



KARNIMATA COLD STORAGE LIMITED

Our Company was incorporated as Karnimata Cold Storage Private Limited on April 29, 2011 under the Companies Act, 1956 bearing Registration No. 162131 and having its Registered Office in Paschim Medinipur, West Bengal. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Karnimata Cold Storage Limited vide special resolution dated November 26, 2012. A fresh Certificate of Incorporation consequent upon change of name was issued on December 04, 2012 by the Registrar of Companies, West Bengal. For details, see "History and Certain Corporate Matters" on page 90 of this Prospectus.

Registered Office: Village – Chekuasole, P.O. – Jogerdanga, P.S. – Goaltore, Dist. – Paschim Medinipur, West Bengal - 721121

Tel No.: +91 3227 - 218314; **Tele Fax No.:** +91 3227 - 265193

Email: karnimatacoldstorage@gmail.com **Website:** www.karnimatacoldstorage.com

Contact Person: Mr. Subrat Kumar Nayak, Company Secretary and Compliance Officer.

Our Promoters: Mr. Pradip Lodha, Mrs. Asha Ladia, Mrs. Sushila Lodha, SRG Trading Private Limited and Pratyush Mercantile Private Limited

THE ISSUE

PUBLIC ISSUE OF 15,18,000 EQUITY SHARES OF ₹ 10/- EACH ("EQUITY SHARES") OF KARNIMATA COLD STORAGE LIMITED ("KCSL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 20/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 303.60 LACS ("THE ISSUE"), OF WHICH, 1,62,000 EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY THE PROMOTERS (THE "PROMOTERS CONTRIBUTION") AND 78,000 EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE PROMOTERS CONTRIBUTION AND THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 12,78,000 EQUITY SHARES OF ₹ 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.85% AND 25.14%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For further details see "Issue Related Information" beginning on page 158 of this Prospectus.

All potential investors may participate in the Issue 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. For details in this regard, specific attention is invited to "Issue Procedure" on page 165 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10/- per Equity Share and the issue price is 2.00 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on Page 59 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer 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 offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of Risk Factors given on Page 11 of this Prospectus under the Section "Risk Factors".**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the Issuer and the issue, which is material in the context of the issue, that the information contained in this Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document 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 offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of Chapter XB of SEBI (ICDR) Regulations, 2009 as amended from time to time, we are not required to obtain any in principle listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated February 05, 2014 from BSE for using its name in the Offer Document for listing our shares on the SME Platform of the BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort,
Mumbai – 400 001
Tel No.: +91 – 22 – 2261 8264 / 8635
Fax No.: +91 – 22 – 2263 0434
Web: www.afsl.co.in
Email: info@afsl.co.in
Contact Person: Mr. Pranav Nagar/ Mr. Krish Sanghvi
SEBI Registration No. INM000011344

REGISTRAR TO THIS ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai - 400 072, Maharashtra, India
Tel: +91 – 22 – 40430200;
Fax: +91 – 22 – 28475207
Email: ipo@bigshareonline.com;
Investor Grievance Email: investor@bigshareonline.com;
Website: www.bigshareonline.com
Contact Person: Mr. Babu Rapheal C
SEBI Registration No.: MB / INR000001385

ISSUE OPENS ON

February 25, 2014

ISSUE CLOSES ON

March 03, 2014

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Karnimata Cold Storage Limited/ KCSL/ The company/ Company/ We/ Us/ Our/ Our Company/ the Issuer	Unless the context otherwise indicates or implies refers to Karnimata Cold Storage Limited / a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the state of West Bengal.

Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Karnimata Cold Storage Limited
Auditor of the Company (Statutory Auditor)	M/s Bidasaria & Associates, Chartered Accountants, having their office at 14, Princep Street, 3 rd Floor Room No.5, Kolkata – 700 072
Audit Committee	The audit committee constituted by our Board of Directors on October 01, 2013
Board of Directors / Board	The Board of Directors of Karnimata Cold Storage Limited, including all duly constituted Committees thereof.
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Karnimata Cold Storage Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Group Companies	All companies form venture which would be termed as Group Companies as per the definition given in Schedule VIII of SEBI ICDR Regulations, 2009. For details of Group Companies of the Company, please see the Chapter titled “Group Companies” beginning on page 113 of this Prospectus
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Karnimata Cold Storage Limited
Net Owned Funds	Calculated as a sum of Share Capital and Reserves & Surplus, less Net Deferred Tax Assets
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident 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 validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.

Promoters / Core Promoters	Mr. Pradip Lodha, Mrs. Sushila Lodha, Mrs Asha Ladia, Pratyush Mercantile Private Limited & SRG Trading Private Limited
Promoter Group	Promoter Group consist of Individuals, HUFs, Companies, Firms, etc. as mentioned in the Chapter “ <i>Our Promoters, Promoter’s Group And Group Companies</i> ” on page 105 of this Prospectus
Registered and /or Corporate Office	The Registered Office of our company which is located at :Village – Chekuasole, P.O.–Jogerdanga, P.S.–Goaltore, Dist.–Paschim Medinipur, West Bengal – 721121
P.O.	Post Office
P.S.	Police Station
RoC	Registrar of Companies, Kolkata situated at West Bengal
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 Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

Issue Related Terms

Terms	Description
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, Non-Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
Banker to the Company	State Bank of India
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being HDFC Bank and Axis Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 165 of this Prospectus
Business Day	Monday to Friday (except public holidays)
BSE	BSE Limited
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not

	eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in 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.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Applicants in the Issue.
Designated Market Maker	Vasundhara Merchants Limited
Designated Stock Exchange	SME Exchange of BSE Limited
Eligible NRIs	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Prospectus constitutes an invitation to Application on the basis of the terms thereof.
Equity Shares	Equity shares of our Company of ₹ 10/- each
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Issue / Issue Size / Public Issue	The Public Issue of 15,18,000 Equity Shares of ₹ 10/- each at ₹ 20 (including share premium of ₹ 10/-) per Equity Share aggregating to ₹ 3,03,60,000/- (Rupees Three Crores Three Lacs Sixty Thousand Only) by Karnimata Cold Storage Limited.
Issue Closing date	The date on which the Issue closes for subscription being March 03, 2014
Issue Opening date	The date on which the Issue opens for subscription being February 25, 2014
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 20/-
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 54 of this Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services

	Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue (excluding the Promoters Contribution and Market Maker Reservation Portion) of 12,78,000 Equity Shares of ₹ 10/- each at ₹ 20 (including share premium of ₹ 10/-) per Equity Share aggregating to ₹ 2,55,60,000/- (Rupees Two Crores Fifty Five Lacs Sixty Thousand Only) by Karnimata Cold Storage Limited.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Foreign Investors / QFIs	Person who has opened a dematerialized account with a qualified depository participants as a qualified foreign investor, holding a valid certificate of registration and who are deemed to be Foreign Portfolio Investor under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made
Refund Banker	The bank(s) which is/ are clearing members and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being Axis Bank.
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 Issue	Registrar to the Issue being Bigshare Services Private Limited
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 ₹ 2,00,000
SEBI Regulation / SEBI (ICDR) Regulations / Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (Foreign Portfolio	Securities and Exchange Board of India (Foreign Portfolio Investors)

Investor) Regulations	Regulations, 2014.
Self Certified Syndicate Bank(s) / SCSBs	A Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/pmd/scsb.pdf
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Vasundhara Merchants Limited
Underwriting Agreement	The Agreement among the Underwriters and our Company dated January 16, 2014
U.S. Securities Act	U.S. Securities Act of 1933, as amended

Technical / Industry Related Terms

Terms	Description
Dry Bulb Temperature / DBT	the temperature of air measured by a thermometer freely exposed to the air but shielded from radiation and moisture
D.G.	Diesel Generator
ERW	Electric Resistance Welded
°F	Fahrenheit (32° Fahrenheit = 0° Celsius)
G.I	Galvanized Iron
KwH	Kilowatt Hour
KVA	Kilovolt ampere
H.P.	Horse Power
H.T.	High Tension
Kg.	Kilogram
L.T.	Low Tension
M.T.	Metric Tonne
M.S.	Mild Steel
N.B	Nominal Bore – Standard sizes for Pipes used for high or low pressures and temperatures.
NHB	National Horticulture Board
Perishable	Likely to decay or go bad quickly.
PHM	Post Harvest Management
RPM	Revolution Per Minute
TR	Tonnes of Refrigeration
W.B.	West Bengal

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 The Bombay Stock Exchange Limited)
CAD	Current Account Deficit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Market and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	Foreign Institutional Investors holding a valid certificate of registration under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as repealed, and who are deemed to be Foreign Portfolio Investors.
FIPB	Foreign Investment Promotion Board
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
IPO	Initial Public Offering
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
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
RBI	The Reserve Bank of India
ROE	Return on Equity

RONW	Return on Net Worth
Rs. or ₹	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 United States of America
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.
Working Days	All days other than a Sunday or a public holiday (except during the Issue Period where a working day means all days other than a Saturday, Sunday and any public holiday), on which commercial banks are open for business.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in “lacs” units. One lac represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on period ended September 30, 2013 and for the Fiscal Years ended March 31, 2013 and 2012 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the Section titled “*Risk Factors*”, Chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 11, 77 and 134 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

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

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

Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 190 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this 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 this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Cold Storage industry in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our inability to manage our growth effectively, especially as we expand our storage capacity;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the Section titled “*Risk Factors*”, Chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 11, 77 and 134 of this Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If anyone or some combination of the following risks were to occur, our business, results of operations, financial condition and prospects could suffer, and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. We have described the risks and uncertainties that our management believe are material but the risks set out in this Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved.

Materiality

The Risk factors have been determined and disclosed on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

Internal Risk Factors

- 1. *Failure of the Potato Crop in West Bengal State and more specifically in and around Paschim Medinipur District would severely affect our ability to generate revenues and hence adversely affect our results of operations and financial conditions.***

Our primary revenue generating activity is the rental income we earn on the potato produce being stored at our cold storage facility in Village: Chekuasole, Dist: Paschim Medinipur, West Bengal. Medinipur is part of the traditional potato growing regions in West Bengal (contributing nearly 25 lac tonnes i.e. almost 18% of the total produce in West Bengal in 2010) and West Bengal has been one of the top three potato growing states in India (contributing almost 134 lac tones i.e. almost 32% of total produce in India in 2011) since many decades (*Source: FPI Survey, West Bengal*). Further certain market reports suggest that the total potato production shall see a large jump and shall be in the tune of around 100 lac tones in West Bengal in the current year (*Source: www.businesssecenomics.in*) and hence we believe that the chances of a shortfall in crop should not be a major risk, at least in the near future. However there could be a crop failure in the future for various reasons including but not limited to weak monsoons, lower seed sown by farmers who have lost money due to fall in price in the earlier years, crop diseases, natural calamities etc. Hence, we believe, that, in the long term if there is a severe shortage of potato produce, there may not be a strong requirement for cold storage facilities and hence we may not be able to achieve our targeted capacity utilization figures or break even for the fixed overheads such Power Costs, Maintenance Costs etc. and this would result in weakening of our operational results and financial conditions.

- 2. *Severe variations in Potato Prices in India and more specifically West Bengal could adversely affect our results of operations and financial condition.***

Potato prices like most agricultural commodities in India have witnessed high volatility in the last few years. For e.g. the price of potato (in the Agra Market, which is a national tracked market and sets the tone for most markets in India including West Bengal) was ₹ 8 per kg in March 2012 which rose to ₹ 13 per kg in August 06, 2012 which subsequently fell to ₹ 9 per kg in March 2013 showing a rise of almost 40% as well as a fall of almost 32% in one financial year only (*Source: Spot Market Price, www.mcxindia.com*). For further details regarding the price trends in the potato markets in India, please refer to “Industry Overview” beginning on page 69 of this Prospectus. Also, sometimes in West Bengal the price of South Bengal potato is sometimes different from that of North Bengal potato and the price at which we deal with farmers at local level is “Free Bond Price” and the price which is quoted in

many markets is “Wholesale Price” which includes packing, loading, unloading, transporting charges and the like, along with an additional profit margin and these factors are hence not in our control.

