shares	% of total holding
Ajay Rulhania	5,000	50.00
Rekha Rani	5,000	50.00
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

##### Financial Performance

Certain details of the audited financials of Welcome Machan Resorts Private Limited are set forth below:



(Rs. in Lakhs, except per share data)

Particulars	Fiscal 2018	Fiscal 2017
Total Income	-	-
Profit after Tax	(0.075)	(0.075)
Equity Capital	1.00	1.00
Reserves & Surplus (excluding revaluation reserve)	(0.15)	(0.075)
Net worth	0.85	0.925
NAV per share	8.5	9.25
Earnings per share (EPS) (Basic) in Rs.	(0.03)	(0.03)
Earnings per share (EPS) (Diluted) in Rs.	(0.03)	(0.03)
No. of Equity Shares of Rs. 10/- each	10,000	10,000

Note : The Company has not finalised its data for Financial Year 2019.

## WELCOME RAINBOW MARKETING PRIVATE LIMITED

### Corporate Information

Welcome Rainbow Marketing Private Limited was incorporated under the Companies Act, 2013 on July 12, 2018, as a private limited company, having CIN U51909HR2018PTC074958. The registered office of the Company is situated at SCO 19, Pocket - B, Sector 14, Hisar HR - 125005. Welcome Rainbow Marketing Private Limited was incorporated with the object to carry on business as manufacturers, producers, processors, growers, fermentators, importers, exporters, traders, retailers, wholesalers, packers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, marketers and promoters or otherwise deal in all kinds of fertilizers, herbicides, pesticides, insecticides, fungicides.

### Board of Directors

The Directors of Welcome Rainbow Marketing Private Limited as on the date of this Draft Prospectus are as follows:

Name	Designation
Anil Kumar	Director
Dinesh Kumar	Director

### Shareholding Pattern

The Shareholding Pattern of Welcome Rainbow Marketing Private Limited as on the date of this Draft Prospectus are as follows:

Shareholder name	No. of shares	% of total holding
Ajay Rulhania	4000	40.00%
Anil Kumar	6000	60.00%
<b>TOTAL</b>	<b>10,000</b>	<b>100.00%</b>



## Financial Information

First closing financial year of Welcome Rainbow Marketing Private Limited is March 31, 2019 and it has not yet finalised its data for Financial Year 2019.

### B. Other Group Entities

The details of our Group entities are provided below:

1. Welcome Crop Science (Sole Proprietor)
2. Welcome Crop Health (Partnership Firm)
3. Ajay Rulhania HUF
4. AMR Agrotech (Partnership Firm)

#### 1. M/s Welcome Crop Science (Sole Proprietor)

<b>Particulars</b>	M/s Welcome Crop Science (Sole Proprietor)
<b>Proprietor</b>	Mrs. Rekha Rani
<b>Nature of business</b>	Trading of Pesticides
<b>Work Address</b>	H. No. 304, GH-2, Haryana Vidhan Sabha Society, Sector-24 Panchkula - 134116, Haryana
<b>PAN</b>	ANGPR4971C

#### Past Financial Performance is mentioned below:

(Rs. In Lakh)

Particulars	For the year Ended		
	March 31, 2018	March 31, 2017	March 31, 2016
Capital Account	98.62	98.62	85.89
Sales	-	371.21	153.19
Net Profit/Total Income*	7.18*	32.96	16.57

Note : This sole proprietorship has done no business in FY 2017-18.

#### 2. M/s Welcome Crop Health (Partnership Firm)

<b>Particulars</b>	Ms/ Welcome Crop Health (Partnership Firm)
<b>Partners</b>	Mr. Ajay Rulhania Mrs. Rekha Rani
<b>Nature of business</b>	Manufacturing and Trading of pesticides, fungicides, insecticides and herbicides.
<b>Work Address</b>	VPO-Mouli, Tehsil, Barwala, District Panchkula, Haryana-134118
<b>PAN</b>	AACFW7447H

#### Past Financial Performance is mentioned below:

(Rs. In Lakh)

Particulars	March 31, 2019	March 31, 2018
Capital Account	21.09	8.40
Total Income	-	-



### 3. M/s Ajay Rulhania HUF

<b>Particulars</b>	M/s Ajay Rulhania HUF
<b>Karta</b>	Mr. Ajay Rulhania
<b>Nature of business</b>	Agriculture
<b>Work Address</b>	304, GH2, Haryana Vidhan Sabha Society, Sector 24, Panchkula-134116
<b>PAN</b>	AAQHA2796F

Past Financial Performance is mentioned below:

(In Rs. Lakhs)

<b>Particulars</b>	<b>For the year Ended</b>
	<b>March 31, 2019</b>
Capital Account	-
Total Income	13.80
Tax Paid	-

### 4. M/s AMR Agrotech (Partnership Firm)

<b>Particulars</b>	M/s AMR Agrotech (Partnership Firm)
<b>Partners</b>	Mr. Ajay Rulhania Mrs. Rekha Rani
<b>Nature of business</b>	Manufacturing and Trading of pesticides, fungicides, insecticides and herbicides.
<b>Work Address</b>	D-52, S C O 133, Sector 25, Panchkula, Haryana 134116.
<b>PAN</b>	ABMFA0691A

Past Financial Performance is mentioned below:

(Rs. In Lakh)

<b>Particulars</b>	<b>March 31, 2019</b>
Capital Account	3.03
Total Income	-

## DECLARATIONS

- None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.
- None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.
- None of the entities in the Promoter Group Companies has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

## LITIGATIONS

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled “Outstanding Litigations and Material Developments” on page 181 of the Draft Prospectus.



## **DEFUNCT GROUP COMPANIES**

There is no defunct Group Companies of our Company as on the date of this Draft Prospectus.

## **UNDERTAKING / CONFIRMATIONS**

Our Promoters and Group Companies confirm that they have not been declared as a wilful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group Companies or persons in control of the Promoters has been:

- i) Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or
- ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

## **DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoters have not been disassociated themselves from any entities/firms during preceding three years.

## **OTHER DETAILS OF GROUP COMPANIES/ENTITIES:**

1. There are no defaults in meeting any statutory/ bank/ institutional dues;
2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

## **NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES**

### **(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled “Financial Information–Annexure 29 - Related Party Transaction” on page 167 of this Draft Prospectus.

### **(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Prospectus with Stock Exchange**

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Draft Prospectus with Stock Exchange.

### **(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.



## **RELATED PARTY TRANSACTION**

For details on related party transaction of our Company, please refer to Annexure 29 of Restated Financial statement beginning on page 167 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 years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be 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.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

We have not declared dividend in any Financial Year.



## SECTION VI - FINANCIAL INFORMATION

### FINANCIAL STATEMENT AS RESTATED

#### **Independent Auditor's Report for the Restated Financial Statements of Rainbow Crop Health Limited:**

To,  
The Board of Directors  
**Rainbow Crop Health Limited**  
NH 73, Welcome Complex, V& P.O. Mouli,  
Panchkula- 134118 (Haryana)

Dear Sirs,

1. We have examined the attached Restated Statement of Assets and Liabilities of **Rainbow Crop Health Limited** (the "Company") as at 15<sup>th</sup> July 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the period ended on 15<sup>th</sup> July 2019 and year ended on 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter-III to the Companies Act, 2013("Act")read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company letter dated 10<sup>th</sup> August, 2019 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE.("IPO" or "SME IPO"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial period ended on 15<sup>th</sup> July 2019 approved by the board of directors and the audited financial statements for the year ended on 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 2017 approved by the shareholders.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:



- (i) The “**Summary of Statement of Assets and Liabilities as Restated**” as set out in **Annexure 1** to this report, of the Company as at 15<sup>th</sup> July, 2019, 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 have been prepared and approved by the board of directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully Described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4 and Annexure 5** to this Report.
  - (ii) The “**Summary of Statement of Profit and Loss as Restated**” as set out in **Annexure 2** to this report, of the Company for the period ended on 15<sup>th</sup> July, 2019 and for the year ended on 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 have been prepared and approved by the board of directors of the Company. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4 and Annexure 5** to this Report.
  - (iii) The “**Summary of Statement of Cash Flow as Restated**” as set out in **Annexure 3** to this report, of the Company for the period ended on 15<sup>th</sup> July, 2019 and for the year ended on 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 have been prepared and approved by the board of directors of the Company. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4 and Annexure 5** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period ended on 15<sup>th</sup> July, 2019 and for the year ended on 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure 4 and Annexure 5** to this report.
6. Audit of M/s. Rainbow Crop Health Limited for the period ended on 15<sup>th</sup> July, 2019 and for the year ended on 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 was conducted by M/s Vishwa Mitter & Co. (Chartered Accountants) and accordingly reliance has been placed on the financial information examined



by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us.

7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period ended on 15<sup>th</sup> July 2019 and for the year ended on 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 proposed to be included in the Draft Prospectus/Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:-**

- Annexure - 1* : Statement of Assets and Liabilities as Restated.
- Annexure - 2* : Statement of Profit and Loss as Restated
- Annexure - 3* : Statement of Cash Flow as Restated
- Annexure - 4* : Significant Accounting Policies as Restated;
- Annexure - 5* : Notes to Accounts as Restated;
- Annexure - 6* : Statement of Share Capital as Restated;
- Annexure - 7* : Statement of Reserves and Surplus as Restated;
- Annexure - 8* : Statement of Long Term Borrowings as Restated;
- Annexure - 9* : Statement of Other Non- current Liabilities as Restated;
- Annexure - 10* : Statement of Short Term Borrowings as Restated;
- Annexure - 11* : Statement of Trade Payables as Restated;
- Annexure - 12* : Statement of Other Current Liabilities as Restated;
- Annexure - 13* : Statement of Property, plant and equipment as Restated;
- Annexure - 14* : Statement of Long Term Loans & Advances as Restated;
- Annexure - 15* : Statement of Inventories as Restated;
- Annexure - 16* : Statement of Trade Receivables as Restated;
- Annexure - 17* : Statement of Cash and Cash Equivalents as Restated;
- Annexure - 18* : Statement of Short Term Loans & Advances as Restated;
- Annexure - 19* : Statement of Other Current Assets as Restated;
- Annexure - 20* : Statement of Revenue from operations as Restated;
- Annexure - 21* : Statement of Other Income as Restated;
- Annexure - 22* : Statement of Cost of Material Consumed as Restated;
- Annexure - 23* : Statement of Employees Benefit Expenses as Restated;
- Annexure - 24* : Statement of Finance Cost as Restated;
- Annexure - 25* : Statement of Other Expenses as Restated;
- Annexure - 26* : Statement of Contingent Liabilities as Restated;
- Annexure - 27* : Statement of Capitalization as Restated;
- Annexure - 28* : Statement of Accounting Ratios as Restated
- Annexure - 29* : Statement of Related Parties Transactions as Restated;
- Annexure - 30* : Statement of Tax Shelters as Restated;
- Annexure - 31* : Nature of Security and Terms for Repayment of Borrowings;

8. We, M/s V.N. Purohit & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“**ICAI**”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR



Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in **Annexure 1 to 31** of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 and Annexure 5 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For V.N. PUROHIT & CO.**  
**Chartered Accountants**  
**Firm Regn. 304040E**

**O.P. Pareek**  
Partner  
M. No. 014238

Place: Delhi  
Date: 23<sup>rd</sup> September, 2019



**Statement of Assets and Liabilities as Restated**

**Annexure – 1  
(Rs. In Lakhs)**

Particulars	Annexure	Period ended on 15/07/2019	Financial Year Ended		
			Mar-19	Mar-18	Mar-17
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
a. Share Capital	6	200.00	200.00	200.00	25.00
b. Reserves & Surplus	7	175.46	151.34	79.63	43.55
<b>2. Non Current Liabilities</b>					
a. Long term borrowings	8	150.46	153.67	160.75	139.12
b. Other noncurrent liabilities	9	112.24	91.80	90.32	62.10
<b>3. Current Liabilities</b>					
a. Short-term Borrowings	10	149.62	149.43	165.78	81.19
b. Trade payables	11	1,225.08	870.52	705.07	715.39
c. Other current liabilities	12	110.15	85.35	132.28	189.03
<b>TOTAL</b>		<b>2,123.01</b>	<b>1,702.11</b>	<b>1,533.83</b>	<b>1,255.39</b>
<b>ASSETS</b>					
<b>1. Non Current Assets</b>					
a. Property, Plant & Equipment	13				
i) Tangible Assets		202.46	193.86	111.34	81.08
ii) Intangible Assets		0.32	0.40	1.07	2.91
b. Capital Work in Progress		26.13	26.13	227.84	92.69
c. Deferred tax assets		10.11	8.88	4.89	3.58
d. Other Non Current assets		Nil	Nil	0.73	0.65
e. Long Term Loans & Advances	14	19.66	17.63	9.32	2.35
<b>2. Current Assets</b>					
a. Inventories	15	665.62	500.70	241.95	394.29
b. Trade Receivables	16	1,103.10	888.16	914.02	601.56
c. Cash and Cash Equivalents	17	10.29	3.67	6.56	14.01
d. Short Term Loans & Advances	18	33.91	25.75	15.42	62.25
e. Other current assets	19	51.41	36.94	0.69	Nil
<b>TOTAL</b>		<b>2,123.01</b>	<b>1,702.11</b>	<b>1,533.83</b>	<b>1,255.39</b>