As a cold storage owner, we are affected by the above depicted price volatility in potatoes in the following ways:

- As substantial decrease in potato prices in the state would mean that it is not economical for the farmer to lift the produce kept at the storage facility and hence we may see defaults from such farmers/traders whose stock has been kept. Thus, we may then have to auction in the open market in order to recover our rents as well as finance (if any) provided by us to such farmer/trader against the goods lying in the store. Further, a decrease in potato prices would mostly be a function of oversupply and hence, such farmer may not sow enough potato for the next year which could lead to lack of supply in the coming year also affecting our storage facility requirements to some extent as explained above.
- A substantial increase in potato prices would mean that the value of potato storage is significantly high and hence the non-insurable risks associated with any incident which may damage the produce would be significantly higher. Further, an increase in potato prices is normally a function of a shortage in market and hence we may see government intervention w.r.t ability to store produce for a longer period, also affecting our operational business.

Further, apart from the rental incomes earned from cold storage activities, we are also involved in the trading of potatoes not only because we regularly auction stock lying at our warehouse but also because we believe that since we are deeply involved in the potato marketing and logistics business, we would have good knowledge of price trends and hence would be able to earn additional revenue. We may find ourselves on the wrong side of a bull or bear market in potatoes and hence this could adversely affect our results of operations and finance performance in the future.

3. ***We have incurred substantial indebtedness considering the small numbers of years our company has been in operations. Our failure to generate sufficient operating revenues could result in our inability to service our debt and hence adversely affect our financial condition and goodwill in the future.***

As on September 30, 2013, we have outstanding borrowings of ₹ 893.60 Lacs consisting of ₹ 509.42 Lacs of Term Loan from SBI, ₹ 39.45 Lacs of Working Capital, ₹ 256.73 Lacs of Primary Market Loans from SBI and ₹ 88 Lacs of unsecured loans from corporate and other sources. Further, we have applied for enhanced limit to be sanctioned for the purpose of expansion of our capacity from 1,81,000 quintals to 2,56,000 quintals. This would further increase our indebtedness resulting in a Debt-Equity Ratio being changed considerably.

Further the term loans taken have to be not only serviced interest but also the principal amount of its instalments need to be paid, which would require solid cash flow generation our part. Our inability to generate revenues and requisite cash flows could result in delays or defaults in servicing this debt and hence weaken our financial condition and goodwill.

4. ***Our success depends heavily upon our Promoters and Senior Management for their continuing services, strategic guidance and financial support.***

Our success depends heavily upon the continuing services of Mr. Pradip Lodha, one of our Promoters. He currently serves as our Managing Director and his experience and vision has played a key role in obtaining our current market position. Further, being a relatively small organization, we would depend significantly on our Key Managerial Persons for executing their day to day activities. If our Managing Director or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, we depend on our Promoters in procuring certain bank loans and for the extension of unsecured loans and advances from time to time. We rely on our Promoters in relation to certain of our bank loans for which our Promoters have granted certain security and personal guarantees in relation to such bank loans. Further, our Promoters and their relatives have from time to time, extended loans and advances to our Company for various

business purposes (“Unsecured Loans”). If these lenders recall outstanding amounts under such loans before they fall due, it may adversely affect our financial condition. For details, see “Annexure – XXII Related Party Transactions” and chapter titled “Financial Indebtedness” on page 131 and 140 respectively of this Prospectus. We cannot assure you that any future financing we obtain without guarantees from our Promoters or from unrelated third-parties will be on terms which are equal to or more favourable than the terms of our past financings.

5. *Our business could be adversely affected in case of technical failures of key utility infrastructure such as Power, Water, Machinery Failure etc.*

Being a cold storage facility, we are required to create temperatures within in the storage facility in the range of 35°F to 38°F during the year by keeping the artificial cooling systems on for 24 hours during the first few month of loading and gradually reducing it to 12 hours a day. Our operations are hence significantly dependent on adequate and timely delivery of electricity from the State Electricity Board of West Bengal. Our average monthly utilization of power is approximately 74,080.30 KWh of electric power and upon completing the proposed capacity expansion our estimated monthly power consumption would be around 1,04,777.30 KWh. We cannot control the availability of power and shortages if any in power requirements would have to be met through the captive stand-by power arrangement in form of DG Sets installed at the unit. The usage of D.G. Sets would increase our power costs and hence affect our profitability. Sustained technical failure in the DG Sets system as well as Government Power at the same time and our inability to arrange for stand-by power from other sources could result in us not being able to maintain the requisite temperatures and hence could damage the produce.

Further, water is required in huge quantities for cooling and human living purpose. The water is currently sourced from ground through pump sets and government pipelines. Certain aspects which are beyond our control could lead to a technical failure of the pump sets and other water systems related infrastructure affecting our cooling systems would lead to us incurring additional repair and maintenance costs and sustained problem with respect to the same could lead to our inability to maintain the requisite temperatures and hence could damage the produce.

Also, other installed machinery such as Compressors, Oil Separators, Atmospheric Condensers, Air Cooling Systems, Fans, valves etc. could also experience technical failure and hence affect our maintenance costs as well as lead to damage of produce.

Even though till date we have not had a sustained technical failure which could damage the produce stored (including those explained above) and further, the damage, if any, of the produce in case of technical failures has been insured with United India Insurance Co. Ltd, we cannot be assured that such a situation if arises in the future would not materially affect our goodwill, future prospects as well as financial conditions. *For details regarding the kind of technical failures included in the insurance policy availed by the company please see “Risk Factors” on page 11 of this Prospectus.*

6. *Our past revenues show that we have been significantly dependent on a few numbers of customers and the trend may continue in the future. Loss of a major customer or customer group and our inability to find relevant replacement for the same could materially adversely affect our operating results and financial conditions.*

Top 10 Customers represent 68.93% and 58.03% of our total Revenue from Operations for FY ended March 2013 and March 2012 respectively. The reason for such heavy dependence on few customers is due to the management’s decision to store produce belonging to/deal with certain large traders in lieu of smaller farmers in order to improve operational efficiency as well as manage default risks.

Further, we do not have large corporate clients like food processors etc. with whom we could have entered into long term contracts to ensure smooth availability of demand for our services; instead we deal with local farmers/traders on a case to case basis. Our inability to obtain business from these customers or our inability to find newer customers in case these customers decide not to deal with us could materially adversely affect our operating results and financial conditions.

7. *Our business is seasonal in nature and hence our operating results for different periods may not be comparable.*

Similar to the agricultural commodity (Potato) being stored, the cold storage operations also follow a specific cycle every year. The potato crop is mostly sown in September and is harvested in February and March every year. However, it is consumed during the full year and hence there is a requirement of cold storing it from March onward until the next harvest. Rent is accrued when the farmer who has loaded the produce decides to unload the same and hence depending on the level of unloading activity at our facility our revenues would differ. The First Quarter of a financial year would see low amount of unloading (i.e. around 15-20%) and hence even though the expenses w.r.t power etc. are relatively high due to the high amount of storage during this period our revenues may not correspond accordingly. The second and third quarter would see the maximum amount of unloading and also see the overhead costs such as Power reduce due to lowering of cooling requirements and hence the profitability would be on the higher side during these periods. The last quarter of the year is when the cold storage is emptied and maintenance work is carried out and least amount of rental revenue is accrued.

Being seasonal in nature our operating results for different periods may not be comparable and hence could adversely affect the valuation and prices of our equity shares in the future.

8. *We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.*

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business. In future, we shall be required to renew such registrations and approvals and obtain new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. Failure to obtain and renew such registrations and approvals with statutory time frame attracts penal provisions. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations and profits.

Further, certain statutory licenses and approvals which we have obtained for the purpose of carrying our business, contain terms and conditions/covenants, which are to be adhered to by our Company, for e.g. the West Bengal Cold Storage (Licensing and Regulation) Act, 1966 required that we give first priority to a farmer/co-operative society willing to store produce upto ten quintals and if such a hirer is not available, only then shall we store produce of traders/wholesalers etc. In case our Company defaults in complying with the said terms and conditions/ covenants, we may be subjected to penal provisions and it may also lead to the cancellation of such licenses and approvals, which will adversely affect our business, financial conditions and results of operations.

For further details see Chapter on “Key Industry Regulations and Policies” and “Government and Other Approvals” beginning on page 86 and 144 of the Prospectus respectively.

9. *We are in the process of expansion of our current storage capacity and the same is funded from Debt and Internal Accruals. Delay in the expansion and any cost / time overrun will affect our business operations and financial performance.*

Our Company currently has a storage capacity of chambers aggregating to 1,81,000 quintals which we commissioned in March 2012. We are currently in the process of expanding our capacity by setting up additional chambers aggregating to 75,000 quintals at the same location which will add upto 2,56,000 quintals. The construction of the expansion has begun and is expected to be completed by the first quarter of FY 2014-15. The expansion project is funded from a mixture of debt and internal accruals. However, the complete Debt funding for the expansion is not yet tied up and our Company is in negotiations with the Banks for additional sanction of the same. We cannot guarantee the sanction of the required limit which may lead to delay in implementation of the expansion plan and also result in cost / time overruns. Delay in completion of the expansion may lead to loss of potential rent income in the coming loading season of March – April 2014.

10. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

Our Company had a 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.

(₹ in Lacs)

Particulars	Six months period ended September 2013	FY ended March 2013	FY ended March 2012
Net Cash generated From / (Used in) Operating Activities	132.10	239.39	(280.30)
Net Cash generated From / (Used in) Investing Activities	(106.60)	(23.84)	(961.05)
Net Cash generated From / (Used in) Financing Activities	(112.73)	(144.05)	1,263.99

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

11. 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. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled "Our Business" and "Our Promoters, Promoter's Group and Group Companies", beginning on pages 77 and 105 respectively and Annexure XXII - Related Party Transactions" on page 131 under chapter titled "Financial Statements" beginning on page 118 of the Prospectus.

12. Our Company has certain contingent liabilities, which have not been provided for. Crystallization of any of these contingent liabilities may adversely affect our financial condition.

The contingent liabilities of our Company not provided for, as certified by our statutory auditors are as under:

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Claims against the company not acknowledged as debts	13.00	13.00	3.50

In the event the above contingent liability gets crystallized, our financial condition may be adversely affected. For further information, please refer "Annexure XXI - Contingent Liability" beginning on page 131 under Chapter titled "Financial Statements" beginning on page 118 of the Prospectus.

13. There may be potential conflict of interests between our company and other venture or enterprises promoted by our promoters or directors.

At present none of Corporate Promoters or Group Companies are engaged in a business similar to ours. However, one of our corporate promoter – namely – Pratyush Mercantile Pvt. Ltd ("PMPL") has been authorized by its Memorandum of Association to undertake activities which are similar to ours. Even though PMPL has not been involved in any activity that is similar of our company till date, however, because, its MOA authorizes it to be involved in similar activities as ours, it does pose a potential conflict of interest. Further, all of our Individual Promoters are involved in the trading of potatoes in their individual capacity and this too is a conflict of interest.

We cannot be assured that we shall be able to adopt necessary measures for mitigating these conflicts and hence the same if not managed well could adversely affect our results of operations and financial condition. For further details, please refer to the chapter titled, “Group Companies”, beginning on page 113 and Annexure XXII - Related Party Transactions’ beginning on page 131 of this Prospectus.

14. 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 Chapter “Objects of the Issue” on page 54 of the 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, we may face time and cost overruns and this may affect our revenues and results of operations.

15. We have not entered into any definitive arrangements to monitor the utilization of the Issue Proceeds.

As per the SEBI (ICDR) Regulation 2009, appointment of monitoring agency is required only for Issue size above ₹ 50,000 lacs. Hence we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the chapter titled “Objects of the Issue” on page 54 of this Prospectus is not subject to monitoring by any independent agency. Major portion of the funds being raised through this Issue will be utilized for working capital requirements which are based on the management estimates.

16. The restrictive covenants imposed on us by our secured lender - SBI could adversely affect our ability to conduct our business.

Under the terms of the debt facilities sanctioned to us, we are required to obtain the prior written consent of the concerned bank prior to us entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction, effecting any change in our capital structure or in our constitutional documents, appointing, re-appointing or removing any persons who exercise substantial powers of management over our affairs; availing of any fresh credit facilities so long as the loan accounts continue in the books of lender; undertaking guarantee obligations on behalf of any third party or any other company; entering into any contractual obligation which is of a long term nature or which affects us financially to a significant extent. For further details of our financing arrangements, see “Financial Indebtedness” beginning on page 140 of this Prospectus.

Breaches of the terms and conditions of the loan facilities may constitute an event of default, cross-default and acceleration of repayment under our financing agreements. Our lenders are entitled to declare the relevant loans to be immediately due and payable, cancel the respective facilities, enforce security under the respective loans and/or require us to restructure our management, appoint nominee directors on our Board or convert the loan amount into equity in us. We cannot provide any assurance that our lenders will not enforce their rights relating to our breach of financial covenants, or grant us waivers with relation to any of these breaches. Our lenders could take action to accelerate our indebtedness or prohibit us from drawing upon these or other facilities. We may also be unable to take out new debt facilities as a result of these breaches. Any of these consequences could adversely affect our capital expenditure plans, business, financial condition, results of operations and prospects.

17. We have not identified any alternate source of financing the ‘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 could result in delay of giving loans to the farmers which in turn may result in shortfall in the quantum produce stored with us and thus may affect the business operation and financial performance of the company.

18. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and actual cost may vary compared with the estimated amount.

The funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. These fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our plans and fund requirements as a result of variations including in the business strategy, government policies, changes in terms of our lenders and other external factors, which may not be within the control of our management. In the event of an increase in expenditure and increased fund requirements, we will seek to meet these increased requirements by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If such surplus funds are unavailable, we will seek to meet these increased requirements through our internal accruals and additional debt. This may entail rescheduling, revising or cancelling the planned fund requirement and increasing or decreasing the same for a particular purpose from its planned expenditure / requirement at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

19. Post this Issue, our Promoters and Promoter Group shareholding will be diluted in our Company.

Post this Issue, our Promoters and Promoter Group will collectively own only 20.30% of our Equity Share capital. Accordingly, our Company will run the risk of change in control in our Company or prevent a change in control in our Company, facilitate a merger, consolidation, takeover or other business combination involving our Company, or encourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company even if it is not in its best interest.

20. The unsecured loans taken by our company are repayable on demand.

As on September 30, 2013, we have on our books unsecured loans outstanding aggregating to ₹ 88 lacs from Corporate Bodies. These loans are repayable on demand and if these lenders recall outstanding amounts without any prior intimation, it may adversely affect our cash flows and financial condition. For details, see "Financial Statements" and "Financial Indebtedness" on page 118 and 134 of this Prospectus.

21. Some of our Group Companies have incurred losses in the recent past. Sustained losses by these companies could adversely affect our Promoters and Promoter Groups financial condition.

Certain of our Group companies have incurred losses in the past as detailed below:

(₹ in Lacs)

Sr. No.	Name of Company	PAT (FY 2013)	PAT (FY 2012)	PAT (FY 2011)
1.	Binapani Real Estate Private Limited	(0.79)	(3.08)	(1.90)
2.	Dynasty Inn Private Limited	(0.19)	(0.30)	(0.15)
3.	Janu Infrastructure Private Limited*	(1.22)	N.A.	N.A.

* Being newly incorporated this company has only completed one accounting period.

Even though we believe that these losses are not large in number and are primarily due to the nascent stage of the company and their operations, there can be no assurance that sustained losses in the future would not adversely affect our Promoters and Promoter Groups financial condition.

22. We have applied for registration of our name and logo but the same is currently pending with the relevant authority. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.

We have applied for registration of our name and logo under the provisions of the Trademarks Act, 1999 and do not own the same as on date. As such, we do not enjoy the statutory protections accorded to a registered logo/trademark as on date. There can be no assurance that we will be able to register the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Also, the trademark might be subjected to objection due to similar phonetics as that of “kiranamart.com”. Further, we cannot assure you that any application for registration of our logo in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details, please see the chapter titled “Government and Other Statutory Approvals” beginning on page 144 of this Prospectus.

23. We have in past entered into related party transactions and may continue to do in future.

We have entered into transactions with our Promoters, our Promoter Group, Group Entities, our Directors and their relatives. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may 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 operations. For further details, please refer to “Annexure XXII – Related Party Transactions” of the section titled “Financial Information” beginning on page 118 of this Prospectus.

24. We may not be able to sustain effective implementation of our business and growth strategies.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook.

25. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Modernization and technology upgradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed latest technology and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards and in case of a new found in cold storage technology, we may be required to implement new technology or upgrade the machineries and other equipment’s employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

26. We rely on third party labour for a major portion of our unskilled labour activities

We require significant number of unskilled labour at our facility for the loading, unloading, weighing, sorting etc. of potatoes. We do not employ any such labour on our fixed payroll and nor is it our contractual obligation to arrange for such labour. It is the client’s responsibility to arrange for labour on daily wages basis which is very much available locally. In some cases we may suggest a certain local contractor to the client but we are not party to their

arrangements and hence cannot control the labour that operates on our site. Our in-house labour is responsible to supervise their activities and ensure that no damage is done by them to our facility as well as goods. Since, we do not have these labours on our pay-roll and we cannot contractually control them, we are unable to assure continued availability of the same or we may experience to disputes or other problems with local work force. This may result in our operations and customer dissatisfaction thus adversely affecting our goodwill and future revenues.

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

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

28. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

Operating and managing a business involves many risks that may adversely affect our operations and the availability of insurance is therefore important to our operations. In addition, our Company cannot be certain that the existing coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds our available insurance coverage or that leads to adverse changes in our insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect our financial condition and results of operations. For details regarding the insurance coverage please see the Chapter “Our Business” beginning on page 77 of this Prospectus.

29. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

Cold Storage Industry in India and particularly West Bengal is governed by local factors. The proximity of a storage facility to the local growing areas is a core competitive factor in this business. Players in this industry generally compete with each other on key attributes such as Storage Area, Technology and financial assistance provided to the farmers / traders. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Though we believe that there are no large organizations or large corporate group who are operating this business in West Bengal, small and mid-sized cold storage facilities are operating in Medinipur District such as Jia Krishna Cold Storage, Poornima Cold Storage, Brahmanand Himghar and various others. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

30. We have not entered into any technical support service for the maintenance and repairing of our equipments and machineries. Any malfunctioning of the same may affect our operations and performance.

We have installed various equipments and machineries in our Cold Storage Facility like compressors, condensing units, cooling coils, Ammonia Pressure Receivers, Non-Condensable Air Purger, Testing Equipments and other electrical fittings and accessories such as Induction Motor, Centrifugal Pump Set etc. They require periodic maintenance checks and technical support to ensure their smooth functioning and also to ensure the potatoes stored are not spoiled in an event of technical breakdown or malfunctioning of the storage unit. Our company has not entered into any technical support service agreements with any competent third party. The maintenance and technical support is handled on a need-to-basis. There is a possibility that the technical team may not respond to our call in a timely manner and may thus result in damage to the stored potato stock. Thus, our failure to reduce the downtime in case such events occur may adversely affect our goodwill, business and results of operations.

- 31. *We may decide not to proceed with the Issue at any time before Allotment. If we decide not to proceed with the Issue after the Issue Opening Date but before Allotment, the refund of Application amounts deposited will be subject to us complying with our obligations under applicable laws.***

We, in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time before the Allotment. If we withdraw the Issue after the Issue Opening Date, we will be required to refund all Application amounts deposited within 8 days of the Issue Closing Date. We shall be required to pay interest at the rate of 15% per annum on the Application amounts received if refund orders are not dispatched within 8 days from the Issue Closing Date. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval.

- 32. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future.***

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Hence, there can be no assurance that we will be able to pay dividends in the future.

EXTERNAL RISK FACTORS

- 1. *The new Companies Act, 2013 is in the process of being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Prospectus as well as other rules and formalities for completing the Issue.***

The Companies Act, 2013 has been published on August 29, 2013 and Section 1 of the said Act was notified on August 30, 2013 while 98 more sections were notified as on September 12, 2013. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Prospectus, any further notifications by the MCA after our filing of this Prospectus may be material with respect to the disclosures to be made in the Prospectus as well as other rules and formalities for completing the Issue.

The Companies Act, 2013 is expected to replace the existing Companies Act, 1956. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Issue, and on the business, prospects and results of operations of the Company.

- 2. *The rent chargeable by a Cold Storage Owner in West Bengal is currently controlled by the State Government and is beyond our control.***

Unlike majority of states in India, West Bengal specifically has a system wherein the rent chargeable to the farmer/trader by the Owner of a Cold Storage is set and controlled by the State Government. A decrease in rents ordered by the government or a substantial increase in operating costs not accompanied by the matching increase in rent would adversely affect our results of operations and financial condition. Please see the chapter titled "Key Industry Regulations and Policies" on page 86 of this Prospectus for details of the material laws currently applicable to us.

- 3. *Being a growing company, we may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favorable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favor of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be adversely affected if we are unable to implement our expansion strategy.

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

- 4. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

- 5. *The price of our Company's Equity Shares may be volatile, and investors may be unable to resell their Equity Shares at or above the Issue Price, or at all.***

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including, among other things, volatility in the Indian securities markets, the results of our operations and performance, the performance of our competitors, developments in the Indian retail and consumption-led sectors, changing perceptions in the market about participation in these sectors, adverse media reports on us or the Indian consumption-led sectors, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal regulations. Indian financial markets have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian financial markets have experienced volatility, with the BSE Sensex from a high of 21,206.77 points on January 10, 2008 to a low of 7,697.39 points on October 27, 2008, a decline of almost 63.70% during the period. Similarly, the BSE Sensex increased from 8,047.17 points on March 6, 2009 to 17,486.05 points on December 29, 2009, a rise of 117.29% during the period. If similar volatility occurs in the future, the market price and liquidity of our Equity Shares could be adversely affected.

Even though Vasundhara Merchants Limited has been appointed as Market Maker for our stock, since there has been no public market for our Company's Equity Shares, and an active trading market on the Indian Stock

Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our Company's operating results, market conditions specific to the packaging sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world. The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue.

6. All of our revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.

We derive all of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

7. 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 exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker 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.

8. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by the RBI Circular dated May 4, 2010. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula, and a higher (or lower, as applicable) price per share may not be permitted. There are also restrictions on sales between two non-residents if the acquirer is impacted by the prior joint venture or technical collaborations. The approval from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

9. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements, including the financial statements provided in this Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to

which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

10. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the 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 will not be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain 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 in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

11. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.*

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

PROMINENT NOTES

1) Key Issue Particulars:

Pre Issue Net worth (Based on audited accounts as on September 30, 2013)	₹ 368.69 Lacs*
Post Issue Net worth (assuming full subscription)	₹ 672.29 Lacs
Issue Size	15,18,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 20 per share aggregating ₹ 303.60 lacs.
Cost Per Share to the Promoters: - Mrs. Asha Ladia - Mrs. Sushila Lodha - Pratyush Mercantile Pvt. Ltd. - SRG Trading Pvt. Ltd.	₹ 10/- ₹ 10/- ₹ 10/- ₹ 10/-
Net Asset Value per share or Book Value (Based on Audited Accounts as on September 30, 2013) (Face Value of ₹ 10 per share)	₹ 10.33

* Source: Restated Financials

- 2) Our Company, its Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, Group Companies and Associate Companies are not declared as wilful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
- 3) Investors are advised to refer to the paragraph titled "*Basis for Issue Price*" beginning on page 59 of this Prospectus.
- 4) The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
- 5) Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
- 6) In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page 183 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) Except as disclosed in the chapters titled "*Our Promoter, Promoter Group and Group Companies*" and "*Annexure XXII -Related Party Transactions*" beginning on pages 105 and 131, of this Prospectus, respectively, none of our Group Companies have business interests or other interests or any other transaction with / in our Company.
- 8) No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Financial Statements. For details, please see the section titled "*Financial Information*" beginning on page 118 of this Prospectus.
- 9) The details of transaction by our Company with Group Companies during the last year are disclosed under "*Financial Statements – Related Party Transactions - Annexure XXII*" on page 131 of this Prospectus.