**For V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. 304040E

**O.P. Pareek**  
Partner  
M. No. 014238

Place: Delhi  
Date: September 23, 2019

**For Rainbow Crop Health Limited**

**Sd/-**  
**Ajay Rulhania**  
Chairman & Managing Director  
DIN : 06937931

**Sd/-**  
**Priyanshu Singh**  
Chief Financial Officer  
PAN : JGUPS2938L

**Sd/-**  
**Raj Kumar Siwach**  
Director  
DIN : 06937932

**Sd/-**  
**Ginny Uppal**  
Company Secretary  
PAN : AEDPU1155P



**Statement of Profit and Loss as Restated**

**Annexure – 2  
(Rs. In Lakhs)**

Particulars	Annexure	Period ended on 15/07/2019	Financial Year Ended		
			Mar-19	Mar-18	Mar-17
<b>REVENUE:</b>					
Revenue from Operations	20	665.58	1599.47	1775.14	1313.56
Other Income	21	27.19	34.57	0.22	0.12
<b>Total revenue</b>		692.78	1634.04	1775.36	1313.68
<b>EXPENSES:</b>					
Cost of Material Consumed		495.12	990.33	1142.32	878.03
Changes in inventories		Nil	Nil	Nil	Nil
Other manufacturing & operating expenses		Nil	Nil	Nil	Nil
Employee benefit expenses		78.78	263.81	277.00	153.84
Finance costs		1.73	11.67	21.36	21.33
Depreciation & Amortization cost		14.48	56.54	25.85	20.64
Other Expenses		73.39	225.50	264.58	217.44
<b>Total Expenses</b>		663.50	1547.84	1731.10	1291.28
<b>Exceptional items</b>		Nil	Nil	Nil	Nil
<b>Net Profit / (Loss) before Tax</b>		29.27	86.19	44.26	22.40
Less: Provision for Tax					
a. Current tax		-6.38	-18.47	-9.49	-5.05
b. Deferred tax assets / (liabilities)		1.23	3.99	1.31	3.58
c. MAT Credit entitlement		Nil	Nil	Nil	Nil
<b>Total</b>		24.12	71.72	36.08	20.94
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>		24.12	71.72	36.08	20.94
Extraordinary Items		Nil	Nil	Nil	Nil
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>		24.12	71.72	36.08	20.94
Less : Proposed Dividend		Nil	Nil	Nil	Nil
Dividend Distribution Tax		Nil	Nil	Nil	Nil
<b>Net Profit transferred to Reserves</b>		<b>24.12</b>	<b>71.72</b>	<b>36.08</b>	<b>20.94</b>

**For V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. 304040E

**For Rainbow Crop Health Limited**

**Sd/-**  
**Ajay Rulhania**  
Chairman & Managing Director  
DIN : 06937931

**Sd/-**  
**Raj Kumar Siwach**  
Director  
DIN : 06937932

**O.P. Pareek**  
Partner  
M. No. 014238

Place: Delhi  
Date: September 23, 2019

**Sd/-**  
**Priyanshu Singh**  
Chief Financial Officer  
PAN : JGUPS2938L

**Sd/-**  
**Ginny Uppal**  
Company Secretary  
PAN : AEDPU1155P



**Statement of Cash Flow as Restated**

**Annexure – 3  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	Financial Year Ended		
		Mar-19	Mar-18	Mar-17
<b>Cash Flow From Operating Activities</b>				
<b>Net Profit Before Tax</b>	29.27	86.19	44.26	22.40
Adjustments for :				
Preliminary expenses written off	Nil	0.11	0.11	0.11
Depreciation and amortization	14.48	56.54	25.85	20.64
Finance costs	1.73	11.67	21.36	21.33
Interest received	(0.04)	(0.24)	(0.22)	(0.11)
<b>Operating profit Before working capital changes</b>	45.44	154.27	91.35	64.36
<b>Movement In Working Capital :</b>				
Changes in inventories	(164.92)	(258.75)	152.35	(96.45)
Changes in trade receivables	(214.94)	25.86	(312.46)	(147.54)
Changes in short term loans and advances	(14.54)	(3.34)	39.03	(47.51)
Changes in other current assets	(14.47)	(36.25)	(0.69)	Nil
Changes in long term loans and advances	(2.03)	(8.31)	(6.97)	(2.15)
Changes in other non- current assets	Nil	0.73	(0.08)	(0.65)
Changes in trade payables	354.56	165.46	(10.33)	180.55
Changes in other current liabilities	24.80	(46.94)	(56.74)	151.95
Changes in other non- current liabilities	20.44	1.47	28.22	62.10
<b>Cash Generated From Operations</b>	34.34	(5.80)	(76.32)	164.66
Direct taxes paid	Nil	(25.57)	(1.80)	(14.85)
<b>Net Cash flow from Operating activities (A)</b>	34.34	(31.36)	(78.12)	149.81
<b>Cash Flow used In Investing Activities</b>				
Purchase from property, plant & equipment	(23.00)	(177.67)	(191.57)	(42.76)
Net proceeds from capital work in progress	Nil	201.72	Nil	(92.69)
Net proceeds from sale of property, plant & equipment	Nil	39.28	2.16	Nil
Interest received	0.04	0.24	0.22	0.11
<b>Net Cash Flow from Investing Activities (B)</b>	(22.96)	63.57	(189.20)	(135.34)
<b>Cash Flow From Financing Activities</b>				
Net proceeds from issued of equity shares	Nil	Nil	175.00	Nil
Net proceeds borrowings	(3.02)	(23.43)	106.22	14.47
Finance cost incurred	(1.73)	(11.67)	(21.36)	(21.33)
<b>Net Cash Flow From Financing Activities (C)</b>	(4.75)	(35.09)	259.86	(6.86)
Net Increase / (decrease) In cash and cash equivalents (A+B+C)	6.62	(2.89)	(7.45)	7.61
Cash and cash equivalents at the beginning of the year	3.67	6.56	14.01	6.40
<b>Cash and cash equivalents at the end of the year</b>	10.29	3.67	6.56	14.01

**For V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. 304040E

**O.P. Pareek**  
Partner  
M. No. 014238

Place: Delhi  
Date: September 23, 2019

**For Rainbow Crop Health Limited**

**Sd/-**  
**Ajay Rulhania**  
Chairman & Managing Director  
DIN : 06937931

**Sd/-**  
**Raj Kumar Siwach**  
Director  
DIN : 06937932

**Sd/-**  
**Priyanshu Singh**  
Chief Financial Officer  
PAN : JGUPS2938L

**Sd/-**  
**Ginny Uppal**  
Company Secretary  
PAN : AEDPU1155P



## **Annexure 4 - Significant Accounting Policies as Restated**

### **Background:**

The Company M/s. Rainbow Crop Health Limited (CIN : U01403HR2012PLC045551) incorporated on the 30<sup>th</sup> day of March, 2012 under Registrar of Companies Delhi & Haryana is engaged in the business of trading in Agricultural products including manure, fertilizer, insecticide, pesticide, weedicide, fungicide, herbicides, plant growth regulator, and so on.

### **a) Basis of preparation of financial statements**

The Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these Financial Statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rule, 2006, (as amended) and the relevant provision of the companies Act, 2013. The Financial Statements have been prepared on the accrual basis and under the historical cost convention.

### **b) Use of Estimates**

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

### **c) Inventory:**

Inventory consists of stock-in-trade valued at lower of cost or net realisable value. In determining Net Realizable Value (NRV), estimated expenses for sale of inventory have also been reduced from the market price.

### **d) Property, Plant and Equipment:**

Property, plant and equipment are stated at historical cost less accumulated depreciation thereon. Cost includes purchase price and all other Attributable cost to bring the assets to its working condition for the intended use.

### **e) Depreciation:**

Depreciation has been provided as per the useful life prescribed under schedule II of the Companies Act, 2013 on Written down Value (WDV) Method on pro rata basis.

Company believes that useful lives as given below best represent the useful lives of these asset based on internal assessment and supported by technical advice where necessary which may be different from the useful lives as prescribe under part c of Schedule II of Companies Act 2013.



S. No.	Asset Category	Useful Life (Years)
1	Plant & Machinery	15/5 Years
2	Furniture & Fixtures	10 Years
3	Motor Vehicle	8/10 Years
4	Computer	3 Years
5	Software	3 Years

f) **Earnings Per Share :**

Basic Earnings per Share has been calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Share has been computed by dividing the net profit after tax by the weighted average no. of equity shares considered for deriving basic Earnings per Share and also the weighted average no. of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

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

g) **Taxes on Income:**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period.

Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**Annexure 5 - Notes to Accounts as Restated**

a. **Adjustments Made In Restated Financial Statements / Regrouping Notes**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).



### Adjustment made in Restated Financial Statements that does not have impact on Net Profits

Elimination of inter- branch transfers considered in both sides i.e. Revenue and Expenses in the audited financial statements: -

The company has included inter- branch stock transfer in the turnover as well as in the cost of goods sold for the year ended on 31st March 2018, 31st March 2019 and for the period ended on 15th July 2019. Accordingly, suitable adjustments were made in the restated financial statements to eliminate dual effect of increase in volume of sale and its cost. However, the adjustment shall not bear any effect to the Net profits of the Company.

(Rs. in Lakhs)

Particulars	Period ended on 15/07/2019	Financial Year March		
		2019	2018	2017
Revenue from operations as per audited financial statements	721.76	2790.94	2951.01	1313.56
Less: - Inter branch transfer included in above	(56.18)	(1191.47)	(1175.87)	Nil
<b>Revenue from operations as per restated financial statements</b>	<b>665.58</b>	<b>1599.47</b>	<b>1775.14</b>	<b>1313.56</b>

(Rs. in Lakhs)

Particulars	Period ended on 15/07/2019	Financial Year March		
		2019	2018	2019
Cost of material consumed as per audited financial statements	551.30	2181.80	2318.19	878.03
Less: Inter- branch transfer included in above	(56.18)	(1191.47)	(1175.87)	Nil
<b>Cost of material consumed as per restated financial statements</b>	<b>495.12</b>	<b>990.33</b>	<b>1142.32</b>	<b>878.03</b>

### Adjustment made in Restated Financial Statements that have impact on Net Profits

The company had provided Depreciation in its audited financial statements which differ from the depreciation to be provided on its property, plant & equipment in accordance with requirements of Schedule- II of the Companies Act, 2013. Therefore, in order to bring uniformity and compliance with the requirement of Companies Act, 2013, the depreciation has been provided accordingly.

Current tax has not been provided on the returned income for the current year. Instead, total taxes paid during the year including for earlier years have been combinely shown as current tax for the respective year. In the restated financial statements, current tax has been provided on income of the current year and tax expenses related to prior period have been shown in the respective years.

Deferred tax has not been provided in the audited financial statements. As per requirement of Accounting Standard notified under section 133 of the Companies Act, 2013, the company has to provide deferred tax in its financial statements on the timing differences between accounting income and taxable income. Accordingly in the restated financial statements, appropriate provision has been made for the deferred tax assets/ liabilities.



The aforementioned changes to the Net Profit after Tax are summarized as below: -

(Rs. in Lakhs)

Particulars	Period ended on 15/07/2019	Financial Year March		
		2019	2018	2019
Net Profit After Tax as per audited financial statements	34.00	85.75	42.51	21.12
<b>Changes made in restated financial statements</b>				
On account of depreciation as per Schedule- II of the Companies Act, 2013	(4.73)	(15.15)	(7.40)	(6.07)
On account of current tax	(6.38)	(2.88)	(0.34)	2.30
On account of deferred tax	1.23	3.99	1.31	3.58
<b>Net Profit After Tax as per restated financial statements</b>	<b>24.12</b>	<b>71.72</b>	<b>36.08</b>	<b>20.94</b>

**b. Material Regrouping:**

Appropriate adjustments have been made in the respective years of Restated Summary Statement of Assets and Liabilities, Restated Summary Statement of Profits and Losses and Restated Summary Statement of 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 financials of the Company for the year ended March 31, 2019, prepared in accordance with Schedule III, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

c. There are no audit qualifications, disclaimer of opinion, adverse opinion or emphasis of matter paragraph in respect of financials of last three years of the Company.

**d. Changes in Accounting Policies in the Last Three Years:**

There is no change in accounting policy except as mentioned hereinabove.

**e. Dividend Payment:**

The Company has not paid any dividend in the last three years.