- 10) Our Company was incorporated as Karnimata Cold Storage Private Limited on April 29, 2011 under the Companies Act, 1956 bearing Registration No. 162131 and having its Registered Office in Paschim Medinipur, West Bengal. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Karnimata Cold Storage Limited vide special resolution dated November 26, 2012. A fresh Certificate of Incorporation consequent upon change of name was issued on December 04, 2012 by the Registrar of Companies, West Bengal.

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

Cold Storage-Indian Scenario:

India is agriculture based economy having a production of 63.5 million tons of fruits and 125.89 million tons of vegetables, every year. India is also the largest producer of milk (105 million metric tons per year) and produces 6.5 million tons of meat and poultry and 6.1 million tons of fish. In addition to huge size of agro industry, the pharmaceuticals industry in India is the world's third largest in terms of volume and stands 14th in terms of value.

(Source: indiacoldchainshow.com)

India has occupied a remarkable position in global retail rankings; the country has high market potential, low economic risk, and moderate political risk. In market potential, India ranks second after Brazil. Net retail sales in India are also quite significant among emerging and developed nations; the country is ranked third after China and Brazil.

(Source: <http://indiainbusiness.nic.in/newdesign/upload/sectors/Retail-March-220313.pdf>, Published in March 2013)

Cold storages in India preserve agricultural produce for a fixed period of time (varying from one day and extending upto several months) at low temperature. Refrigerated storage helps in eliminating sprouting, rotting and tuber moth damage and in reducing weight loss of the agricultural produce. The edible products are generally not stored for more than one year. Several cold storages store perishable products which require the storage temperature as low as -25⁰ Celsius. As a general practice, the arrangement of products within the cold storage is managed by the cold storage staff members and not by the product owner, therefore the responsibility to deliver the product in appropriate condition, remains in the hands of the cold storage owner or the insurance company.

(Source: fcaoi.org)

Majority of the cold chain infrastructure in India was developed in 1960s which majorly supports the storage of potatoes and potato seeds. About 75% of the total capacity of cold storages is suitable only for potatoes. Cold chain Infrastructure for other temperature sensitive goods is at abysmal state right now. On an average, about 30-40% of horticultural produce gets wasted annually in India. Even though India is the second largest producer of vegetables worldwide but its share in global export of vegetables is around 1.3% only. This is mainly caused by the lack of cold chain infrastructure which includes both storage and transportation facilities.

According to recently published report by TechSci Research “India Cold Chain Market Forecast & Opportunities, 2017” the cold chain market of India is anticipated to grow at the compounded annual growth rate (CAGR) of 28% during 2012-2017, which will make it a whopping US\$ 11.6 Billion (₹ 6,400 Crore) market. The Indian cold chain market is highly fragmented in which about 3500+ players are present.

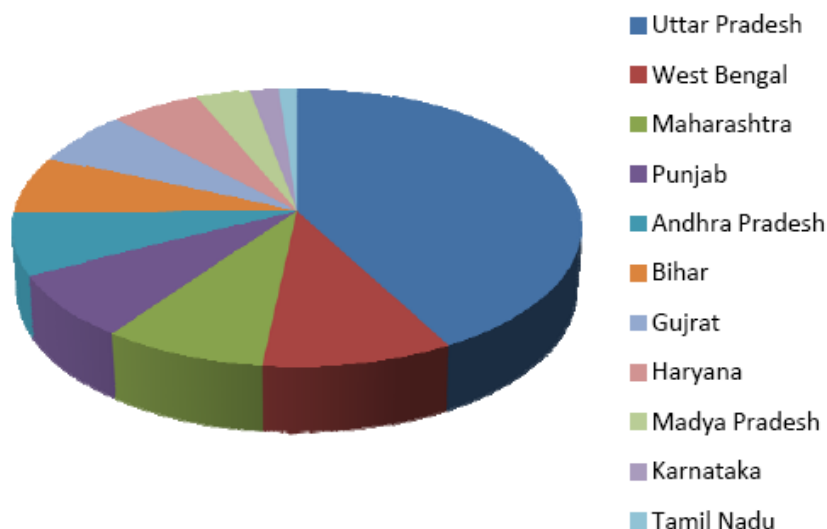
(Source: www.techsciresearch.com)

Market Outlook in India:

The current worth of Indian cold chain market is \$3 billion. The market is nascent yet increasingly demanding and expected to grow to \$12.4 billion by the end of 2015.

Uttar Pradesh has maximum 1,579 cold chains followed by West Bengal at the second place with 531 cold storages, Maharashtra 460, Punjab 420, Andhra Pradesh 350, Bihar 300, Gujarat 175, Haryana 140, Madhya Pradesh 75, Karnataka 65 and Tamil Nadu 35.

Cold Storages

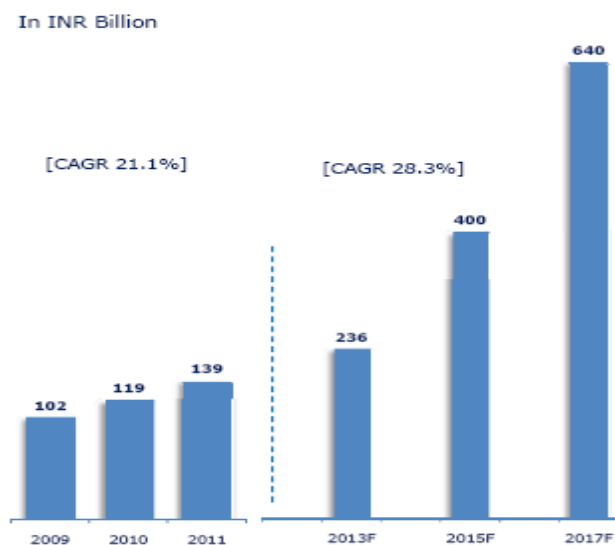


The Indian industry is definitely growing. Currently, most of the cold storages are focused on single products. The focus is now shifting to introduce multiple products in cold storage facility and such cold storages are coming up fast.

For the past few years, the Indian cold chain industry has witnessed some positive changes. Private sector participation has increased in the cold chain industry to cater to the increasing demand for cold chain logistics. Majority of cold storages built in last few years are meant for multi-purpose storage and this trend is expected to continue in coming years as well. The focus of cold chain logistics provider has increased towards milk and milk products, frozen fruits and vegetables, meat and so on. The low profit margin in traditional items like potatoes and onions has led to increased focus on high valued items. The Government of India has taken various initiatives to attract private investment in this sector.

(Source: www.fnbnews.com)

Projected Growth of India Cold Chain Market:



(Source: www.assocham.org, Techsci research, ASSOCHAM India)

Recent Key Developments for Cold Storage in India:

- In order to increase Foreign Direct Investment (FDI) in cold storage sector, Government has permitted 100% FDI under automatic route as per the extant FDI policy. This policy mandates minimum investment of US\$ 100 million with at least 50% of total FDI being invested in 'back-end infrastructure' within three years of the first tranche of FDI, where 'back-end infrastructure' will include capital expenditure on all activities, excluding that on front-end units.
- The Government is implementing following schemes which have components for increasing cold storage capacity aimed at checking wastage of horticulture and agriculture produce:
 1. National Horticulture Mission.
 2. Horticulture Mission for North East and Himalayan States.
 3. National Horticulture Board.
 4. Scheme of Ministry of Food Processing Industries.
 5. Scheme of Agricultural Processed Food Products Export Development Authority.
 6. National Cooperative Development Corporation.
- Further, Government has included capital investment in creation of modern storage capacity including cold chains and post-harvest storage as an eligible sector for viability gap funding under "support to public private partnership in Infrastructure scheme".
(Source: m.oifc.in)
- 5% concession on import duty, service tax exemption, excises duty exemption on several items. Subsidy of over 25% to 33.3% on the cold storage project cost.
(Source: www.assocham.org/events/recent/event_822/Mr-Karan-Chechi.pptx, Techsci research, ASSOCHAM India)

SUMMARY OF OUR BUSINESS

Our company was incorporated as “Karnimata Cold Storage Pvt. Ltd” on April 29, 2011 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, West Bengal. For further details regarding the change in the name of our company, please refer to the Chapter titled “*History and Certain Corporate Matters*” beginning on page 90 of this Prospectus.

We are engaged in the business of cold storage and trading of agricultural commodities currently specializing in potatoes. We have set up and made operational our first cold storage unit in Medinipur District, West Bengal having an installed capacity of 1,81,000 quintals for preservation of potatoes.

The local farmer or trader of potatoes hire our services to store their produce prior to sale at our facilities as per the specifications shown below:

Sr. No.	Produces to be stored as per requirement of the entrepreneur	Capacity (quintals)	Temp Zone ($^{\circ}$ C)	Relative Humidity (%)
1.	Table and Seed Potato	1,81,000	1 to 2	88 to 90%

This first project has been set up on a 6.27 acre plot (free hold land) in order to cater to the localised demands of different growers and traders at Village – Chekuasole, P.O.–Jogerdanga, P.S. – Goaltore, Dist.–Paschim Medinipur, West Bengal.

We believe that the need for setting up and construction of cold storage facilities is highly required for the preservation of potatoes which is a cash crop and the same shall be equally beneficial to both producers and consumers and shall there by strengthen the rural economy of perishable commodities. Our project envisages perfect backward and forward linkage of marketing activities as an essential pre-condition. Further it has become a practice to accommodate necessary finance to hirers of the cold storage against their stocks stored in the cold storage in order to keep the price of potato steady and allow the support price to the growers of potato. Providing this seasonal finance is an important factor in the growth of our business. Our outstanding seasonal finance portfolio stands at ₹. 208.24 lacs and ₹163.48 lacs as on March 31, 2013 and September 30, 2013 respectively.

Since we have recently commissioned our first facility we have only completed one full financial year of operations. We have been able to report ₹ 377.27 lacs of Total Income and ₹ 172.25 lacs in EBITDA for the FY 2012-13.

In addition to the chambers aggregating to 1,81,000 quintals which we commissioned in March 2012, we are currently in the process of expanding our capacity by setting up additional chambers aggregating to 75,000 quintals at the same location. The construction of the same has begun and is expected to be completed by the first quarter of FY 2014-15.

Our Strengths

We believe that following are our competitive strengths:

Highly experienced Promoter backed by professional management team

Our Promoter - Mr. Pradip Lodha has been engaged in the business of Cold Storage for more than 20 years and has gathered immense knowledge of the working of this niche sector. *For further details regarding the experience of our Promoter please refer to “Our Management” and “Our Promoters, Promoter’s Group and Group Companies” beginning on page 93 and 105 of this Prospectus respectively.* Further, our Promoter is backed by a Management team comprising of qualified and professional team having due knowledge of their respective roles in the company. We believe that our promoter and management team is capable of understanding of the industry better than new entrants and will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent contractors, dealing with unorganized farming sector, the global economic crisis and fluctuations in potato prices.

Locational Advantage

Our unit is based in Paschim Medinipur, West Bengal which is in close proximity to the major Potato growing areas of West Bengal like Hooghly, Burdwan, Bankura, Jalpaiguri and Paschim Medinipur and also reachable to the potato growing areas of Uttar Pradesh. This proximity to the Potato growing areas has its inherent advantages. Potatoes, being a perishable commodity, it becomes very important collect the produce from the farmers immediately and keep it in Cold Storage. Also with the increasing infrastructure and transportation in the area, supplying the stored potatoes to wholesalers has become quick and convenient. We believe that there is no other cold storage facility of our size and capabilities within a radius of approximately 10 kms from our site and thus it provides us with a significant competitive edge.

Favourable Government Policies for our sector

The Government of India through the Ministry of Food Processing Industries has formulated a number of policies for extending assistance in the form of grant, subsidy and soft loan to agro food processing industries. In order to give impetus to promotion of all Agro Food Processing Industries several incentives and concessions have been granted. The government has actively supported cold chain, pre and post harvest network area near the production sites. Public-Private Partnership has been encouraged to establish cold chain, pre and post harvest net work infrastructures by the West Bengal Government. We believe that since our core business adds tremendous value to the supply chain of agro produce and empowers farmers/traders to be able to get good prices for their produce, this sector shall continue to get support and encouragement from the government going forward.

Relations with our Bankers and strong financial management

Finance provided by banks and other financial management remains an important source of funding. We maintain good relations with our lenders and up till now all dues have always been met before the due date. Good relations with bankers would enable us to leverage our strategies through firm financial management. *For further details regarding our current indebtedness please refer to “Financial Indebtedness” beginning on page 140 of this Prospectus.*

Our Strategies

Leverage our financial management in line with trends in Cold Storage Industry:

It has become a practice to accommodate necessary finance to hirers of the cold storage against their stocks stored in the cold storage in order to keep the price of potato steady and allow the support price to the growers of potato. Providing this seasonal finance is an important factor in the growth of our business. By listing our shares and improving our governance systems we intend to prove our worthiness in equity and debt markets alike and hence be able to access large pool of funds. This would put us in a situation of advantage w.r.t our funding abilities, hence having a direct impact on competitive position for making our Storage facility the first choice for the local market constituents.

Continue to identify gaps in potato supply chain systems in India and hence take advantage of our ready experience and technology.

We operate in a small village of Chekuasole in West Bengal. Our promoter – Mr. Pradip Lodha was able to identify this region as one having a good amount of potato farming activity and had a requirement for a cold storage facility. We believe that there are no other cold storage facilities in this locality within a radius of approximately 10 kms from our facility. This would put us in good stead w.r.t competitive pressures. Further, having first mover advantage locally is a prime factor in our continuous business possibilities. It helps us establish local networks as well as create goodwill. It is our long term strategy to continue to identify such locations where there is a demand supply mismatch and leverage our existing technological as well as financial capabilities for generating future growth. Our facilities are constructed looking into the need of social aspect for the purpose of development rural-economy in perishable commodity sector generate self employment as well as minimize post harvest loss of agro produces.

Explore other avenues of revenue generation giving synergies with the existing business plan

In addition to revenue earned from rental income of storage facility and interest income on seasonal finance facility, we further intend to utilize our domain knowledge on potatoes and our existing relations with marketing networks to place strategic trades on the potato markets in our area. We believe that trading would help us improve our financial results as well as provide an added revenue stream to our business. Further, in the future the management may consider setting up additional processing facilities for its agro commodities being stored in form of forward integration.

Regular Expansion of capacities to meet growing demand

Our Cold Storage facility is in the proximity of the Potato growing areas. It becomes very important to collect the produce from the farmers immediately and keep it in Cold Storage. Over the years, our Country has seen a tremendous growth in potatoes production. Potato production has shown a CAGR of 5% over the last 10 years (*Source: APEDA, AgriExchange*). We wish to capitalise on this opportunity by increasing our storage capacity in regular intervals, such that the increased capacity is operational before each Potato harvesting season. Accordingly, in addition to the existing chambers aggregating to 1,81,000 quintals which we commissioned in March 2012, we are currently in the process of expanding our capacity by setting up additional chambers aggregating to 75,000 quintals at the same location which will add upto 2,56,000 quintals. The construction of the expansion has begun and is expected to be completed and operational by the first quarter of 2014-15. The expansion project is funded from a mixture of debt and internal accruals. These regular expansions will help us absorb the growing Potato produce in the region and in turn enhance the business prospects in the coming years.

DETAILS OF OUR BUSINESS

Location

We operate our office as well as storage facilities from a 6.27 acre plot (free hold land) situated at Village – Chekuasole, P.O.–Jogerdanga, P.S. – Goaltore, Dist.–Paschim Medinipur, West Bengal. The existing 1,81,000 quintals capacity as well as the on-going expansion project of 75,000 quintals capacity are both set up in this same location.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Auditor's Report of M/s Bidasaria & Associates Chartered Accountants dated November 25, 2013 in the chapter titled "Financial Statements" beginning on page 118 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements for the period ended September 30, 2013 and year ended March 31, 2013 and 2012 including the notes thereto and the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 134 of this Draft Prospectus.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	356.60	356.60	333.50
(b) Reserves and Surplus	12.09	7.44	4.67
Total Shareholder's Funds (A)	368.69	364.04	338.17
(2) Share application money pending allotment (B)	-	-	12.10
(3) Non-Current Liabilities			
(a) Long-term borrowings	537.42	537.97	523.04
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long term liabilities	-	-	-
(d) Long term provisions	-	-	-
Total Non-Current Liabilities (C)	537.42	537.97	523.04
(4) Current Liabilities			
(a) Short-term borrowings	296.18	351.05	403.02
(b) Trade payables	-	-	-
(c) Other current liabilities	117.50	98.52	109.29
(d) Short-term provisions	0.65	-	0.55
Total Current Liabilities (D)	414.33	449.57	512.86
Total (A+B+C+D)	1320.44	1351.58	1386.17
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	866.84	887.69	903.86
(ii) Intangible assets	-	-	-
(iii) Capital work-in-progress	103.53	-	5.00
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	-	-	-
(c) Deferred tax assets (net)	-	-	-
(d) Long term loans and advances	2.33	1.44	0.90
(e) Other non-current assets	65.47	60.22	51.24
Total Non-Current Assets (A)	1038.17	949.35	961.00
(2) Current assets			
(a) Current investments	-	-	-
(b) Inventories	80.07	69.87	31.43

(c) Trade receivables	31.79	29.96	17.62
(d) Cash and cash equivalents	6.93	94.16	22.66
(e) Short-term loans and advances	163.48	208.24	349.87
(f) Other current assets	-	-	3.59
Total Current Assets (B)	282.27	402.23	425.17
Total (A+B)	1320.44	1351.58	1386.17

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Income			
Revenue from operations-	190.83	363.12	17.62
Other Income	12.10	14.15	8.95
Total Income	202.93	377.27	26.57
Expenditure			
Purchase of Stock in Trade	51.06	133.25	24.17
Changes in Inventory of Stock in Trade	(10.20)	(36.03)	(24.17)
Employee benefit expense	9.08	16.12	0.46
Financial costs	57.31	118.01	7.66
Depreciation and amortization expense	21.14	47.08	2.83
Other expenses	69.89	91.68	10.95
Total Expenses	198.28	370.11	21.90
Profit before exceptional and extraordinary items and tax	4.65	7.16	4.67
Less: Exceptional Items	-	-	-
Profit before extraordinary items and tax	4.65	7.16	4.67
Less: Extraordinary Items	-	4.39	-
Profit before tax	4.65	2.77	4.67
Tax expense:			
Current tax	0.89	0.53	0.90
MAT Credit Entitlement	(0.89)	(0.53)	(0.90)
Deferred tax	-	-	-
Profit(Loss) from the period from continuing operations	4.65	2.77	4.67

SUMMARY OF CASH FLOW STATEMENT, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax as restated	4.65	2.77	4.67
<u>Adjustments:</u>			
Add: Depreciation	21.14	41.49	2.83
Add: Interest & Financial Charges	57.31	118.01	7.66
Add: Preliminary Expenses written off	-	3.59	-
Less: Interest Income	2.47	5.46	1.87
Operating Profit before Working Capital Changes	80.63	160.40	13.29
<i>Adjustment for :-</i>			
(Increase) / Decrease in Trade Receivables	(1.83)	(12.33)	(17.62)
(Increase) / Decrease in Inventories	(10.20)	(38.44)	(31.43)
(Increase) / Decrease in Other Current Assets	-	-	(3.59)
(Increase) / Decrease in Short Term Loans & Advances	44.76	141.62	(349.87)
Increase / (Decrease) in Other Current Liabilities	18.98	(10.79)	109.29
Cash Generated from Operations	132.34	240.46	(279.93)
Direct Taxes Paid / TDS	(0.24)	(1.07)	(0.37)
Net cash from / (used in) operating activities (A)	132.10	239.39	(280.30)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase Of fixed Assets	(103.82)	(20.32)	(911.68)
Other non Current Assets	(5.25)	(8.98)	(51.24)
Interest Income	2.47	5.46	1.87
Net cash from / (used in) Investing activities (B)	(106.60)	(23.84)	(961.05)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From issue of share capital + Premium	-	23.10	333.50
Share Application Money Received	-	(12.10)	12.10
Proceeds / (Repayment) from Working Capital Loan	39.45	(50.62)	50.62
Proceeds / (Repayment) of Primary Marketing Loan	(94.32)	(1.35)	352.40
Proceeds / (Repayment) of Term-Loan	(30.55)	(43.07)	523.03
Proceeds / (Repayment) of Un-secured Loan	30.00	58.00	-
Interest & Financial Charges	(57.31)	(118.01)	(7.66)
Net cash from / (used in) financing activities (C)	(112.73)	(144.05)	1263.99
Net (Decrease)/Increase in cash and Cash Equivalents (A+B+C)	(87.23)	71.50	22.64
Cash and cash equivalents at beginnings of year	94.16	22.66	-
Cash and cash equivalents at end of year	6.93	94.16	22.66

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	15,18,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 20 per share aggregating ₹ 303.60 lacs
<i>Of which:</i>	
Issue Reserved for Promoters Contribution	1,62,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 20 per share aggregating ₹ 32.40 lacs
Issue Reserved for the Market Makers	78,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 20 per share aggregating ₹ 15.60 lacs
Net Issue to the Public	12,78,000 Equity Shares of ₹10 each for cash at a price of ₹ 20 per share aggregating ₹ 255.60 lacs
Equity Shares outstanding prior to the Issue	35,66,000 Equity Shares
Equity Shares outstanding after the Issue	50,84,000 Equity Shares
Objects of the Issue	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 54 of this Prospectus

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please see the section titled “*Issue Related Information*” beginning on page 158 of this Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Karnimata Cold Storage Private Limited on April 29, 2011 under the Companies Act, 1956 bearing Registration No. 162131 and having its Registered Office in Paschim Medinipur, West Bengal. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Karnimata Cold Storage Limited vide special resolution dated November 26, 2012. A fresh Certificate of Incorporation consequent upon change of name was issued on December 04, 2012 by the Registrar of Companies, West Bengal. The Company's Corporate Identity Number is U01403WB2011PLC162131 and its Registered Office is situated at Village – Chekuasole, P.O.–Jogerdanga, P.S.–Goaltore, Dist.–Paschim Medinipur, West Bengal – 721121.

Brief Company and Issue Information

Registered & Corporate Office	Village - Chekuasole, P.O. – Jogerdanga, P.S.– Goaltore, Dist. – Paschim Medinipur, West Bengal - 721121 Tel No.: +91 3227 - 218314 Tele Fax No.: +91 3227 - 265193 Email No.: karnimatacoldstorage@gmail.com Website.: www.karnimatacoldstorage.com
Date of Incorporation	April 29, 2011
Company Registration No.	162131
Company Identification No.	U01403WB2011PLC162131
Address of Registrar of Companies	Nizam Palace, II- MSO Building, 2 nd Floor, 234/4, A.J.C.B Road, Kolkata – 700020, Phone: 033-2287 7390, Fax: 033-22903795
Issue Programme	Issue Opens on : February 25, 2014 Issue Closes on : March 03, 2014
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary & Compliance Officer	Mr. Subrat Kumar Nayak Village - Chekuasole, P.O. – Jogerdanga, P.S.– Goaltore, Dist. – Paschim Medinipur, West Bengal - 721121 Tel No.: +91 3227 - 218314 Tele Fax No.: +91 3227 - 265193 Email No.: karnimatacoldstorage@gmail.com Website.: www.karnimatacoldstorage.com/

Board of Directors of the Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	DIN No.
Mr. Pradip Lodha	Managing Director	03006602
Mrs. Sushila Lodha	Non Executive Promoter Director	03504185
Mrs. Asha Ladia	Non Executive Promoter Director	03504170
Mrs. Kalpana Agrawal	Non Executive Independent Director	02976827
Mrs. Venus Kedia	Non Executive Independent Director	06422518
Mr. Jay Prakash Heerwal	Non Executive Independent Director	03123914

For further details pertaining to the educational qualification and experience of our Directors, please see the Chapter titled “Our Management” on beginning on page 93 of this Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