**f. Managerial Remuneration:**

(Rs. in Lakhs)

Particulars	Period ended on 15/07/2019	Financial Year March		
		2019	2018	2019
Director's Remuneration	10.50	24.00	24.00	13.20

**g. Remuneration to Statutory Auditors:**

(Rs. in Lakhs)

Particulars	Period ended on 15/07/2019	Financial Year March		
		2019	2018	2019
Statutory Audit Fees & Tax Audit Fees	Nil	1.00	0.50	Nil



## Statement Share Capital as Restated

Annexure – 6  
(Rs. In Lakhs)

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>Equity Share Capital</b>				
<b>Authorized Share capital</b>				
2,50,000 Equity Shares of Rs.10/- each	Nil	Nil	Nil	25.00
20,00,000 Equity Shares of Rs.10/- each	200.00	200.00	200.00	Nil
<b>T O T A L</b>	200.00	200.00	200.00	25.00
<b>Issued, Subscribed &amp; Paid Up Capital</b>				
2,50,000 Equity Shares of Rs.10/- each	Nil	Nil	Nil	25.00
2,00,00,000 Equity Shares of Rs.10/- each	200.00	200.00	200.00	Nil
<b>T O T A L</b>	200.00	200.00	200.00	25.00

Annexure 6.1: The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

## Reconciliation of number of shares outstanding

Annexure – 6.2  
(Rs. In Lakhs)

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>Equity Shares</b>				
At the beginning of the period	200.00	200.00	25.00	25.00
Additions during the period				
- Preferential Allotment	Nil	Nil	17.50	Nil
<b>Outstanding at the end of the period</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>	<b>25.00</b>

## Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Annexure – 6.3

Name of Shareholder	Period ended on 15/07/2019		As at March 31,					
			2019		2018		2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Anil Kumar	194,000	9.70%	194,000	9.70%	194,000	9.70%	44,000	17.60%
Ms. Manju	150,000	7.50%	150,000	7.50%	150,000	7.50%	50,000	20.00%
Sh. Molu Ram Rulhania	192,500	9.63%	192,500	9.63%	192,500	9.63%	55,000	22.00%
Ms. Rekha Rani	651,000	32.55%	651,000	32.55%	651,000	32.55%	55,000	22.00%
Sh. Ajay Rulhania	811,490	40.57%	811,490	40.57%	811,490	40.57%	44,000	17.60%

## Statement of Reserves and Surplus as Restated

Annexure – 7  
(Rs. In Lakhs)

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>Surplus</b>				
Balance as at the beginning of the year	151.34	79.63	43.55	29.73
Add/(Less): Changes in provision for taxation for earlier years	Nil	Nil	Nil	-1.59



Add/(Less): Depreciation on transition to schedule II upto 31/03/2016	Nil	Nil	Nil	-5.53
Add: Net addition during the year	24.12	71.72	36.08	20.94
<b>Balance as at the end of the year</b>	<b>175.46</b>	<b>151.34</b>	<b>79.63</b>	<b>43.55</b>

**Statement of Long Term Borrowings as Restated**

**Annexure – 8  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>A. SECURED LOANS</b>				
From Bank	78.44	67.57	142.82	77.87
<b>B. UNSECURED LOANS</b>				
From Promoter /Group Companies /Related Parties	72.01	86.10	17.93	61.25
<b>TOTAL</b>	<b>150.46</b>	<b>153.67</b>	<b>160.75</b>	<b>139.12</b>

**Statement of Other Non- current Liabilities as Restated**

**Annexure – 9  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>A. SECURITY DEPOSITS</b>				
From customers	112.24	91.80	90.32	62.10
<b>TOTAL</b>	<b>112.24</b>	<b>91.80</b>	<b>90.32</b>	<b>62.10</b>

**Statement of Short Term Borrowings as Restated**

**Annexure – 10  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>Short-term borrowings</b>				
<b>Secured</b>				
Cash credit from bank	149.62	149.43	165.78	81.19
<b>TOTAL</b>	<b>149.62</b>	<b>149.43</b>	<b>165.78</b>	<b>81.19</b>

**Statement of Trade Payables as Restated**

**Annexure – 11  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Micro & Small Enterprises	12.00	20.22	0.05	5.05
Due to related parties	920.39	571.88	215.02	52.32
Others	292.69	278.42	490.00	658.03
<b>TOTAL</b>	<b>1,225.08</b>	<b>870.52</b>	<b>705.07</b>	<b>715.39</b>

**Statement of other current liabilities, as restated**

**Annexure – 12  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Advance from customers	39.46	23.47	40.95	144.37
Statutory dues	0.02	2.33	32.91	4.55
Rent payable	0.49	1.03	0.82	0.27



Expenses payable	70.18	23.06	26.47	12.65
Salary payable	Nil	35.46	31.14	27.18
<b>TOTAL</b>	<b>110.15</b>	<b>85.35</b>	<b>132.28</b>	<b>189.03</b>

**Statement of Property, Plant & Equipment, as restated**

**Annexure – 13  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>PROPERTY, PLANT &amp; EQUIPMENTS</b>				
<b>Plant &amp; machinery</b>				
Opening Balance	144.84	9.59	5.26	1.74
Addition during the year	3.63	135.24	4.49	3.52
Sold/dropped off during the year	Nil	Nil	0.16	Nil
Depreciation during the year	6.23	2.12	1.14	0.42
Opening Accumulated Depreciation	27.54	25.42	0.98	0.56
<b>Closing Balance</b>	<b>114.69</b>	<b>117.29</b>	<b>7.47</b>	<b>4.28</b>
<b>Furniture &amp; Fixtures</b>				
Opening Balance	4.63	4.63	3.50	2.80
Addition during the year	Nil	Nil	1.13	0.71
Sold/dropped off during the year	Nil	Nil	Nil	Nil
Depreciation during the year	0.13	0.60	0.62	0.40
Opening Accumulated Depreciation	2.90	2.29	1.67	1.28
<b>Closing Balance</b>	<b>1.61</b>	<b>1.74</b>	<b>2.34</b>	<b>1.83</b>
<b>Motor Vehicle</b>				
Opening Balance	143.47	102.58	76.26	72.26
Addition during the year	18.98	40.90	28.32	4.00
Sold/dropped off during the year	Nil	Nil	2.00	Nil
Depreciation during the year	7.35	24.30	16.26	17.94
Opening Accumulated Depreciation	73.33	49.03	32.77	14.83
<b>Closing Balance</b>	<b>81.77</b>	<b>70.14</b>	<b>53.55</b>	<b>43.49</b>
<b>Land</b>				
Opening Balance	1.06	39.52	26.13	Nil
Addition during the year	Nil	0.82	13.40	26.13
Sold/dropped off during the year	Nil	39.28	Nil	Nil
<b>Closing Balance</b>	<b>1.06</b>	<b>1.06</b>	<b>39.52</b>	<b>26.13</b>
<b>Computer</b>				
Opening Balance	20.53	19.84	10.73	5.56
Addition during the year	0.39	0.72	9.09	5.16
Sold/dropped off during the year	Nil	Nil	Nil	Nil
Depreciation during the year	0.69	5.54	5.98	1.55
Opening Accumulated Depreciation	16.90	11.36	5.38	3.83
<b>Closing Balance</b>	<b>3.33</b>	<b>3.63</b>	<b>8.45</b>	<b>5.35</b>
<b>Software</b>				
Opening Balance	3.25	3.25	3.25	Nil
Addition during the year	Nil	Nil	Nil	3.25
Sold/dropped off during the year	Nil	Nil	Nil	Nil



Depreciation during the year	0.07	0.68	0.34	0.34
Opening Accumulated Depreciation	2.85	2.18	1.84	Nil
<b>Closing Balance</b>	<b>0.32</b>	<b>0.40</b>	<b>1.07</b>	<b>2.91</b>
<b>CAPITAL WORK-IN-PROGRESS</b>				
<b>Building under construction</b>				
Opening Balance	26.13	104.88	74.85	Nil
Addition during the year	Nil	5.19	30.03	74.85
Capitalised during the year	Nil	83.94	Nil	Nil
<b>Closing Balance</b>	<b>26.13</b>	<b>26.13</b>	<b>104.88</b>	<b>74.85</b>
<b>Machinery under installation</b>				
Opening Balance	Nil	122.97	17.85	Nil
Addition during the year	Nil	Nil	105.12	17.85
Capitalised during the year	Nil	122.97	Nil	Nil
<b>Closing Balance</b>	<b>Nil</b>	<b>Nil</b>	<b>122.97</b>	<b>17.85</b>
<b>A) TOTAL TANGIBLE ASSETS</b>	<b>202.46</b>	<b>193.86</b>	<b>111.34</b>	<b>81.08</b>
<b>B) TOTAL INTANGIBLE ASSETS</b>	<b>0.32</b>	<b>0.40</b>	<b>1.07</b>	<b>2.91</b>
<b>C) TOTAL CAPITAL WORK-IN-PROGRESS</b>	<b>26.13</b>	<b>26.13</b>	<b>227.84</b>	<b>92.69</b>
<b>TOTAL (A+B+C)</b>	<b>228.91</b>	<b>220.38</b>	<b>340.25</b>	<b>176.68</b>

**Statement of Long term loans & advances, as restated**

**Annexure – 14  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Unsecured, considered good				
Rent Deposits	0.95	10.56	2.26	0.37
Security Deposit	13.37	2.36	2.36	0.60
Deposits with revenue authorities	1.00	2.00	2.00	1.00
Other loans and advances	1.65	0.01	0.01	Nil
Fixed deposits with the bank	2.69	2.69	2.69	0.38
<b>TOTAL</b>	<b>19.66</b>	<b>17.63</b>	<b>9.32</b>	<b>2.35</b>
<b>The above amount includes: -</b>				
Loans and advances to promoters & promoter group	Nil	Nil	Nil	Nil
Loans and advances to others	19.66	17.63	9.32	2.35

**Statement of Inventories as Restated**

**Annexure – 15  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Stock in trade (in respect of goods acquired for trading)	665.62	500.70	241.95	394.29
<b>TOTAL</b>	<b>665.62</b>	<b>500.70</b>	<b>241.95</b>	<b>394.29</b>



**Statement of Trade Receivables as restated**

**Annexure – 16  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Unsecured, considered good				
Outstanding for a period exceeding six months	11.00	11.00	16.69	Nil
Other receivables	1092.10	877.16	897.33	601.56
<b>TOTAL</b>	<b>1103.10</b>	<b>888.16</b>	<b>914.02</b>	<b>601.56</b>
<b>The above amount includes: -</b>				
Loans and advances to promoters & promoter group	Nil	Nil	Nil	Nil
Loans and advances to others	1103.10	888.16	914.02	601.56

**Statement of Cash & Cash Equivalents as restated**

**Annexure – 17  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Balance with banks in current accounts	10.08	3.08	4.88	0.52
Cash on hand	0.21	0.59	1.68	13.49
<b>TOTAL</b>	<b>10.29</b>	<b>3.67</b>	<b>6.56</b>	<b>14.01</b>

**Statement of Short Term Loans & Advances as restated**

**Annexure – 18  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>Unsecured, considered good :</b>				
Loans and advances to related parties	Nil	Nil	Nil	35.27
Advance to supplier	32.11	17.71	11.25	16.44
Advance tax (net of provision for taxation)	1.23	7.61	0.52	8.21
Other advances	0.57	0.43	3.65	2.34
<b>TOTAL</b>	<b>33.91</b>	<b>25.75</b>	<b>15.42</b>	<b>62.25</b>

**Statement of Other Current Assets as restated**

**Annexure – 19  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Accrued interest	0.13	0.13	Nil	Nil
Other current assets	51.28	36.80	0.69	Nil
<b>TOTAL</b>	<b>51.41</b>	<b>36.94</b>	<b>0.69</b>	<b>Nil</b>

**Statement of Revenue from Operations as restated**

**Annexure – 20  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Sales of fertilizers & chemicals (See Note below)	665.58	1599.47	1775.14	1313.56
<b>TOTAL</b>	<b>665.58</b>	<b>1599.47</b>	<b>1775.14</b>	<b>1313.56</b>



Note: The company is engaged in sale of agricultural products includes manure, fertilizer, insecticide, pesticide, weedicide, fungicide, herbicides, plant growth regulator, and so on. There is no separate risk/ return profile of individual products due to nature of trade. Hence, segment reporting is not applicable.

**Statement of Other Income as restated**

**Annexure – 21  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Short & excess / miscellaneous income	Nil	0.22	Nil	Nil
Interest received on Fixed Deposits	0.04	0.24	0.22	0.11
Interest other	27.15	34.11	Nil	Nil
<b>TOTAL</b>	<b>27.19</b>	<b>34.57</b>	<b>0.22</b>	<b>0.12</b>

**Statement of Cost of Material Consumed as Restated**

**Annexure – 22  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Opening stock	500.70	241.95	394.29	297.84
Purchases	660.04	1249.08	989.98	974.49
<b>SUB-TOTAL</b>	<b>1160.74</b>	<b>1491.03</b>	<b>1384.27</b>	<b>1272.33</b>
Closing stock	(665.62)	(500.70)	(241.95)	(394.29)
<b>TOTAL</b>	<b>495.12</b>	<b>990.33</b>	<b>1142.32</b>	<b>878.03</b>

**Statement of Employee Benefits Expense as Restated**

**Annexure – 23  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Director Remuneration	10.50	24.00	24.00	13.20
Salaries and Allowances	68.28	239.81	253.00	140.64
<b>TOTAL</b>	<b>78.78</b>	<b>263.81</b>	<b>277.00</b>	<b>153.84</b>

**Statement of Finance Costs as Restated**

**Annexure – 24  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Bank Charges	0.03	0.34	0.70	0.70
Interest	1.41	10.88	20.39	15.50
Interest on Security	0.29	0.45	0.27	5.12
<b>TOTAL</b>	<b>1.73</b>	<b>11.67</b>	<b>21.36</b>	<b>21.33</b>

**Statement of Other Expenses as Restated**

**Annexure – 25  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
<b>Selling and Distribution</b>				
Cartage, Loding, Freight & unloading & Octroi	5.60	21.80	21.57	32.16
Consumables Goods & Spares	0.14	0.72	0.60	0.00



Advertisement Expenses	8.42	12.10	1.77	6.03
Business/Sale Promotion	10.34	10.41	21.64	3.77
Commission	9.71	15.81	25.41	10.66
Cylinder Charges	0.20	Nil	Nil	Nil
Labour Charges	0.03	4.21	5.89	Nil
Rebate & Discount/Dr. Cr. Note	0.03	36.39	52.31	50.87
Packing expenses	Nil	Nil	Nil	16.84
Product registration fee	Nil	Nil	0.20	Nil
<b>Professional Charges</b>				
Audit Fee	Nil	1.00	0.50	Nil
Legal & Professional Fee	1.08	3.50	2.24	1.74
<b>Establishment and maintenance expenses</b>				
Electricity & Water Exp.	0.23	7.13	3.68	0.98
Fee Rate & Taxes	Nil	1.21	1.65	4.27
Festival Expenses	Nil	0.70	Nil	Nil
PF Contribution/Admin Charges	0.03	0.06	0.47	0.42
Rent	4.21	11.08	13.81	7.56
Repair & Maintenance	Nil	3.46	0.48	1.04
Staff & Labour Welfare	1.15	3.20	4.57	2.53
Software Expenses	0.80	1.18	1.13	Nil
<b>Travelling and communication expense</b>				
Hotel Boarding & Lodging Exp.	2.29	5.23	4.00	7.19
Printing & Stationery	0.32	1.81	2.53	1.79
Postage & Courier	0.16	0.37	0.43	0.28
Tour & Travelling/Convyance	12.33	18.41	37.13	32.04
Telephone Expenses	2.08	3.70	6.09	3.73
Vehicle Running & Maintenance	11.50	49.45	47.23	30.74
Meeting & Conference Expenses	Nil	Nil	1.43	Nil
<b>Other expense</b>				
Donation & Charity	Nil	1.00	Nil	0.01
Insurance Expenses	1.94	8.30	2.75	1.82
Interest and Penelty	0.55	3.09	1.95	0.01
Misc. Expenses	0.06	0.05	0.60	0.85
Priliminary exp written off	Nil	0.11	0.11	0.11
Security charges	Nil	Nil	2.35	Nil
Short & Excess	0.20	Nil	0.06	Nil
<b>TOTAL</b>	<b>73.39</b>	<b>225.50</b>	<b>264.58</b>	<b>217.44</b>

**Statement of Contingent Liabilities as Restated**

**Annexure – 26  
(Rs. In Lakhs)**

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Bank Guarantee and others	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



## Statement of Capitalization as restated

Annexure – 27  
(Rs. In Lakhs)

Particular	Pre Issue	Post Offer
<b>Borrowing</b>		
Long Term Debt	150.46	150.46
Short Term Debt	149.62	149.62
<b>Total Debts (A)</b>	<b>300.08</b>	<b>300.08</b>
<b>Equity (Shareholder's funds)</b>		
Equity share capital*	256.00	349.00
Reserve and Surplus*	345.92	606.33
<b>Total Equity (B)</b>	<b>601.92</b>	<b>955.33</b>
<b>Long Term Debt / Equity Shareholder's funds</b>	<b>0.25</b>	<b>0.16</b>
<b>Total Debts / Equity Shareholder's funds</b>	<b>0.50</b>	<b>0.31</b>

\*The Company has issued 5,60,000 equity shares of Rs. 10 each at a premium of Rs. 30.44 per share on 16<sup>th</sup> September 2019. The effect of same has been considered in the above restated financial statements.

## Statement of Accounting Ratios as restated

Annexure – 28  
(Rs. In Lakhs)

Particulars	Period ended on 15/07/2019	As at March 31,		
		2019	2018	2017
Restated Net Profit as per P&L Account	24.12	71.72	36.08	20.94
Net Worth	375.46	351.34	279.63	68.55
No. of Equity Shares outstanding at the end of the year	20.00	20.00	20.00	2.50
Weighted Average No of Equity Shares outstanding during the year	20.00	20.00	5.47	2.50
Basic & Diluted Earnings Per Share (in Rs.)	1.21	3.59	6.59	8.37
Return on Net worth (%)	6.42%	20.41%	12.90%	30.54%
Net Assets Value per Equity Share (in Rs.)	18.77	17.57	13.98	27.42

## Statement of Related Party Transactions as restated

Annexure – 29  
(Rs. In Lakhs)

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

Description of related parties: -

Particulars	Period ended on	For the year ended March 31,		
	15.07.2019	2019	2018	2017
(i) Key Managerial Personnel	Mr. Ajay Rulhania	Mr. Ajay Rulhania	Mr. Ajay Rulhania	Mr. Ajay Rulhania
	Anil Kumar-Director (KMP)	Anil Kumar-Director (KMP)	Anil Kumar-Director (KMP)	Anil Kumar-Director (KMP)
	Raj Kumar Siwach-Director (KMP)	Raj Kumar Siwach-Director (KMP)	Raj Kumar Siwach-Director (KMP)	Raj Kumar Siwach-Director (KMP)
(ii) Relative of key managerial personnel	Mrs. Rekha Rani	Mrs. Rekha Rani	Mrs. Rekha Rani	Mrs. Rekha Rani
(iii) Associates / Enterprises over which directors and / or their relatives has significant influence	M/s Welcome Crop Health Products	M/s Welcome Crop Health Products Ajay Rulhania HUF	M/s Welcome Crop Science M/s Welcome Crop Health Products Ajay Rulhania HUF	M/s Welcome Crop Science M/s Welcome Crop Health Products



**Particulars of transactions with related parties: -**

(i) Key Managerial Personnel & Relatives:

(Rs. In Lakhs)

Name of Party	Nature of Transaction	Period ended on 15/07/2019	For the year ended March 31,		
			2019	2018	2017
Ajay Rulhania	Acceptance of Loan	Nil	86.10	Nil	47.45
	Repayment of loan	14.09	Nil	47.45	Nil
	Outstanding at the end of year	72.01	86.10	Nil	47.45
	Director Remuneration	6.75	15.00	15.00	6.60
	Salary advance	Nil	Nil	7.34	7.40
Anil Rulhania	Director Remuneration	3.75	9.00	9.00	6.60
	Salary payable / (salary advance)	0.03	(0.28)	0.19	8.31

(ii) Relatives of key managerial personnel: -

(Rs. In Lakhs)

Particulars	Nature of Transaction	Period ended on 15/07/2019	For the year ended March 31,		
			2019	2018	2017
Rekha Rani	Acceptance of Loan	Nil	Nil	Nil	13.80
	Repayment of loan	Nil	Nil	13.80	Nil
	Outstanding at the end of the year	Nil	Nil	Nil	13.80
	Salary	3.75	15.00	9.00	6.60
	Salary advance	0.23	5.09	Nil	1.72

(iii) Associates / Enterprises in which directors and / or their relatives have significant influence: -

(Rs. In Lakhs)

Particulars	Nature of Transaction	Period ended on 15/07/2019	For the year ended March 31		
			2019	2018	2017
Ajay Rulhania-HUF	Acceptance of Loan	Nil	Nil	17.93	Nil
	Repayment of loan	Nil	17.93	Nil	Nil
	Outstanding at the end of the year	Nil	Nil	17.93	Nil
M/s Welcome Crop Health Products	Purchase/Other	750.80	1414.14	927.77	213.27
	Purchase/Other (Trade Payable)	920.39	571.88	198.81	(35.27)
M/s Welcome Crop Science	Purchase/Other	Nil	Nil	1.20	50.99
	Purchase/Other (Trade Payable)	Nil	Nil	16.20	52.32

**Statement of Tax Shelters as restated**

**Annexure – 30**

(Rs. In Lakhs)

Particulars	Period ended on 15/07/2019	For the year ended March 31		
		2019	2018	2017
<b>Profit before tax as per books (A)</b>	29.27	86.19	44.26	22.40
Normal Corporate Tax Rate (%)	26.00%	27.82%	25.75%	30.90%
Normal Corporate Tax Rate (Other Source)(%)	26.00%	27.82%	25.75%	30.90%
MAT Rates	19.24%	20.59%	19.06%	19.06%
Tax at notional rate of profits	7.61	23.98	11.40	6.92
<b>Adjustments :</b>				
<b>Permanent Differences(B)</b>				
Expenses disallowed under Income Tax Act, 1961				
Donation Disallowed	Nil	1.00	Nil	0.01



TDS Interest	Nil	Nil	Nil	0.01
Late Filing Fee	0.55	3.32	0.07	Nil
Penalty under various Acts	Nil	Nil	1.66	Nil
Income tax & interest thereon	Nil	Nil	0.22	Nil
Employees Contribution u/s 36(1)(va)	Nil	0.34	Nil	Nil
<b>Total Permanent Differences(B)</b>	<b>0.55</b>	<b>4.66</b>	<b>1.95</b>	<b>0.02</b>
<b>Income considered separately (C)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Timing Differences (D)</b>				
Difference between tax depreciation & book depreciation	4.73	15.15	7.42	6.07
Depreciation As Per Book	14.48	56.54	25.85	20.64
Depreciation As Per Income Tax	9.75	41.39	18.43	14.57
Difference due to any other items of addition u/s 28 to 44DA	Nil	Nil	Nil	Nil
<b>Total Timing Differences (D)</b>	<b>4.73</b>	<b>15.15</b>	<b>7.42</b>	<b>6.07</b>
<b>Net Adjustments E = (B+D)</b>	<b>5.28</b>	<b>19.81</b>	<b>9.37</b>	<b>6.09</b>
<b>Tax expense / (saving) thereon</b>	<b>5.15</b>	<b>14.48</b>	<b>8.18</b>	<b>1.46</b>
<b>Income from Other Sources (F)</b>	Nil	Nil	Nil	Nil
<b>Loss of P.Y. Brought Forward &amp; Adjusted(G)</b>	Nil	Nil	Nil	Nil
Taxable Income/(Loss) (A+E-C+G+F)	<b>34.56</b>	<b>106.01</b>	<b>53.63</b>	<b>28.49</b>
<b>Taxable Income/(Loss) as per MAT</b>	<b>29.27</b>	<b>86.19</b>	<b>44.26</b>	<b>22.40</b>
<b>Tax as per MAT</b>	<b>5.63</b>	<b>17.74</b>	<b>8.43</b>	<b>4.27</b>
Basic Tax	5.42	15.95	8.19	4.14
Surcharge	Nil	1.12	Nil	Nil
Education Cess	0.22	0.68	0.25	0.12
<b>Tax as per Normal Calculation</b>	<b>8.98</b>	<b>29.49</b>	<b>13.81</b>	<b>8.80</b>
Basic Tax	8.64	26.50	13.41	8.55
Surcharge	Nil	1.86	Nil	Nil
Education Cess	0.35	1.13	0.40	0.26
<b>Income Tax as returned/computed</b>	<b>8.98</b>	<b>29.49</b>	<b>13.81</b>	<b>8.80</b>
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal

## Annexure – 31

### Nature of Security and Terms for Repayment of Borrowings

#	Lender	Nature of facility	Date of Sanction of Loan	Loan (Rs. Lakhs)	Amount outstanding as at 15.07.2019	Charges for facility (effective rate of interest)	Security / Principal terms and conditions
1	Vijaya Bank	Working Capital limit of Rs 150.00 under Swadesh Scheme	19-03-2019	150.00	149.62	11.70%	<b>Primary Security:</b> 1. Hypothecation of Stock in Trade/ Receivables and all current assets of the company (Both present and future). 2. Vehicles already mortgaged to the bank. <b>Collateral Security:</b> Industrial Shed no 264, Industrial Estate, HSIIDC, Alipur, Barwala, Tehsil & District Panchkula, Haryana in the name of Sh Raj Kumar Siwach s/o Sh Dalip Singh.
2	Axis Bank	Car Loan	23-07-	17.26	16.69	9.75%	Secured by hypothecation of



			2019				vehicles against which such loan is obtained.
3	CIFCL	Car Loan	25-05-2018	9.50	7.48	10.49%	
4	Vijaya Bank	Car Loan	28-12-2017	4.20	3.19	11.50%	
5	Vijaya Bank	Car Loan	23-06-2015	12.60	2.96	10.40%	
6	Vijaya Bank	Car Loan	25-06-2015	11.40	2.67	10.40%	
7	Vijaya Bank	Car Loan	09-03-2016	10.00	3.85	10.05%	
8	Vijaya Bank	Car Loan	11-03-2016	3.50	1.35	10.05%	
9	Vijaya Bank	Car Loan	28-01-2018	11.50	9.74	9.30%	
10	Vijaya Bank	Car Loan	24-04-2015	17.20	3.38	10.65%	
11	Vijaya Bank	Car Loan	25-05-2018	8.00	6.60	9.45%	
12	Vijaya Bank	Car Loan	25-02-2019	10.50	9.94	9.30%	
13	Vijaya Bank	Car Loan	05-06-2018	8.00	6.55	9.15%	
14	Vijaya Bank	Car Loan	10-08-2017	5.95	4.04	11.65%	

Note : Cholamandalam Investment and Finance Company Ltd. (CIFCL)



## **OTHER FINANCIAL INFORMATION**

For Details on other financial information please refer to Annexure – 28 - Restated Standalone Statement of Accounting Ratios on page 151 under the chapter titled ‘Financial Statements as Restated’ beginning on page 149 of this Draft Prospectus.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended July 15, 2019 and for the financial year ended March 31, 2019 2018 and 2017. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 149 of the Draft Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 16 of this Draft Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 10 of this Draft Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Rainbow Crop Health Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2019, 2018 and 2017 included in this Draft Prospectus beginning on page 149 of this Draft Prospectus.*

### **BUSINESS OVERVIEW**

Our Company was incorporated as a public limited company namely "Rainbow Crop Health Limited" under the Companies Act, 1956, in Haryana, vide certificate of incorporation dated March 30, 2012 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana bearing registration number 045551. The Company's Corporate Identity Number is U01403HR2012PLC045551.