Details of Key Intermediaries pertaining to this Issue and Our Company

Lead Manager of the Issue

Aryaman Financial Services Limited

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg,
Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Mr. Pranav Nagar / Mr. Krish Sanghvi
SEBI Registration No.: INM000011344

Registrar to the Issue

Bigshare Services Private Limited

E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai – 400072
Tel No.: +91 – 22 – 4043 0200
Fax No.: +91 – 22 – 2847 5207
Contact Person: Mr. Babu Rapheal C
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

Legal Advisor to the Issue

Juris Matrix (Advocates & Solicitors)

302, Apeejay House,
130, Mumbai Samachar Marg,
Fort, Mumbai – 400001
Tel No.: +91 – 22 – 2285 6164
Fax No.: +91 – 22 – 2283 4519
Contact Person: Mr. Anil Shah
Email: anil@jurismatrix.net

Auditors of our Company**M/s Bidasaria & Associates**

14, Princep Street,
3rd Floor, Room 5,
Kolkata- 700 072,
Tel No.: 033 – 2212 9596
Fax No.: 033 – 2212 9695
Contact Person: Mr. R.K. Bidasaria
Email: bidasaria1@gmail.com

Bankers to our Company**State Bank of India**

Garbeta,
Midnapore (W),
Pin: 721121
Tel No.: +91 3227 – 267504/265102
Tele Fax No.: +91 3227 – 267504/266821
Contact Person: Mr. Dipankar Choudhury / Mr. Keshab Chandra Midda

Bankers to the Issue / Escrow Collection Banks**Axis Bank Ltd.**

Universal Insurance Building,
Sir P.M. Road, Fort,
Mumbai – 400 001.
Tel No.: +91 – 22 – 6610 7353 / 7265
Fax No.: +91 – 22 – 2283 5758 / 6610 7322
Website: www.axisbank.com
Email: nachiket.kalwit@axisbank.com / viraj.vaidya@axisbank.com
Contact Person: Nachiket Kalwit / Viraj Vaidya
SEBI Registration No.: INBI00000017

HDFC Bank Ltd.

FIG – OPS Department - Lodha
I Think Techno Campus,
O-3, Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai – 400 042
Tel No.: +91 – 22 – 30752928
Fax No.: +91 – 22 – 25799801
Website: www.hdfcbank.com
Email: uday.dixit@hdfcbank.com
Contact Person: Uday Dixit
SEBI Registration No.: INBI00000063

Refund Banker to the Issue**Axis Bank Ltd.**

Universal Insurance Building,
Sir P.M. Road, Fort,
Mumbai – 400 001.
Tel No.: +91 – 22 – 6610 7353 / 7265
Fax No.: +91 – 22 – 2283 5758 / 6610 7322
Website: www.axisbank.com

Email: nachiket.kalwit@axisbank.com / viraj.vaidya@axisbank.com
 Contact Person: Nachiket Kalwit / Viraj Vaidya
 SEBI Registration No.: INBI00000017

Self Certified Syndicate Banks

The list of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, kindly refer to the above mentioned SEBI link.

Statement of Inter-se Allocation of Responsibilities

Aryaman Financial Services Limited is the Sole Lead Manager to this issue, and hence is responsible for all the issue management related activities.

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 50,000 lacs. Since the Issue size is below ₹ 50,000 lacs, our Company has not appointed a monitoring agency for this issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

IPO Grading

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

Trustees

This being an Issue of Equity Shares, the appointment of trustees is not required.

Details of the Appraising Authority

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

Credit Rating

This being an Issue of Equity Shares, no credit rating is required.

Expert Opinion

Except the report of the Statutory Auditor of our Company on the financial statements and Statement of Tax Benefits included in this Prospectus, Our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten (excluding the Promoter's Contribution of 1,62,000 Equity Shares amounting to ₹ 32.40 lacs i.e. 10.67% of the total Issue). The Underwriting agreement is dated January 16, 2014. Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and 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:

Details of the Underwriter	No. of Shares	Amount Underwritten	% of the Total Issue
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	Underwritten	(₹ in lacs)	Size
Aryaman Financial Services Limited	12,78,000	255.60	84.19%
Vasundhara Merchants Limited	78,000	15.60	5.14%
Total	13,56,000	271.20	89.33%

As per Regulation 106P (2) of SEBI (ICDR) Regulations, 2009, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated January 15, 2014 with Vasundhara Merchants Limited a Market Maker registered with the SME Platform of BSE in order to fulfill the obligations of Market Making. The Details of the Market Maker are as under:

Name: Vasundhara Merchants Limited
Address: 36 A, Bentick Street, 2nd Floor, Kolkata - 700069
Tel No.: (033) – 4004 8710, 3296 7870, 2248 3599
Fax No.: (033) 4004 8780
Email: vasundharamechants@gmail.com
Contact Person: Mr. Goutam Chowdhury
SEBI Reg. No.: INB011140531
Market Maker Reg. No.: SMEMM0653613012014

The Market Maker shall fulfil 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 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 minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, 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 Market 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 or 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.
9. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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

The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

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

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

12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 25,000 lacs, the applicable price bands for the first day shall be:
 - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
 - c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the BSE SME Exchange/ Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8

3	75 to 100	6
4	Above 100	5

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

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

(₹ in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	80,00,000 Equity Shares of face value of ₹ 10 each	800.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	35,66,000 Equity Shares of face value of ₹ 10 each	356.60	-
C	Present Issue in terms of this Prospectus*		
	Issue of 15,18,000 Equity Shares of ₹ 10 each at a price of ₹ 20 per Equity Share	151.80	303.60
	<i>Which comprises:</i>		
	1,62,000 Equity Shares of ₹ 10 each at a price of ₹ 20 per Equity Share reserved as Promoters Contribution	16.20	32.40
	78,000 Equity Shares of ₹ 10 each at a price of ₹ 20 per Equity Share reserved as Market Maker Portion	7.80	15.60
	Net Issue to Public of 12,78,000 Equity Shares of ₹ 10 each at a price of ₹ 20 per Equity Share to the Public	127.80	255.60
	<i>Of which:</i>		
	6,39,000 Equity Shares of ₹ 10 each at a price of ₹ 20 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lacs	63.90	127.80
	6,39,000 Equity Shares of ₹ 10 each at a price of ₹ 20 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lacs	63.90	127.80
D	Equity Share Capital after the Issue		
	50,84,000 Equity Shares of ₹ 10 each	508.40	
E	Securities Premium Account		
	Before the Issue		NIL
	After the Issue		151.80

*The present Issue has been authorized pursuant to a resolution of our Board dated August 17, 2013 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Annual General Meeting of our shareholders held on September 26, 2013

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

Classes of Shares

As on date, the Company has only one class of share capital i.e. Equity Shares of ₹ 10 each.

Changes in Authorized Share Capital

- (i) The initial authorised share capital of ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each was subdivided to ₹ 1,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 1 each pursuant to a resolution of our shareholders dated November 17,2011.
- (ii) The authorised share capital of ₹ 1,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 1 each was increased to ₹ 4,00,00,000 divided into 4,00,00,000 Equity Shares of ₹ 1 each pursuant to a resolution of our shareholders dated November 17,2011.
- (iii) The authorised share capital of ₹ 4,00,00,000 divided into 4,00,00,000 Equity Shares of ₹ 1 each was consolidated to ₹ 4,00,00,000 divided into 40,00,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated November 26, 2012.
- (iv) The authorised share capital of ₹ 4,00,00,000 divided into 40,00,000 Equity Shares of ₹ 10 each was increased to ₹ 8,00,00,000 divided into 80,00,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated November 26, 2012.

Notes to the Capital Structure

1. Share Capital History of our Company:

a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
On Incorporation ⁽¹⁾	20,000	10	10	Subscription to MoA	Cash	20,000	2,00,000	Nil
November 17, 2011	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each					2,00,000	2,00,000	Nil
March 31, 2012 ⁽²⁾	3,31,50,000	1	1	Further Allotment	Cash	3,33,50,000	3,33,50,000	Nil
April 07, 2012 ⁽³⁾	18,10,000	1	1	Further Allotment	Cash	3,51,60,000	3,51,60,000	Nil
November 26, 2012	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					35,16,000	3,51,60,000	Nil
December 07,2012 ⁽⁴⁾	50,000	10	10	Further Allotment	Cash	35,66,000	3,56,60,000	Nil

⁽¹⁾ The company allotted 10000 equity shares each to Mrs. Asha Ladia and Mrs. Sushila Lodha.

⁽²⁾ The company allotted 600000 equity shares to Accurate Vintrade Pvt. Ltd., 400000 equity shares to Asha Ladia, 1350000 equity shares to Brahmanand Himghar Limited, 7400000 equity shares to Brahmanand Housing Complex Pvt. Ltd., 500000 equity shares to Dipnarayan Management Pvt. Ltd., 1000000 equity shares to Emerald Vinimay Pvt. Ltd., 800000 equity shares to Instyle Commercial Pvt. Ltd., 1100000 equity shares to Jai Mata Di Finance Co. Ltd., 400000 equity shares to Mrs. Jyoti Dalal, 2200000 to Pratyush Mercantile Pvt. Ltd., 900000 equity shares to Purnima Printers Pvt. Ltd., 200000 equity shares to Mr. Rajendra Kumar Agrawal, 225000 equity shares to Mrs. Richa Agarwal, 150000 equity shares to Mrs. Sapna Devi Agarwal, 500000 equity shares to Shaktidhan Vanijya Pvt. Ltd., 5200000 to SRG Trading Pvt. Ltd., 400000 equity shares to Mrs. Sushila Lodha, 700000 equity shares to Syamdan Paper Udyog, 400000 equity shares to Techno Builders Pvt. Ltd., 2500000 equity shares to Unicon

Tradelinks Pvt. Ltd., 1000000 equity shares to Vaastava Vinimay Pvt. Ltd., 3050000 equity shares to Vasundhara Merchants Pvt. Ltd, 500000 equity shares to Viable Finance and Housing Pvt. Ltd., 675000 equity shares to Mr. Vishal Agarwal and 1000000 equity shares to Vishal Agarwal (HUF)

⁽³⁾ The Company allotted 50000 equity shares to Mr. Deepak Kumar, 50000 equity shares to Mr. Kumar Rishav, 50000 equity shares to Mr. Rajesh Kumar, 50000 equity shares to Mrs. Nilu Devi, 50000 equity shares to Mr. Kumar Harsh, 50000 equity shares to Mr. Nilesh Kumar, 40000 equity shares to Mrs. Kanchan Gupta, 40000 equity shares to Mr. Kushal Gupta, 40000 equity shares to Mr. Nikhil Gupta, 40000 equity shares to Mr. Kunal Gupta, 50000 equity shares to Mr. Shailendra Singh, 50000 equity shares to Mrs. Ranju Singh, 50000 equity shares to Mrs. Poonam Singh, 50000 equity shares to Mr. Raghavendra Singh, 50000 equity shares to Mr. Ravi Kishan Ginodia, 50000 equity shares to Mr. Kishore Kumar Ginodia, 100000 equity shares to Mrs. Anjali Gupta, 100000 equity shares to Mr. Punit Gupta, 100000 equity shares to Mr. Vineet Gupta, 50000 equity shares to Mr. Shashi Kant Ginodia, 50000 equity shares to Miss. Nidhi Prasad, 50000 equity shares to Mr. Kumar Vaibhav, 100000 equity shares to G.D. Kedia(HUF), 100000 equity shares to Sushil Kumar Agarwal, 100000 equity shares to Mr. Shiva Kumar Saraff(HUF) and 300000 equity shares to Pratyush Mercantile Pvt. Ltd.