We started our business activities as a trader of herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules. On July 15, 2019 we took over, an ongoing business, M/s Welcome Crop Health Product, a Sole Proprietorship Firm, which is into the business of manufacturing of Pesticides, Insecticides, Weedicides, Fungicides, Herbicides, Micro-nutrient and Fertilizers etc. Pursuant to this agreement Rainbow Crop Health Limited has now entered into manufacturing of herbicides, insecticides, fungicides, plant growth regulators & fertilizers.

We expect synergy benefits with consolidation of customer base of RCHL and M/s Welcome Crop Health. Acquisition of this manufacturing facility has enabled us to diversify our business and enter into vertical of manufacturing also. This acquisition is a punch in the ticket for mitigation of costing of our products and higher profit margins.

Our diversified product portfolio can be classified as Herbicides/Weedicides, Fungicides, Plant Growth Regulator, Fertilizer, Bio-Fertilizer and Insecticides. Agrochemicals are important agricultural support and boosts to it, while preventing, reducing and eliminating the impact of disasters to increase food output and safety. With history of less than a decade Rainbow Crop Health Limited has risen out the diversified portfolio of agrochemical product segment. Instituted with a vision to cater to growing needs of the agriculture market and provide high quality products, RCHL now bags a wide range of agrochemicals products in its product portfolio like herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms –



liquid, dust, powder and granules. The Company has expanded its operations beyond the borders of its state of inception to Punjab, Madhya Pradesh, Uttar Pradesh, Uttarakhand, Rajasthan and Maharashtra. As each day delivers tremendous results and inspires further growth, the Company stands at threshold of the future in the industry, poised to go ahead.

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD**

As per mutual discussion between the Board of the Company and LM, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The Board of Directors of our Company has approved and passed resolution on August 10, 2019 to authorize the Board of Directors to raise the funds by way of Initial Public Offering.
- The shareholders of our Company appointed Mr. Ajay Rulhania as Managing Director in the Annual General Meeting held on September 5, 2019.
- The shareholders of our Company regularised Ms. Rekha Rani, Mr. Abhay Singh and Mr. Deepak Kumar as Independent Directors in the Annual General Meeting held on September 5, 2019.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 16 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Government spending on Agrochemical Sector;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Significant developments in India’s economic and fiscal policies;
- Failure to adapt to the changing needs of industry and in particular Agrochemical Sector may adversely affect our business and financial condition;
- Volatility in the Indian and global capital market;

## **DISCUSSION ON RESULT OF OPERATION**

### ***Our Significant Accounting Policies***

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “Financial Statements” beginning on page 149 of the Draft Prospectus.



## Overview of Revenue & Expenditure

Our revenue and expenses are reported in the following manner:

### Revenues

#### ◆ Revenue of operations

Our Company's revenue is primarily generated from trading of herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules.

#### ◆ Other Income

Our other income mainly consists of interest from banks and commission.

(Rs. In Lakhs)

Particulars	15-Jul-19	31-Mar-19	31-Mar-18	31-Mar-17
Revenue from Operations	665.58	1,599.47	1,775.14	1,313.56
% of total revenue	96.07%	97.88%	99.99%	99.99%
Other income	27.19	34.57	0.22	0.12
% of total revenue	3.93%	2.12%	0.01%	0.01%
<b>Total Revenue</b>	<b>692.78</b>	<b>1634.04</b>	<b>1775.36</b>	<b>1313.68</b>

### Expenditure

Our total expenditure primarily consists of stock in trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

#### ◆ Goods

Till July 15, 2019 (the latest financial reporting period in this Draft Prospectus) our Company does not carry any manufacturing activity and only operates in trading business. Therefore no Raw Material is required to be procured for our business operations. But as a trader the Company does procure from various suppliers the stock of the products which it trades, for further details of our products please refer Our Product in Chapter "Our Business" on page no. 88 of this Draft Prospectus.

#### ◆ Employment Benefit Expenses

It includes Salaries, Allowances and Director's Remuneration.

#### ◆ Other Expenses

It mainly includes Business Promotion expenses, Cartage, Lodging, Freight, unloading & Octroi Chargers, Commission, selling and distribution expenses and other expenses.

#### ◆ Finance Costs

Our finance costs mainly include Bank charges and interest and other borrowing costs.

#### ◆ Depreciation

Depreciation has been provided as per the useful life prescribed under schedule II of the Companies Act, 2013 on Written down Value (WDV) Method on pro rata basis.



## RESULTS OF OUR OPERATION

(Rs. In Lakhs)

Particulars	15-Jul-19	31-Mar-19	31-Mar-18	31-Mar-17
<b>Incomes:</b>				
Revenue from Operations	665.58	1,599.47	1,775.14	1,313.56
% of total revenue	96.07%	97.88%	99.99%	99.99%
% Increase/(Decrease)	-58%	-9.90%	35.14%	41.29%
Other income	27.19	34.57	0.22	0.12
% of total revenue	3.93%	2.12%	0.01%	0.01%
% Increase/(Decrease)	-21%	15377.02%	92.33%	-92.92%
<b>Total Revenue</b>	<b>692.78</b>	<b>1634.04</b>	<b>1775.36</b>	<b>1313.68</b>
<b>Expenses:</b>				
Cost of Material Consumed	495.12	990.33	1,142.32	878.03
% of total revenue	71.47%	60.61%	64.34%	66.84%
% Increase/(Decrease)	-50.00%	-13.31%	30.10%	37.68%
Other Expenses	73.39	225.50	264.58	217.44
% of total revenue	10.59%	13.80%	14.90%	16.55%
% Increase/(Decrease)	-67.45%	-14.77%	21.68%	61.03%
Employee Benefit expenses	78.78	263.81	276.99	153.83
% of total revenue	11.37%	16.14%	15.60%	11.71%
% Increase/(Decrease)	-70.14%	-4.76%	80.06%	34.38%
<b>Total Expense</b>	<b>647.30</b>	<b>1,479.64</b>	<b>1,683.90</b>	<b>1,249.31</b>
% of total revenue	93.44%	90.55%	94.85%	95.10%
% Increase/(Decrease)	-56.25%	-12.13%	34.79%	40.80%
<b>Profit before Interest, Depreciation and Tax</b>	<b>45.48</b>	<b>154.40</b>	<b>91.46</b>	<b>64.37</b>
% of total revenue	6.56%	9.45%	5.15%	4.90%
Depreciation and amortization expenses	14.48	56.54	25.85	20.64
% of total revenue	2.08%	3.46%	1.46%	1.57%
% Increase/(Decrease)	-74.39%	118.74%	25.22%	69.30%
<b>Profit before Interest and Tax</b>	<b>31.00</b>	<b>97.86</b>	<b>65.62</b>	<b>43.73</b>
% of total revenue	4.48%	5.99%	3.70%	3.33%
Financial Charges	1.72	11.66	21.35	21.32
% of total revenue	0.25%	0.71%	1.20%	1.62%
% Increase/(Decrease)	-85.18%	-45.36%	0.13%	59.68%
<b>Profit before Tax and Extraordinary Expenses</b>	<b>29.27</b>	<b>86.19</b>	<b>44.26</b>	<b>22.40</b>
% of total revenue	4.23%	5.27%	2.49%	1.71%
Extraordinary Expenses	0	0	0	0
<b>Restated Profit/(Loss) before tax</b>	<b>29.27</b>	<b>86.19</b>	<b>44.26</b>	<b>22.40</b>
% of total revenue	4.23%	5.27%	2.49%	1.71%
% Increase/(Decrease)	-66.04%	94.74%	97.60%	20.95%
<b>Tax expenses/(income)</b>				
Provisions for Tax	-6.38	-18.47	-9.48	-5.04
Provisions for Deferred Tax	1.23	3.99	1.31	3.58
<b>Total tax expenses</b>	<b>-5.15</b>	<b>-14.48</b>	<b>-8.18</b>	<b>-1.46</b>
% of total revenue	-0.74%	-0.89%	-0.46%	-0.11%
<b>Restated profit/(loss) after Tax</b>	<b>24.12</b>	<b>71.72</b>	<b>36.08</b>	<b>20.94</b>
% of total revenue	3.48%	4.39%	2.03%	1.59%
% Increase/(Decrease)	-66.36%	98.76%	72.35%	13.05%



## **REVIEW OF OPERATIONS FOR THE PERIOD ENDED JULY 15, 2019.**

### **Income from Operations**

Our revenue from operations for the period ended July 15, 2019 was Rs.665.58 Lakhs which was about 96.07% of the total revenue and which includes revenue from sale of agrochemicals related products including other operating revenue such as commission, incentive/cash discount.

### **Other Income**

Our other income for the period ended July 15, 2019 was Rs.27.19 Lakhs which was about 3.93% of the total revenue and which includes interest income and commission income.

### **Expenditure**

#### **Goods**

The utilisation of goods for the period ended July 15, 2019 were Rs.495.12 Lakhs which was about 71.47% of the total revenue.

#### **Employee Benefits expenses**

The employee benefits expenses for the period ended July 15, 2019 were Rs. 78.78 Lakhs which was about 11.37% of the total revenue and which includes Salaries and wages.

#### **Other Expenses**

Other Expenses for the period ended July 15, 2019 were Rs.73.39 Lakhs which was about 10.59 % of the total revenue.

### **EBIDTA**

Our EBITDA for the period ended July 15, 2019 were Rs.45.48 Lakhs.

### **Financial Costs**

Financial costs for the period ended July 15, 2019 were Rs.1.73 Lakhs which was about 0.25% of the total revenue and which consists of interest expenses and Bank charges.

### **Depreciation**

Depreciation for the period ended July 15, 2019 were Rs.14.48 Lakhs which was about 2.08% of the total revenue and which consists of depreciation and amortization.

### **Profit /(Loss) after Tax**

PAT for the period ended July 15, 2019 was Rs. 24.12 Lakhs.



## **FISCAL YEAR ENDED MARCH 31, 2019 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2018**

### **Income**

Total revenue has decreased by Rs.141.33 Lakhs and 7.96 % from Rs. 1775.36 Lakhs in the fiscal year ended March 31, 2018 to Rs. 1634.04 Lakhs in the fiscal year ended March 31, 2019. The decrease in revenue is on account of decrease in operation.

### **Expenditure**

Total Expenditure decreased by Rs. 204.27 Lakhs and 12.13%, from Rs. 1683.90 Lakhs in the fiscal year ended March 31, 2018 to Rs.1479.64 Lakhs in the fiscal year ended March 31, 2019.

### **Goods**

Purchase of goods in terms of value and percentage decreased by Rs.152.00 Lakhs and 13.31% from Rs. 1142.32 Lakhs in the fiscal year ended March 31, 2018 to Rs. 990.33 Lakhs in the fiscal year ended March 31, 2019.

### **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage decreased by Rs. 13.19 Lakhs and 4.76% from Rs. 277.00 Lakhs in the fiscal year ended March 31, 2018 to Rs. 264.00 Lakhs in the fiscal year ended March 31, 2019.

### **Other Expenses**

Other Expenses in terms of value and percentage decreased by Rs. 39.08 Lakhs and 14.77 % from Rs. 265.58 Lakhs in the fiscal year ended March 31, 2018 to Rs. 225.50 Lakhs in the fiscal year ended March 31, 2019.

### **Profit before Tax and Extraordinary items**

Profit before exceptional & extraordinary items and Tax has increased by Rs. 41.93 Lakhs and 94.74% from Rs. 44.26 Lakhs in the fiscal year ended March 31, 2018 to Rs. 86.19 Lakhs in the fiscal year ended March 31, 2019.

### **Finance Costs**

Finance Costs in terms of value and percentage decreased by Rs. 9.69 Lakhs and 45.36% from Rs. 21.35 Lakhs in the fiscal year ended March 31, 2018 to Rs. 11.66 Lakhs in the fiscal year ended March 31, 2019.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value increased by Rs. 30.69 Lakhs and 118.74% from Rs. 25.85 Lakhs in the fiscal year ended March 31, 2018 to Rs.56.54 Lakhs in the fiscal year ended March 31, 2019.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs. 35.63 Lakhs and 98.76% from profit of Rs. 36.08 Lakhs in the fiscal year ended March 31, 2018 to profit of Rs. 71.72 Lakhs in the fiscal year ended March 31, 2019.



## **FISCAL YEAR ENDED MARCH 31, 2018 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2017**

### **Income**

Total revenue has increased by Rs.461.69 Lakhs and 35.14% from Rs.1313.68 Lakhs in the fiscal year ended March 31, 2017 to Rs. 1775.36 Lakhs in the fiscal year ended March 31, 2018.

### **Expenditure**

Total Expenditure increased by Rs. 434.59 Lakhs and 34.79 %, from Rs. 1249.31 Lakhs in the fiscal year ended March 31, 2017 to Rs. 1683.90 Lakhs in the fiscal year ended March 31, 2018.