⁽⁴⁾ The company allotted 50000 equity shares to Jai Mata Di Finance Co. Ltd.

b) No shares have been allotted for consideration other than cash.

c) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.

e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Prospectus.

f) Shareholding of our Promoters

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

Date of Allotment of fully paid up Equity Shares / Transfer	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Mr. Pradip Lodha								
Total (A)						Nil	-	0.00
Mrs. Asha Ladia								
April 28, 2011	Subscription to MOA	Cash	10,000	10	10	10,000	0.28	0.20
November 17, 2011	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each					1,00,000	0.28	0.20
March 31, 2012	Further Allotment	Cash	4,00,000	1	1	5,00,000	1.40	0.98
November 26, 2012	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					50,000	1.40	0.98
Total (B)						50,000	1.40	0.98
Mrs. Sushila Lodha								
April 28, 2011	Subscription to MOA	Cash	10,000	10	10	10,000	0.28	0.20
November 17, 2011	Sub Division of the Face Value of the Equity Shares from ₹ 10 to ₹ 1 each					1,00,000	0.28	0.20
March 31, 2012	Further	Cash	4,00,000	1	1	5,00,000	1.40	0.98

Date of Allotment of fully paid up Equity Shares / Transfer	Allotment / Transfer	Consi derati on	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre- Issue Paid Up Capital	% of Post- Issue Paid Up Capital
	Allotment							
November 26, 2012	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					50,000	1.40	0.98
Total (C)						50,000	1.40	0.98
Pratyush Mercantile Pvt. Ltd.								
March 31, 2012	Further Allotment	Cash	22,00,000	1	1	22,00,000	6.17	4.33
April 07, 2012	Further Allotment	Cash	3,00,000	1	1	25,00,000	7.01	4.92
November 26, 2012	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					2,50,000	7.01	4.92
Total (D)						2,50,000	7.01	4.92
SRG Trading Private Limited								
March 31, 2012	Further Allotment	Cash	52,00,000	1	1	52,00,000	14.58	10.23
November 26, 2012	Consolidation of the Face Value of the Equity Shares from ₹ 1 to ₹ 10 each					5,20,000	14.58	10.23
Total (E)						5,20,000	14.58	10.23
Total (A+B+C+D+E)						8,70,000	24.40	17.11

Notes:

- None of the shares belonging to our promoters have been pledged till date.
- All the promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" beginning on page 44 of this Prospectus.

g) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase of Equity shares of our Company, by any other person during the period of six months immediately preceding the date of this Prospectus.

2. Promoters' Contribution and other Lock-In details:

a) Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("Promoters' Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoters Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares locked in [#]	As a % of Post Issue Share Capital
Mr. Pradip Lodha*	24,000	0.47
Mrs. Asha Ladia*	74,000	1.46
Mrs. Sushila Lodha*	74,000	1.46
Pratyush Mercantile Pvt. Ltd.*	2,80,000	5.50

SRG Trading Pvt. Ltd.*	5,80,000	11.41
Total	10,32,000	20.30

*Includes the promoters contribution in the Issue which will be satisfied one day prior to the date of opening of the issue and the amount shall be kept in the escrow account opened with the Banker to the Issue and shall be released to the company along with the release of the issue proceeds. This table assumes 24,000, 24,000, 24,000, 30,000 and 60,000 shares are allotted as part of the Promoter Contribution portion reserved in the IPO to Mr. Pradip Lodha, Mrs. Asha Ladia, Mrs. Sushila Lodha, Pratyush Mercantile Pvt. Ltd, and SRG trading Pvt. Ltd. respectively.

#For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please see Note 1(f) under “Notes to Capital Structure” on page 45 of this Prospectus.

We confirm that the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired, except the bonus shares issued, by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters’ Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters’ Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of Partnership Firms into Limited Companies.

The minimum Promoters’ Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters’ Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters’ Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters’ Contribution:

- a) have not been subject to pledge or any other form of encumbrance; or
- b) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters’ Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of this Prospectus at a price lower than the Issue Price.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as applicable.

We further confirm that our Promoters’ Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

b) Details of Shares locked-in for one year:

- Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

3. Pre-Issue and Post Issue Shareholding of our Promoters and Promoters' Group

Set forth is the shareholding of our Promoters and Promoters' Group before and after the proposed issue:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue*	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity
A	Promoters				
1	Mrs. Asha Ladia	50,000	1.40	74,000	1.46
2	Mr. Pradip Lodha	-	-	24,000	0.47
3	Mrs. Sushila Lodha	50,000	1.40	74,000	1.46
4	M/s. Pratyush Mercantile Private Ltd.	2,50,000	7.01	2,80,000	5.50
5	M/s. SRG Trading Private Ltd.	5,20,000	14.58	5,80,000	11.41
Grand Total (A)		8,70,000	24.40	10,32,000	20.31

* Includes the promoters contribution in the Issue which will be satisfied one day prior to the date of opening of the issue and the amount shall be kept in the escrow account opened with the Banker to the Issue and shall be released to the company along with the release of the issue proceeds. This table assumes 24,000, 24,000, 24,000, 30,000, and 60,000 shares are allotted as part of the Promoter Contribution portion reserved in the IPO to Mr. Pradip Lodha, Mrs. Asha Ladia, Mrs. Sushila Lodha, Pratyush Mercantile Pvt. Ltd, and SRG trading Pvt. Ltd. respectively.

4. The top ten shareholders of our Company and their Shareholding is as set forth below:

- a. The top ten Shareholders of our Company as on the date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	SRG Trading Pvt. Ltd.	5,20,000	14.58

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
2	Pratyush Mercantile Pvt. Ltd.	2,50,000	7.01
3	Sonal Agrawal	1,80,000	5.05
4	Mona Kedia	1,00,000	2.80
5	Rajesh Kumar	55,000	1.54
6	Nilu Devi	55,000	1.54
7	Asha Ladia	50,000	1.40
8	Sushila Lodha	50,000	1.40
9	Gyarsi Lal Goyal	50,000	1.40
10	Anjana Prasad	50,000	1.40
Total		13,60,000	38.14

b. The top ten Shareholders of our Company ten days prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	SRG Trading Pvt. Ltd.	5,20,000	14.58
2	Pratyush Mercantile Pvt. Ltd.	2,50,000	7.01
3	Sonal Agrawal	1,80,000	5.05
4	Mona Kedia	1,00,000	2.80
5	Rajesh Kumar	55,000	1.54
6	Nilu Devi	55,000	1.54
7	Asha Ladia	50,000	1.40
8	Sushila Lodha	50,000	1.40
9	Gyarsi Lal Goyal	50,000	1.40
10	Anjana Prasad	50,000	1.40
Total		13,60,000	38.14

c. The top ten Shareholders of our Company two years prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1	Asha Ladia	1,00,000	50.00
2	Sushila Lodha	1,00,000	50.00

- Neither the Company, nor its Promoters, Directors and the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the Chapter titled “*Our Management*” on page 93 of this Prospectus.
- There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus is filed with the Designated Stock Exchange.
- Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in “*Issue Procedure - Basis of Allotment*” on page 183 of this Prospectus.
- An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

10. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
11. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
12. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
13. As on date of this Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
14. On the date of filing the Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
15. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
16. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
17. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing 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 or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
18. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.
19. As on date of filing this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
20. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
21. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
22. Our Company has Two Hundred and Forty Seven (247) shareholders, as on the date of this Prospectus.
23. Our Company has not revalued its assets since incorporation.
24. Our Company has not made any public issue or rights issue since its incorporation.

25. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

26. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of this Prospectus:

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
(A)	Promoter and Promoter Group							
-1	Indian							
(a)	Individuals/ Hindu Undivided Family	2	1,00,000	50,000	2.80	2.80	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	2	7,70,000	5,20,000	21.59	21.59		
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(1)</i>	-	-	-	-	-	-	-
-2	Foreign	-	-	-	-	-		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(2)</i>	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+ (A)(2)	4	8,70,000	5,70,000	24.40	24.40	-	-
(B)	Public shareholding							
-1	Institutions							
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	-	-				-	-
(i)	Market Makers	-	-				-	-
(j)	Any Other (specify)	-	-				-	-
	<i>Sub-Total (B)(1)</i>	-	-				-	-
-2	Non-institutions	-	-					
(a)	Bodies Corporate	0	0		-	-	-	-
	Individuals –						-	-
(b)	i. Individual shareholders holding nominal share capital up to ₹ 1 lac	208	15,51,000	20,000	43.49	43.49	-	-
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	35	11,45,000	75,000	32.11	32.11	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (B)(2)</i>						-	-
	Total Public Shareholding (B)= (B)(1)+ (B)(2)	243	26,96,000	95,000	75.60	75.60	-	-
	TOTAL (A)+(B)	247	35,66,000	6,65,000	100.00	100.00	-	-
(C)	<i>Shares held by Custodians and against which Depository Receipts have been issued</i>	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	247	35,66,000	6,65,000	100.00	100.00	-	-

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Object of the Issue is to raise funds to:

- Augment our capital base for providing of Seasonal Loans to farmers/traders
- Meet Issue related Expenses
- Fund General Corporate Purposes

Further, we expect to receive the benefits of listing on the SME Platform of BSE Ltd.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

Fund Requirements

The fund requirements as estimated by our company are as shown below:

		(₹ in Lacs)
Sr. No.	Particulars	Gross Funds requirement (as estimated)
1.	Augment our capital base for providing of Seasonal Loans to farmers/traders	516.00
2.	Issue related Expenses	40.00
3.	General Corporate Purposes	4.60
	Total	560.60

Means of Finance

The Means of Finance for funding the above requirements as estimated by our company are as shown below:

		(₹ in Lacs)
Sr. No.	Particulars	Gross Funds requirement (as estimated)
1.	Primary Market Loan from Bank	257.00
2.	IPO Proceeds	303.60
	Total	560.60

⁽¹⁾This Primary Market Loan has been sanctioned by the State Bank of India vide their letter dated March 29, 2013. For further details please refer to “Financial Indebtedness” on page 140 of this Prospectus.

Hence, we confirm that 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 amounts to be raised through the Issue has been complied with.

The cost estimates have been estimated on a best effort basis by the management and have not been appraised by any independent agency.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the

proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required and general corporate purposes.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page 11 of this Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1. Augment our capital base for providing of Seasonal Loans to farmers/traders:

We preserve potato stocks belonging to the farmers / traders who are the hirers of our cold storage facility. Nowadays, it has become a common practice to accommodate necessary finance to hirers of the cold storage against their stocks stored in the cold storage in order to keep the price of potato steady and allow the support price to growers of potatoes. Looking into these aspects the State and Central Governments have also been operating various support schemes through banks and other financial institutions for providing such finance to cold storage owners as well as hirers. These loans are to be sanctioned prior to the starting of storing of produce in the last quarter of the financial year and to be repaid after the entire sale of stock in and around the third quarter of the financial year. The estimates for the amount of seasonal finance requirement are as below:

(₹ in Lacs)

Particulars	Amount	
Licensed Capacity of Cold Storage (in quintals)	1,81,000	A
Rate of Produce (in ₹ per quintal) ⁽¹⁾	754	B
Total Amount of Produce stored (assuming 100% capacity utilization)	1364.74	C = A×B
Limit of quantum to be financed @ 63% (in quintals) ⁽²⁾	1,14,030	D = A×63%
Rate of produce to be financed @ 60% (in ₹ per quintal) ⁽²⁾	452.40	E = B×60%
Market Value of quantum of produce to be financed	859.79	F = D×B
Value of Loan Amount to be given	515.87	G = D×E
Value of Loan Amount to be given (rounded off)	516.00	
To be funded from:		
Primary Market Loan facility from SBI	257.00*	
IPO Proceeds	259.00	

(Source: Management Estimates)

* The said Seasonal Primary Market Finance has been sanctioned by SBI vide its letter dated March 29, 2013

Note:

(1) Rate of Produce is taken as an average of the closing prices of the Last Four Years as shown below and the same is rounded off to ₹ 754 per quintal

Financial Year	Closing Price (₹ / quintal)
FY 2009-10	572.5

FY 2010-11	637.2
FY 2011-12	886.3
FY 2012-13	917.9
Average	753.48

(Source: MCX India)

- (2) Even though it is common practice based on the statutory laws, banks internal limits etc to allow finance upto 66% for both quantum of stored goods and rate of stored goods, we have conservatively considered 63% for quantum and 60% on rate in these assumptions. These assumptions may be relaxed on a later stage subject to availability of finance and market conditions.