### **Goods**

Purchase of goods in terms of value and percentage increased by Rs.264.29 Lakhs and 30.10 % from Rs. 878.03 Lakhs in the fiscal year ended March 31, 2017 to Rs. 1142.32 Lakhs in the fiscal year ended March 31, 2018.

### **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by Rs.123.16 Lakhs and 4.76% from Rs. 153.83 Lakhs in the fiscal year ended March 31, 2017 to Rs. 277.00 Lakhs in the fiscal year ended March 31, 2018.

### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs.47.14 Lakhs and 21.68 % from Rs. 217.44 Lakhs in the fiscal year ended March 31, 2017 to Rs. 265.58 Lakhs in the fiscal year ended March 31, 2018.

### **Profit before Tax and Extraordinary items**

Profit before exceptional & extraordinary items and Tax has increased by Rs. 21.86 Lakhs and 97.60% from Rs. 22.40 Lakhs in the fiscal year ended March 31, 2017 to Rs. 44.26 Lakhs in the fiscal year ended March 31, 2018.

### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 0.03 Lakhs and 0.13% from Rs. 21.32 Lakhs in the fiscal year ended March 31, 2017 to Rs. 21.35 Lakhs in the fiscal year ended March 31, 2018.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value increased by Rs. 5.21 Lakhs and 25.22 % from Rs. 20.64 Lakhs in the fiscal year ended March 31, 2017 to Rs. 25.85 Lakhs in the fiscal year ended March 31, 2018.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs. 15.15 Lakhs and 72.35% from profit of Rs. 20.94 Lakhs in the fiscal year ended March 31, 2017 to profit of Rs. 36.08 Lakhs in the fiscal year ended March 31, 2018.



## **INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:**

### **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 section titled “Risk Factors” beginning on page 16 of this Draft Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **3. Income and Sales on account of major product/main activities**

Income and sales of our Company on account of major products/ main activities derives from trading of herbicides, insecticides, fungicides, plant growth regulators & fertilizers in various forms – liquid, dust, powder and granules.

### **4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

As per Audited Financial Statement the Company has included inter- branch stock transfer in the turnover as well as in the cost of goods sold for the year ended on 31st March 2018, 31st March 2019 and for the period ended on 15th July 2019. Accordingly, suitable adjustments were made in the restated financial statements to eliminate dual effect of increase in volume of sale and its cost. However, the adjustment shall not bear any effect to the Net profits of the Company.

### **5. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Our Company’s future costs and revenues can be impacted by an increase in labour costs as the company looks to hire talent with new skills and capabilities for the digital economy who may be in short supply.

### **6. Future relationship between Costs and Income**

Our Company’s future costs and revenues will be determined by competition, demand/supply situation, Indian Government Policies, foreign exchange rates and interest rates quoted by banks & others.

### **7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in our revenues are by and large linked to increases in the volume of business.

### **8. Total turnover of each major industry segment in which the issuer company operates**

The Company is operating in Agrochemical Industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 70 of this Draft Prospectus.

### **9. Status of any publicly announced new products or business segments**

Our Company has not announced any new product and segment / scheme, other than disclosure in this Draft Prospectus.



**10. The extent to which the business is seasonal**

Our business is seasonal in nature. Demand for our products rises near the harvesting time of crops. Our sales volume is therefore higher in the second and fourth quarter of the financial year.

**11. Any significant dependence on a single or few suppliers.**

Our Company is significantly dependent on few suppliers for approximately 20% of our supplies. For further details refer the chapter titled “*Risk factor*” and “*Our Business*” on page 16 and 88 of Draft Prospectus.

**12. 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 88 of this Draft Prospectus.



## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except, as stated in this section and mentioned elsewhere in this Draft Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.*

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- c) pending proceedings initiated against our Company for economic offences;
- d) default and non-payment of statutory dues by our Company;
- e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
- f) material frauds committed against our Company in the last five years.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter *exceed Rs.50 Lakh* as determined by our Board, in its meeting held on August 10, 2019.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Draft Prospectus.



## I. Litigations involving our Company

### A. Against our Company

#### (i) Criminal Proceedings

There are no criminal proceedings initiated / filed against our Company.

#### (ii) Civil Proceedings

There are no civil proceedings initiated / filed against our Company.

#### (iii) Actions by statutory/regulatory authorities

There are no actions initiated by any statutory / regulatory authorities against our Company except following:

S. N.	Particulars	Status	Amount Involved
1	State of Haryana v/s Rainbow Crop Health Limited under Essential Commodity Act, 1955	In Correspondence with department to recheck	Not ascertainable, subject to court order
2	Show Cause Notice from Licensing Authority cum-Deputy Director Agriculture & Farmers welfare Department, Rohtak, dated 14.05.2019	In Correspondence with department to recheck	Not ascertainable, subject to court order

#### (iv) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;

There are no disciplinary actions including penalty imposed by SEBI or stock exchanges against the Company in the last five financial years.

#### (v) Tax proceedings

There is no tax proceeding against our Company.

#### (vi) Other Material Pending Litigations

There are no other Material Pending Litigations initiated / filed against our Company.

### B. By our Company

NIL

## II. Litigations involving our Promoters

### A. Against our Promoters

#### (i) Criminal Proceedings



There are no criminal proceedings initiated / filed against our Promoters.

**(ii) Civil Proceedings**

There are no civil proceedings initiated / filed against our Promoters.

**(iii) Actions by statutory/regulatory authorities**

There are no actions initiated by any statutory / regulatory authorities against our Promoters.

**(iv) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;**

There are no disciplinary actions including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years.

**(v) Tax proceedings**

Except for the proceedings disclosed below, there are no tax proceedings against our Promoters:

S. N.	Particulars	F.Y.	Authority	Status	Amount Involved
1	Demand u/s 143 (1) (a) of Income Tax Act, 1961	2017-18	Deputy Commissioner of Income Tax, Bangalore	Relevant Action Under Process	7.05 Lakh

**(vi) Other Material Pending Litigations**

There are no other Material Pending Litigations initiated / filed against our promoters.

**B. By our Promoters**

NIL

**III. Litigations involving our Directors other than Promoters of our Company**

**A. Against our Directors**

Nil

**B. By our Directors**

Nil

**IV. Litigations involving our Group Entities**

**A. Against our Group Entities**



Nil

**B. By our Group Entities**

Nil

**V. Litigations relating to the Subsidiary Company**

**A. Against Directors of our Subsidiary Company**

Nil

**B. By Directors of our Subsidiary Company**

Nil

*Note: The Company do not have any subsidiary company as on the date of this Legal Due Diligence Report*

**VI. Other litigations involving any other entities which may have a material adverse effect on our Company**

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

**VII. Details of the past penalties imposed on our Company / Directors**

Except as disclosed above as on the date of the Draft Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.

**VIII. Outstanding dues to Creditors**

The Company on August 10, 2019 has through its Board of Directors adopted a materiality policy for disclosing outstanding amounts to creditors. Based on the same, as on March 31, 2019, our Company had outstanding dues to creditors as follows:

<b>Nature of Creditors</b>	<b>Amount (Rs. in Lakhs)</b>
Micro, small and medium enterprises	20.22
Dues to Related Parties	571.88
Other	278.42
<b>Total</b>	<b>870.52</b>



For complete details about outstanding dues to creditors of our Company, please see the website of our Company [www.rchl.co.in](http://www.rchl.co.in).

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.rchl.co.in](http://www.rchl.co.in) would be doing so at their own risk.

#### **IX. Material developments occurring after last balance sheet date, that is, July 15, 2019.**

Except as disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company" beginning on page number 172 of this Draft Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

#### **We certify that except as stated herein above:**

- a. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters, group entities, companies promoted by the promoters during the past three years.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. There is no material regulatory or disciplinary action by SEBI, stock exchange or regulatory authority in the past five year in respect of our promoters, group company's entities, entities promoted by the promoters of our company.***
- i. There are no the status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.



- j. The issue is in compliance with applicable provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
- k. *Neither the Company nor any of its promoters or directors is a willful defaulter.*



## GOVERNMENT AND OTHER APPROVALS

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of the Draft Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Industry Regulation and Policies” beginning on page 108 of the Draft Prospectus.*

### CORPORATE APPROVALS

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on August 10, 2019 the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
2. The shareholders have, pursuant to the resolution dated September 05, 2019 under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

### IN-PRINCIPLE APPROVAL

The Company has obtained approval from BSE vide its letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated July 23, 2019, with the Central Depository Services (India) Limited (“CDSL”), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated July 26, 2019 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (“ISIN”) is INE09RU01012.

### CORPORATE / GENERAL AUTHORISATIONS

S. N.	Authorisation granted	Issuing Authority	CIN	Date of Issue	Valid upto
1.	Certificate of Incorporation in the name of “Rainbow Crop Health Limited”	ROC, National Capital Territory of Delhi and Haryana	U01403HR2012PL C045551	March 30, 2012	Perpetual



## TAX RELATED AUTHORISATIONS

#	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number	Income Tax Department, GoI	AAFCR8492P	30.03.2012	Perpetual
2.	Tax Deduction Account Number	Income Tax Department, GoI	RTKR07426G	Not Available	Perpetual
3.	GST Registration Certificate Haryana	Central Board of Excise and Custom (CBEC).	06AAFCR8492P1ZH	24.08.2018	Valid until cancellation
4.	GST Registration Certificate Maharashtra	Central Board of Excise and Custom (CBEC).	27AAFCR8492P1ZD	19.07.2018	Valid until cancellation
5.	GST Registration Certificate Madhya Pradesh	Central Board of Excise and Custom (CBEC).	23AAFCR8492P1ZL	18.07.2018	Valid until cancellation
6.	GST Registration Certificate Punjab	Central Board of Excise and Custom (CBEC).	03AAFCR8492P1ZN	23.09.2017	Valid until cancellation
7.	GST Registration Certificate Uttrakhand	Central Board of Excise and Custom (CBEC).	05AAFCR8492P1ZJ	17.07.2018	Valid until cancellation
8.	GST Registration Certificate Uttar Pradesh	Central Board of Excise and Custom (CBEC).	09AAFCR8492P1ZB	28.07.2018	Valid until cancellation
9.	GST Registration Certificate Rajasthan	Central Board of Excise and Custom (CBEC).	08AAFCR8492P1ZD	17.07.2018	Valid until cancellation

## BUSINESS RELATED CERTIFICATIONS

Our Company has received the following significant government and other approvals pertaining to our business:

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid Upto
1.	License to Sell Stock or Exhibit for sale or distribute Fertilizer	Directorate of Agriculture, Punjab	54/2018	27.06.2018	26.06.2021
2.	License to Sell Stock or Exhibit	Government of Maharashtra	1931000312899195	23.02.2019	Valid until cancelled



Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid Upto
	for sale or distribute Insecticides				
3.	License to Sell Stock or Exhibit for sale or distribute Insecticides	Directorate of Agriculture Plant Protection, Rajasthan	577/578	14.03.2018	31.12.2019
4.	License to Sell Stock or Exhibit for sale or distribute Insecticides	Directorate of Agriculture Plant Protection, Madhya Pradesh	2918	25.01.2019	31.12.2019
5.	License to Sell Stock or Exhibit for sale or distribute Insecticides	Directorate of Agriculture Plant Protection, Panchkula	PKL/130001017	27.04.2017	31.12.2021
6.	License to Sell Stock or Exhibit for sale or distribute Insecticides	Office of the Plant Protection Officer, Uttarakhand	USN/PVT-1352	20.03.2017	Valid until cancelled
7.	Insecticide License	Department of Agriculture, Maharashtra	LCID100100545	08.02.2019	Valid until cancelled
8.	Udyog Aadhar	Ministry of Micro, Small & Medium Enterprises	HR13A0000269	30.06.2016	Perpetual

Below mentioned licenses are in the name of M/s Welcome Crop Health Products and now pursuant to takeover of said entity by Rainbow Crop Health Limited, the Company is in the process of updating the said licenses in the name of the Company.

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid Upto
1.	Manufacturing License	Department of Agriculture & Farmers Welfare, Haryana	TA/PP/DGA/201213/16	19.06.2012	Valid until cancelled
2.	NOC from Forest Department	Forest Department, Haryana	8926	18.03.2011	Valid until cancelled



Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid Upto
3.	Pollution Control – Consent	Haryana State Pollution Control Board	320392517PANCTO4 225577	29.11.2017	31.03.2026
4.	District Town Planner Certificate	Office of the District Town Planner(E), Panchkula	Memo No. : DTP(E)PKL- 2019/373 Endst. No. : DTP(E)PKL-2019/373	03.04.2019	Valid until cancelled

### LABOUR RELATED APPROVALS/REGISTRATIONS

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid Upto
1	Employees Provident Fund Registration	Employees Provident Fund Organisation, Ministry of Labour, Government of India	HRKNL1480146000	08.06.2016	Valid until cancellation

### PENDING APPROVALS

1. Factory License under Factories Act, 1948.
2. Shop Establishment Registration.

### INTELLECTUAL PROPERTY

S. No.	Trade Mark No.	Class	Date of Application	Word Mark/Logo	Status
1	2929458	5	25-03-15	FRUCTIS	Registered
2	2929457	5	25-03-15	JAIKARA	Registered
3	2932484	31	30-03-15	RAINBOW TEJAS	Registered
4	2932315	1	30-03-15	RAINBOW TEJAS	Registered
5	2932316	5	30-03-15	RAINBOW TEJAS	Advertised
6	2929459	5	25-03-15	RAINOMIL	Registered
7	2934052	1	01-04-15		Registered
8	2932483	35	30-03-15		Registered
9	2932313	31	30-03-15		Registered
10	2932314	5	30-03-15		Registered



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on August 10, 2019.
2. The shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its AGM held on September 05, 2019 and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from BSE vide its letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
4. Our Board has approved the Draft Prospectus through its resolution dated September 30, 2019.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page number 187 of the Draft Prospectus.

### Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company 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.

### Prohibition by RBI or Governmental authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, our and



Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.

#### **Directors associated with the Securities Market**

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Prospectus.

#### **ELIGIBILITY FOR THIS ISSUE**

Our Company is eligible for the Offer in accordance with regulation 229(1) and other provisions of chapter IX of the SEBI (ICDR) Regulations, 2018 as the post Offer face value capital is Less than Rs.1,000 lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

#### **We confirm that:**

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Offer has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to “General Information – Underwriting” on page 38 of the Draft Prospectus.
- b) In accordance with Regulation 268(1) 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 (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c) In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the Lead Manager shall ensure that the Issuer shall file a copy of the Draft Prospectus/Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus/Prospectus with the Registrar of Companies.
- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the Lead Manager will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “*General Information – Details of the Market Making Arrangements for this Issue*” on page 38 of this Draft Prospectus.

#### **BSE ELIGIBILITY NORMS:**

1. The Company has been incorporated under the Companies Act, 1956 in India.
2. The post issue paid up capital of the Company (face value) will not be more than Rs.2,500.00Lakhs.



3. The Company has positive Net worth (excluding revaluation reserves) which is Rs. 375.46 Lakhs as per the audited financial Statements as on July 15, 2019.

Details of Net Worth of the Company in past years are as under:

(Rs. In Lakhs)

Particulars	July 15, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Net Worth	375.46	351.34	279.63	68.55

4. Net Tangible Asset of the Company is Rs. 2112.69 Lakh as on July 15, 2019 which is more than Rs. 300 Lakh.
5. Track record of positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and that the Company has track record of 3 years.

(Rs. In Lakhs)

Particulars	July 15, 2019	March 31, 2019	March 31, 2018	March 31, 2017
Profit before Tax as per P&L Account	29.27	86.19	44.26	22.40
Add: Depreciation	14.48	56.54	25.85	20.64
Positive Cash Accruals (earnings before depreciation and tax)	43.75	142.73	70.11	43.04

## 6. Other Requirements

- The company shall mandatorily facilitate trading in demat securities and will entered into an agreement with both the depositories. Also the Equity Shares allotted through this Issue will be in dematerialized mode.
- Our Company has a live and operational website: [www.rchl.co.in](http://www.rchl.co.in).
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against our Company that has been accepted by a court.
- There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

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

## DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS**



**OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGER CORPORATE CAPITALVENTURES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER, CORPORATE CAPITALVENTURES 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, CORPORATE CAPITALVENTURES PRIVATE LIMITED, SHALL FURNISH A DUE DILIGENCE CERTIFICATE TO SEBI IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 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.**

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, its 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 <http://www.rchl.co.in> 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, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors 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 their respective associates in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and 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 of our Company. 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 no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to 'Annexure A' to the Draft Prospectus and the website of the Lead Manager at [www.ccvindia.com](http://www.ccvindia.com).

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 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 Lakhs, pension funds with minimum corpus of Rs.2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, 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 him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Prospectus had been filed with BSE SME for its observations and BSE SME gave its observations on the same. 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 U.S Securities Act and in compliance with applicable laws, legislations



and Draft Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the SME Platform of BSE**

BSE Limited (“BSE”) has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchange on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Limited does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document;  
or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. Warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.**

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.

## **LISTING**

Application will be made to the BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our Offer documents vide its letter no. [●] 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 Limited, our Company will forthwith repay, without interest, all moneys received from the bidders 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 working days from the Offer 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 cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Offer Closing Date.

## **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:*

*“Any person who:*

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”*

## **CONSENTS**

Consents in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) Lead Manager, Market



Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing final prospectus to RoC) and will be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our 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 is not withdrawn up to the time of delivery of this Draft Prospectus with BSE.

#### **EXPERT OPINION**

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Statutory Auditors for period ended on July 15, 2019, March 31, 2019, 2018 & 2017 and Legal Advisor report on Outstanding Litigations and Material Developments, included in this Draft Prospectus, our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, 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**

Other than as detailed under chapter titled ‘Capital Structure’ beginning on page 45 of the 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 IPO 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 in the five years preceding the date of Draft Prospectus.

#### **PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

None of Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Prospectus.

#### **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY**

Our Company has not undertaken any public or rights issue in the five (5) years preceding the date of this Draft Prospectus.

#### **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY**

The Company does not have any subsidiary company.



## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **OPTION TO SUBSCRIBE**

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer 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 Memorandum of Understanding between the Registrar and us will provide 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 Offer 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 Bid-cum-Application Form was submitted by the ASBA Bidders.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Ginny Uppal as the Company Secretary and Compliance Officer and he may be contacted at the following address:

### ***RAINBOW CROP HEALTH LIMITED***

*NH - 73, Welcome Complex V&PO, Mouli Panchkula, Haryana-134118*

*Tel: 01734-258082; Fax: N.A.; E-mail: [cs@rchl.co.in](mailto:cs@rchl.co.in); Website: [www.rchl.co.in](http://www.rchl.co.in)*

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.



## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, 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, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, 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 accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

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

This Issue has been authorized by a resolution of the Board passed at their meeting held on August 10, 2019 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the AGM of the Company held on September 05, 2019.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled 'Dividend Policy' beginning on pages 148 of Draft Prospectus.



### **Face Value and Issue Price**

The face value of each Equity Share is Rs.10/-. The Issue Price of Equity Shares is Rs. 38/- per Equity Share. The Issue Price shall be determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “Basis of Issue Price” beginning on page 64 of this Draft Prospectus.

### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our 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 or e-voting, in accordance with the provisions of the Companies Act;
- 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, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; 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**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Prospectus:

- Tripartite agreement dated July 23, 2019 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated July 26, 2019 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made thereunder and Section 29 (1) of the Companies Act, 2013, the equity 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 trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by the BSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3000 Equity Shares subject to a minimum allotment of 3000 Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, 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 all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

The Equity Share 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 issued 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 issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be 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 titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 (90)



days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 45 of this Draft Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 236 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the 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.

### **Withdrawal of the Issue**

Our Company in consultation with the LM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly



and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs. 1,00,000 (Rupees One Lac only) per application.

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

#### **Migration to Main Board**

*Our company may migrate to the main board of BSE Limited at 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 favor 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 Limited for listing of its shares on its Main Board subject to the fulfilment 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 Rs. 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 favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

*Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME platform of BSE has to fulfill following conditions:*

- a. *The increase in post issue face value capital beyond Rs. 25 crore should arise only because of merger/acquisition or for expansion purposes.*
- b. *The company should have a minimum turnover of Rs. 100 crore as per last audited financials and market capitalization of Rs. 100 crore.*
- c. *The company should have a minimum profit before tax of Rs. 10 crore for two years out of three preceding years.*



d. *There should not be any action against the company by any regulatory agency at the time of application for migration.*

### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the SME Platform of BSE Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 38 of this Draft Prospectus.

### **Arrangements for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

### **Restrictions, 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 in the Issue as detailed in the chapter ‘Capital Structure’ beginning on page 45 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 shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the 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.

### **Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.



## ISSUE PROCEDURE

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.*

*Pursuant to the SEBI ICDR Regulations, the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.*

*ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above mentioned BSE website.*

### **FIXED PRICE ISSUE PROCEDURE**

This Issue is being made in terms of Chapter IX of SEBI (ICDR) Regulations, 2018 via Fixed Price Process.

Applicants are required to submit their Applications to the SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to an Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. 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.

As per the provisions Section 29(1) of the Companies Act, 2013, the Allotment of Equity Shares in the Issue shall be only in a de-materialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.



Our Company or the Lead Managers will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

## **AVAILABILITY OF DRAFT PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Draft Prospectus together with the Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

## **Phased implementation of Unified Payments Interface**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a. Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b. Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Application Form
- c. Phase III: Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

This Issue is under Phase II and it may be among one of the first few initial public offerings in which the process of physical movement of Application Forms from intermediaries to SCSBs for blocking of funds is discontinued and is replaced by the UPI Mechanism



All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed ICICI Bank Limited as the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors into the UPI mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Offer. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

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.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus.

Note:

- ◆ Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- ◆ The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.



- ◆ Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- ◆ The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

## **SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS**

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- An SCSB, with whom the bank account to be blocked, is maintained;
- A syndicate member (or sub-syndicate member);
- A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”);
- A depository participant (“DP”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity);
- A registrar to an issuer and share transfer agent (“RTA”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Draft Prospectus, without prior or subsequent notice of such changes to the Applicants.

## **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 authorized 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 authorized 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 authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;



- Insurance funds set up and managed by army, navy or air force of the Union of India
- Any other person eligible to applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

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 to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

### **AVAILABILITY OF DRAFT PROSPECTUS AND APPLICATION FORMS**

The Memorandum Form 2A containing the salient features of the Draft Prospectus together with the Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and The Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com)

### **OPTION TO SUBSCRIBE IN THE ISSUE**

- h) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- i) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- j) In a single Application Form 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 and applicable law.

### **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 Equity Shares exceeding the number of Equity Shares offered to the public.



## **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. 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 single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## **APPLICATIONS BY ELIGIBLE NRI**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents 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 a 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 NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color).



Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in color).

### **APPLICATIONS BY ELIGIBLE FIIs/FPIs**

On January 07, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely “foreign institutional investors” and “qualified foreign investors” will be subsumed under a new category namely “foreign portfolio investors” or “FPIs”. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 06, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer. In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively. As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately



regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI 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 regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Offer.

**AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE**

**FOR INVESTMENTS BY FPIS:**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:

Any transactions in derivatives on a recognized stock exchange;

Short selling transactions in accordance with the framework specified by the Board;



Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

Any other transaction specified by the Board.

- b) No transaction on the stock exchange shall be carried forward;
  - c) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - viii. Any other transaction specified by Board.
  - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.



5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its



registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURECAPITAL 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. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

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.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis for the purpose of allocation.

#### **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:

1. 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;
2. 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
3. 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 on December 26, 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.

## APPLICATIONS BY BANKING COMPANIES

**Applications by Banking Companies:** In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Application without assigning any reason. The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks’ own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 01, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

**Applications by SCSBs:** SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.



## **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. 2,500 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, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

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, FIIs 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. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, 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 mailing of the Allotment Advice / CANs / 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 3000 Equity Shares. As the Application Price payable by the Applicant cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 3000 Equity Shares.

##### **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. 2,00,000 and in multiples of 3000 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 Registrar of Companies, Delhi atleast 3 (three) days before the Issue Opening Date.
- b) 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 office of the LM.
- c) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- d) Applications made in the name of minors and/ or their nominees shall not be accepted.

#### **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 payable at Mumbai.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

## **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’). 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. 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 BSE. 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).
- a) For applications where the proportionate allotment works out to less than 3000 equity shares the allotment will be made as follows:
1. Each successful applicant shall be allotted 3000 equity shares; and
  2. The successful applicants out of the total applicants for that category shall be determined by the drawl 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.



- b) If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 3000 equity shares subject to a minimum allotment of 3000 equity shares.
- c) 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 nearest multiple of 3000 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, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- d) 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:
1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  2. The balance net offer of shares to the public shall be made available for allotment to
    - a) Individual applicants other than retails individual investors and
    - b) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  3. 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.

### **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 05, 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.
- All Applicants should submit their application through ASBA process only.

***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 (1<sup>st</sup> 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.

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.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **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 02, 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 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 3000;
- Category not ticked;
- Multiple Applications as defined in this 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 Stock invest/ 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 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 Applicant;
- 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 3.00 pm on the Issue Closing Date;

## **IMPERSONATION**

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

Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person a fictitious name,

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

## **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated September 20, 2019 this issue is 100% Underwritten.

## **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the Registrar of Companies NCT of Delhi and Haryana and in terms of Section 26 of Companies Act, 2013.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, 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. In the pre-issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

## **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

On the Designated date, the SCSBs shall transfer the funds represented by allocation of equity shares into public issue account with the banker to the issue. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the Issue shall upload the same on its website. On the basis of approved basis of allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their respective depository participants to accept the



equity shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions the Registrar to the Issue will dispatch allotment advice to the applicants who have been allotted equity shares in the issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within two months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the SCSB's to 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 one working day of the date of approval of Basis of Allotment by Designated Stock Exchange.

### **PAYMENT OF REFUND**

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager shall intimate Public Issue bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary applicants.

As per RBI Regulation, 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, NRIs, FIIs and Foreign Venture Capital Funds will be treated on the same basis with other categories for the purpose of allocation.

### **DISPOSAL OF APPLICATION AND APPLICATION MONIES AND INTEREST IN CASE OF DELAY**

The company shall ensure the dispatch of allotment advice, instruction to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the stock exchange within one (1) working day of the date of allotment of equity shares.

The company shall use best efforts 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 with six (6) working days of the closure of the issue.

### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue



advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed;
5. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law for the delayed period;
6. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time; and
7. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed.

#### **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 Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue, in whole or any part thereof at any time after the Issue Opening Date but before the Allotment, with assigning reason thereof. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared within Two days of Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for such decision and. 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. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:



1. The final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and
2. The final RoC approval of the Prospectus after it is filed with the concerned RoC.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh prospectus with stock exchange.

### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) We have entered into tripartite agreement dated July 26, 2019 between NSDL, the Company and the Registrar to the Issue;
- (b) We have entered into tripartite agreement dated July 23, 2019 between CDSL, the Company and the Registrar to the Issue;

The Company's Equity shares bear an ISIN No. INE09RU01012.

- 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 has electronic connectivity with CDSL and NSDL.
- The allotment and 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 and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post



Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.

## **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply 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 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.**

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 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/cms/sebi\\_data/attachdocs/1480483399603.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html). 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 SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all investors 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 stock invest, or ASBA Application Form accompanied by cash, 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 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 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 Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 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.



## **RESTRICTION 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.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the 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.

**As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**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 Draft 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.**



## ISSUE STRUCTURE

*This Offer has been made in terms of Regulation 229(1) of Chapter IX of SEBI ICDR Regulations whereby, our post-Offer face value capital does not exceed ten crore rupees. The Company shall issue specified securities 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 Limited). For further details regarding the salient features and terms of such Offer, please refer to the chapter titled "Terms of the Offer" and "Issue Procedure" beginning on page 200 and 206 of this Draft Prospectus.*

### Present Issue Structure

The present Issue of up-to 9,30,000 Equity Shares for cash at a price of Rs. 38/- (including a premium of Rs. 28/- aggregating up-to Rs. 353.40 Lakhs by our Company. The Issue comprises a net issue to the public of up-to 8,82,000 Equity shares (the "Net Issue"). The Issue will constitute 26.65% of the post- Issue paid-up Equity Share capital of our Company and the Net Issue will constitute 25.27 % of the post- Issue paid-up Equity Share capital of our Company.

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	8,82,000	48,000
Percentage of Issue Size available for allocation	94.84% (50.00% to Retail Individual Investors and the balance 50.00% to other Investors)	5.16%
Basis of Allotment	Proportionate subject to minimum allotment of 3,000 Equity Shares and further allotment in multiples of 3,000 Equity Shares each. For further details please refer to the "Basis of Allotment" on page 221 of the Draft Prospectus	Firm Allotment
Mode of Application	All Applicants must compulsorily apply through the ASBA Process or through UPI for Retail Investors.	Through ASBA Process Only.
Minimum Application Size	For QIB and NII: Such Number of Equity Shares in multiples of 3,000 equity shares such that the application value exceeds Rs. 2,00,000. For Retails Individuals: 3,000 Equity Shares	Application size shall be 48,000 equity shares since there is firm allotment.
Maximum Application Size	For QIBs and NII Such number of equity Shares in multiples of 3,000, equity shares such that the application size does not exceeds 8,82,000 equity shares For Retails Individuals: 3000 Equity Shares	Application size shall be 48,000 equity shares since there is a firm allotment.
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	3,000 Equity Shares	3,000 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.	The entire Application Amount will be payable at the time of submission of the Application Form.

**Note:**

1. *In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*
2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

<b>Issue Price (in Rs. )</b>	<b>Lot Size (No. of shares)</b>
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

\*50% of the shares offered are reserved for applications below Rs. 2.00 lakh and the balance for higher amount applications

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]



Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m..

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bid form, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by Lead Manager to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## SECTION IX - MAIN PROVISION OF ARTICLE OF ASSOCIATION

### PRELIMINARY

Subject to anything to the contrary hereinafter provided, the Regulations contained in Table “F” in Companies Act, 2013, (hereinafter referred to as the Act) shall apply to the Company.

### INTERPRETATION

- I.** In these Articles unless there by anything repugnant to the subject or context the following words shall have the meaning written against them :
- (a) ‘The Company’ means **RAINBOW CROP HEALTH LIMITED.**
  - (b) ‘The Act’ or ‘The said Act’ means the Companies Act, 2013 as amended by any Act or Acts for the time being in force in the union of India.
  - (c) ‘Seal’ means the Common seal of the Company.
  - (d) ‘Writing’ shall include printing and lithography and any other mode of representing or reproducing words in visible form and includes fax and e-mails.
  - (e) ‘The Board’ means the Board of Directors of the Company.
  - (f) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

### SHARE CAPITAL AND VARIATION OF RIGHTS

- II.** The Share Capital of the Company is as stated in Clause 5 of the Memorandum of Association, with the power to increase or reduce such Capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the Capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions.

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

- 2.** (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (c) Permission for Sub-Division/Consolidation of Share Certificate.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.





- The Company shall have a power to issue shares by way of private placement as per Section 42 of The Companies Act, 2013 and to issue shares in terms of Section 62(1)(c) of the said Act read with Companies(Prospectus and Allotment of Securities)Rules 2014 and Companies(Share Capital and Debentures)Rules 2014 as amended from time to time.

#### **LIEN**

- 10.** (i) The company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- 11.** The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
Provided that no sale shall be made :
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of 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.
- 12.** (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 13.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (iii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**

- 14.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.



- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - (iii) A call may be revoked or postponed at the discretion of the Board.
  - (iv) Any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared.
  - (v) The option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.
15. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
17. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
18. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
19. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, allot any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **TRANSFER OF SHARES**

20. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
21. The Board may, subject to the right of appeal conferred by section 58 decline to register -
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
- However, the registration of 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 issuer on any



account whatsoever.

22. The Board may decline to recognize any instrument of transfer unless—
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
23. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

24.
  - (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
  - (ii) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
25.
  - (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either;
    - a) to be registered himself as holder of the share; or
    - b) to make such transfer of the share as the deceased or insolvent member could have made.
  - (ii) The Board shall in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
26.
  - (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
  - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member not occurred and the notice or transfer were a transfer signed by that member.
27. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the share, except he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation



to meetings of the company:

Provided that the board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

- 28.** If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
- 29.** The notice aforesaid shall—
  - (a)** name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b)** state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 30.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 31.**
  - (i)** A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - (ii)** At-any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 32.**
  - (i)** A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - (ii)** The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 33.**
  - (i)** A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be Conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
  - (ii)** The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of.



- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

34. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **ALTERATION OF CAPITAL**

35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

36. Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

37. Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time fix the minimum amount of stock transferable, so, however that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and shareholder”/“member” shall include “stock” and “stockholder” respectively.

38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.



### **CAPITALISATION OF PROFITS**

39. (i) The company in general meeting may, upon the recommendation of the Board, resolve -
- a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards -
- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - B. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - E. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power -
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

### **BUY-BACK OF SHARES**

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **GENERAL MEETINGS**

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.



43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **PROCEEDINGS AT GENERAL MEETINGS**

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **ADJOURNMENT OF MEETING**

48. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

49. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
52. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or



- other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
54. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
55. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **PROXY**

56. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power a authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
58. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given :
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

59. The number of the directors and the names of the first directors shall be determined writing by the subscribers of the Memorandum or the majority of them. The first directors of the Company shall be :
1. **Mr. Molu Ram**
  2. **Ms. Rekha Rani**
  3. **Mr. Anil Kumar**
60. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.
61. The Board may pay all expenses incurred in getting up and registering the company.
62. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.
63. All cheques, promissory notes, drafts, hands, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall



from time to time by resolution determine.

64. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
65. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
67. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
68. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
69. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
70. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
71. (i) A committee may elect a Chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
72. (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
73. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the



members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

75. Subject to the provisions of the Act, -
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
76. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

77. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

78. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
79. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
80. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
81. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of



which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

82. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
83. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (iii) There will be no forfeiture of unclaimed dividends before the claim becomes barred by law.
84. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
85. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
86. No dividend shall bear interest against the company.

#### **ACCOUNTS**

87. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

#### **WINDING UP**

88. Subject to the provisions of Chapter XX of the Act and rules made thereunder -
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

89. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



## SECTION X- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of 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 the Draft Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: NH -73, Welcome Complex V&PO, Mouli Panchkula, Haryana-134118 from the date of filing Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.*

#### MATERIAL CONTRACTS

1. Issue Agreement dated September 20, 2019 between our company and the Lead Manager.
2. Agreement dated September 20, 2019 between our company and the Registrar to the Issue.
3. Public Issue Agreement dated [●] among our Company, the Lead Manager, The Banker to the Issue/Public Issue Bank/Sponsor Bank, and the Registrar to the Issue.
4. Underwriting Agreement dated September 20, 2019 between our company and the Underwriters.
5. Market making Agreement dated September 20, 2019 between our company, the Lead Manager and the Market Maker.
6. Agreement among NSDL, our company and the registrar to the issue dated July 26, 2019.
7. Agreement among CDSL, our company and the registrar to the issue dated July 23, 2019.

#### MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated August 10, 2019 in relation to the Issue and other related matters.
3. Shareholders' resolution dated September 05, 2019 in relation to the Issue and other related matters.
4. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Lead Manager, Registrar to the Issue, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
5. Peer Review Auditors Report dated September 23, 2019 on Restated Financial Statements of our Company for the period ended July 15, 2019 and for the years ended March 31, 2019, 2018 and 2017.
6. The Report dated September 23, 2019 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Copy of approval from BSE SME vide letter dated [●] to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
8. Due diligence certificate submitted to BSE SME dated September 25, 2019 from Lead Manager to the Issue.

*Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.*



## SECTION XI - DECLARATION

We, hereby declares that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, 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 statements made in this Draft Prospectus are true and correct.

<b>Signed by the Directors of our Company</b>				
<b>S.N.</b>	<b>Name</b>	<b>Category</b>	<b>Designation</b>	<b>Signature</b>
1.	Mr. Ajay Rulhania	Executive	Managing Director	sd/-
2.	Ms. Rekha Rani	Non-Executive	Director	sd/-
3.	Mr. Raj Kumar Siwach	Non-Executive	Director	sd/-
4.	Mr. Abhay Singh	Non-Executive	Independent Director	sd/-
5.	Mr. Deepak Kumar	Non-Executive	Independent Director	sd/-
<b>Signed by the Chief Financial Officer and Company Secretary of our Company</b>				
6.	Ms. Ginny Uppal	-	Company Secretary	sd/-
7.	Ms. Priyanshu Singh	-	Chief Financial Officer	sd/-

**Place:** Panchkula, Haryana

**Date :** September 30, 2019



**ANEXURE A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY  
CORPORATE CAPITALVENTURES PRIVATE LIMITED:**

**TABLE 1**

<i>Sr. No.</i>	<i>Issue Name</i>	<i>Issue Size (Rs. in Cr.)</i>	<i>Issue Price (Rs.)</i>	<i>Listing Date</i>	<i>Opening Price on Listing Date (Rs.)</i>	<i>+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30<sup>th</sup> Calendar Days from Listing</i>	<i>+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90<sup>th</sup> Calendar Days from Listing</i>	<i>+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180<sup>th</sup> Calendar Days from Listing</i>
1.	Shish Industries Limited	4.06	30.00	05-09-2017	32.00	-11.99%	-15.33%	-17.15%
						-2.70%	20.71%	27.89%
2.	Ratnabhumi Developers Limited	23.31	63.00	14-12-2017	63.45	-34.70%	-48.07%	-33.75%
						10.06%	0.01%	0.19%
3.	Touchwood Entertainment Limited	4.21	40.00	21-12-2017	43.50	50.94%	-24.06%	17.81%
						6.31%	-6.00%	-2.33%
4.	SMVD Poly Pack Limited	9.02	55.00	26-12-2017	58.00	-20.43%	-44.31%	-57.09%
						3.21%	-10.14%	-5.63%
5.	Narmada Agrobases Limited	7.49	32.00	19-04-2018	31.45	-4.32%	-13.12%	-24.38%
						-0.57%	-2.94%	-14.46%
6.	Rudrabhishek Enterprises Limited	18.73	41.00	13-07-2018	41.25	-1.68%	-1.56%	14.15%
						-1.43%	-13.32%	-10.66%
7.	Rajnandini Metal Limited	4.27	26	08-10-2018	35.00	-24.81%	-23.61%	-21.50%
						3.71	2.97%	5.003%

**SUMMARY STATEMENT OF DISCLOSURE**

**TABLE 2**

<i>Financial Year</i>	<i>Total No. of IPOs</i>	<i>Total Funds Raised (Rs. in Cr.)</i>	<i>Nos. of IPO trading at discount as on 30<sup>th</sup> calendar day from listing date</i>			<i>Nos. of IPO trading at premium as on 30<sup>th</sup> calendar day from listing date</i>			<i>Nos. of IPO trading at discount as on 180<sup>th</sup> calendar day from listing date</i>			<i>Nos. of IPO trading at premium as on 180<sup>th</sup> calendar day from listing date</i>		
			<i>Over 50%</i>	<i>Between 25-50%</i>	<i>Less than 25%</i>	<i>Over 50%</i>	<i>Between 25-50%</i>	<i>Less than 25%</i>	<i>Over 50%</i>	<i>Between 25-50%</i>	<i>Less than 25%</i>	<i>Over 50%</i>	<i>Between 25-50%</i>	<i>Less than 25%</i>
April 1, 2019 to till date	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	3	30.49	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil	3	Nil	Nil	Nil
2017-18	4	40.60	Nil	1	2	1	Nil	Nil	1	1	1	Nil	Nil	1
2016-17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.