2. Issue Related Expenses

The total estimated Issue Expenses are ₹ 40 lacs, which is 13.17% of the Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	29.00
2	Printing & Stationery, Distribution, Postage, etc.	3.50
3	Advertisement and Marketing Expenses	4.50
4	Stock Exchange Fees, Regulatory and other Expenses	3.00
Total		40.00

3. General Corporate Expenses

Our Company, in accordance with the policies of our Board, will have flexibility in applying the remaining Issue Proceeds aggregating to ₹ 4.60 Lacs, for general corporate purposes, including inter-alia (i) additional expenses/contingencies on the expansion project; (ii) expenditure on renovation and repairs of facility; (iii) acquiring fixed assets including furniture and fixtures, and vehicles; (iv) meeting any expense of our Company incurred in the ordinary course of business, including salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance and the payment of taxes and duties; (v) funding inorganic or other growth opportunity; and (vi) any other purpose as permissible and as approved by our Board or a duly appointed committee from time to time.

The quantum of utilization of funds towards each of the above purposes will be determined by the Board based on the business requirements of our Company, from time to time. We further confirm that the amount being spent under “General Corporate Purposes” does not exceed 25% of the total issue size.

Working Capital

The industry in which we function is not working capital intensive and hence the same is not part of the Objects of the Issue. We intend to source our working capital requirement from internal accruals and bank loan. For details of Working Capital Loan please see the chapter “Financial Indebtedness” on page 140 of this Prospectus.

Year wise Deployment of Funds / Schedule of Implementation

The entire Issue Proceeds are to be deployed by the first quarter of FY 2014-15.

Funds Deployed and Sources of Funds Deployed

M/s. Bidasaria & Associates, Chartered Accountants have vide their letter dated January 03, 2014 confirmed that out of the above mentioned objects, the following funds have been deployed as on December 31, 2013:

Sr. No.	Particulars	Amount (₹ in Lacs)
3.	Issue related Expenses	7.20
	Total	7.20

It has further been confirmed in the above letter that the above mentioned funds deployed have been finance from Internal Accruals.

Appraisal

The cost estimates have been estimated on a best effort basis by the management and have not been appraised by any independent agency.

Monitoring of Utilization of Funds

As the net proceeds of the Issue will be less than ₹50,000 lacs, under the SEBI Regulations, it is not mandatory for us to appoint a monitoring agency.

The management of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this 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.

Interim Use of Funds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we intend to temporarily invest the funds from the Issue in short term readily realizable investments and interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, etc. Our Company confirms that pending utilization of the Issue Proceeds; it shall not use the funds for any investments in the equity markets. No part of the Issue proceeds will be paid to our Promoters, Directors, key management personnel or Promoter Group Company/entity.

BASIC TERMS OF ISSUE

Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of this Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, BSE, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Authority for the Issue:

The present issue has been authorized pursuant to a resolution of our Board dated August 17, 2013 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Annual General Meeting of our shareholders held on September 26, 2013.

Other Details

Face Value	The Equity Shares having a face value of ₹ 10/- each are being offered in terms of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.
Issue Price	The Equity Shares pursuant to this Prospectus are being offered at a price of ₹ 20/- each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 6,000 (Six Thousand) and the multiple of 6,000; subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.
Terms of Payment	Applications should be for a minimum of 6,000 equity shares and 6,000 equity shares thereafter. The entire price of the equity shares of ₹ 20 per share (₹ 10/- face value + ₹ 10 premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank <i>pari-passu</i> in all respects including dividends with the existing Equity Shares of the Company. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten (excluding the Promoter's Contribution of 1,62,000 Equity Shares amounting to ₹ 32.40 lacs i.e. 10.67% of the total Issue).

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been / may be notified under the Companies Act, 2013).

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹10 and Issue Price also is ₹20 per Equity Shares and is 2 time of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on pages 11, 118 and 77 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors that help differentiate us from our competitors and enable us to compete successfully in our industry are:

- Highly experienced Promoter
- Favourable Government Policies for our sector
- Relations with our Bankers

For further details regarding the above mentioned factors, which form the basis for computing the Issue Price, please see “Our Business – Our Strengths” on page 77 of this Prospectus.

Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements prepared in accordance with Indian GAAP.

1) Earnings per Share

Year ended March 31	Basic EPS (in ₹)	Weight
2013	0.08	2
2012	15.68*	1
Weighted Average	5.28	3

* The Face Value of the Equity Shares for F. Y.2012 is ₹1/-. However, for comparison purposes, the same has been considered as face value of ₹10 per Equity Share.

The Basic and Diluted EPS (not annualized) for the six months period ended September 30, 2013 was ₹ 0.13

Notes:

- Basic EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period)
- Diluted EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Diluted weighted average number of Equity Shares outstanding during the year/period)
- Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- The face value of each Equity Share is ₹ 10.

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹20 per share of ₹10 each

Particulars	P/E Ratios
P/E ratio based on Basic EPS as at March 31, 2013	250.00
P/E ratio based on Weighted Average EPS as at March 31, 2013	3.79

Brahmanand Himghar Limited is the only listed entity comparable to our Company. Hence the Industry P/E, Highest, Lowest and Average P/Es are not applicable. However, the P/E of Brahmanand Himghar Limited as on March 31, 2013 was 26.33.

3) Return on Net worth (RoNW)

Year ended March 31	RoNW (%)	Weight
2013	0.76	2
2012	1.40	1
Weighted Average	0.97	3

RoNW for the six months period ended September 30, 2013 was 1.26%.

Note: Return on Net worth has been calculated as per the following formula:

Net profit/loss after tax, as restated / Net worth excluding preference share capital and revaluation reserve

Minimum Return on Net Worth after Issue needed to maintain the Pre-Issue Basic EPS for the FY 2012-13 (based on Restated Financials) at the Issue Price of ₹ 20 is 0.61%.

4) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at March 31, 2013	10.21
NAV as at September 30, 2013	10.38
NAV after Issue	13.22
Issue Price	20.00

Source: Auditors Report

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

Net worth excluding preference share capital and revaluation reserve/ Outstanding number of Equity shares at the end of the year/ period.

5) Comparison with Industry peers

Particulars	Face Value (₹)	EPS (₹)	P/E Ratio	RONW (%)	NAV (₹)
Brahmanand Himghar Limited	5.00	0.15	26.33	1.86%	7.86
<i>* Source: Company Annual Report 2012-13</i>					
KARNIMATA COLD STORAGE LTD.	10.00	0.08	250.00 [#]	0.76%	10.21

* All comparisons are as per the Standalone Financials of the Issuer for the year ended March 31, 2013

[#] Issue price as disclosed in this Prospectus / EPS

- 6) The Company in consultation with the Lead Manager believes that the issue price of ₹ 20 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 2 time of the face value i.e. ₹ 20 per share.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Karnimata Cold Storage Ltd.
Kolkata

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to Karnimata Cold Storage Limited (the “Company”) and to the Equity Shareholders of the Company under the provisions of the Income-tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its Equity Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Equity Shareholders to derive tax benefits is dependent upon fulfilling such conditions.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications arising out of their participation in the proposed Initial Public Offer of Equity Shares of the Company particularly in view of ever changing tax laws in India.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Income- Tax Act, 1961 and Wealth Tax Act, 1957 as of date.

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

**For Bidasaria & Associates,
Chartered Accountants**

Rajkumar Bidasaria
Firm Registration No. 315101E
Membership No. 052251

Place: Kolkata
Date: 25th November, 2013

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to the Company and the Equity Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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.

SPECIAL TAX BENEFITS TO THE COMPANY

In accordance with section 35AD of Income Tax Act, an assessee shall be allowed a deduction in respect of the whole of any expenditure of capital nature incurred, wholly and exclusively, for the purposes of any specified business carried on by him during the previous year in which such expenditure is incurred by him. Specified business includes "Setting up and operating a cold chain facility". According to this section the company will get 100% deduction in respect of all types of Capital Expenditure (except cost of Land, Goodwill & Financial Instrument) in relation to cold chain facility in the previous year in which the capital expenditure is incurred.

Further as per Section 73A, Any Loss, computed in respect of any specified business referred to in section 35AD, which includes Cold Chain Facility, shall not be set off except against profits and gains, if any, of any other specified business. Where for any assessment year any loss computed in respect of the specified business has not been wholly set off, so much of the loss as is not so set off or the whole loss where the assessee has no income from any other specified business, shall, subject to the other provisions, be carried forward to the following assessment year, and –

- i. It shall be set off against the profits and gains, if any, of any specified business carried on by him assessable for that assessment year; and
- ii. If the loss cannot be wholly set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on (i.e. Indefinite Period).

Hence unless & until the whole of the loss is not so set off, the company will pay the tax under section 115-JB of the income tax act. i.e. presently 18.5 % of the book profits.

GENERAL TAX BENEFITS TO THE COMPANY (Under the Income-Tax Act)

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.
2. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years.
3. In accordance with section 32(1)(ii), the company can claim depreciation on specified tangible (being Buildings, Plant & Machinery, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business. In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the company engaged in the business of manufacture or production of any article or thing, the company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

4. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years.
5. If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.
6. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the company, under section 10(35) of the I.T.Act.
7. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or
 - 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.
8. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
9. In accordance with section 35D, the company is eligible for deduction in respect of specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.
10. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.
11. In accordance with section 35, the company is eligible for –
 - Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.
 - As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to conditions specified in that section.
12. In accordance with section 80-IA, the company can claim, subject to fulfillment of certain conditions, deduction of an amount equal to hundred percent of the profits and gains derived from the business of, development of Infrastructure facilities including construction of roads, bridges, rail systems, highways, irrigation projects, ports etc, for Ten consecutive assessment years out of Twenty years beginning from the year in which the company develops such facility.

13. The amount of tax paid under section 115JB by the company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of section 115JAA of the Act.

Section 115O

- Tax on distributed profits of domestic companies.
- Any amount declared, distributed or paid by company by way of dividend shall be charged to additional income tax at the rate of 15% plus applicable surcharge and education cess.

Tax Rates

- The tax rate is 30%
- The surcharge on Income Tax is 10%, only if the total income exceeds ₹1,00,00,000/-, Education Cess is 2% and Higher Education cess is 1%.

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

Nil

GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

I. Under the Income-Tax Act

A. Resident

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax.
2. Shares of the Company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.
4. As per the provision of section 71, if there is a loss under the head "Capital Gain", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be set-off against any long term capital gain. But Long Term Capital Loss cannot be set-off against short term capital gain.
5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of :
 - a. 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or
 - b. 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.
6. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

7. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment is Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding ₹50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

8. In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

The cost of the specified equity shares will not be eligible for deduction under section 80C.

9. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family.

- Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

B. Non-Residents

- a. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.

- b. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- c. In accordance with section 48, capital gains arising out of transfer of capital asset being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.
- d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and additional surcharge called as "Education Cess").
- e. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
- f. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment is Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding ₹50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

- g. In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities on which securities transaction tax is not payable, shall be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

The cost of the specified equity shares will not be eligible for deduction under section 80C.

- h. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family.

- Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

C. Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, according to which:

1. In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset of the company shall be taxable at the rate of 20% (plus applicable surcharge and "Education Cess"). In case of income by way of long term capital gains in respect of a specified asset, shall be chargeable at 10% plus applicable surcharge and "Education Cess")
2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long -term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset.
3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income Tax Act.
4. In accordance with section 115-I, where a Non-Resident India opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the Company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.
5. As per the provisions of section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they were beneficial than the domestic law wherever India has entered into Double Taxation Avoidance\ Agreement (DTAA) with the relevant country.

D. Foreign institutional investors (FIIs)

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
2. In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharges and "Education Cess") on long-term capital gains in respect of securities (other than units referred to in section 115AB) listed in a

recognised stock exchange in India in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and any rules made there under

3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

E. Mutual Funds

In accordance with section 10(23D), any income of:

- i. a Mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;
- ii. such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

F. Under the Wealth Tax and Gift Tax Acts

1. "Asset" as defined under-section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.

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

SECTION V – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from industry sources and government publications. None of the Company, the BRLM and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

Indian Economy:

The slowdown facing the Indian economy extended into 2013-14 with growth in Q1 falling to a 17-quarter low. The growth slowdown was broad-based reflecting moderation in the services and agriculture sectors, and contraction in the industrial sector. Modest improvement in growth is likely in H2 of 2013-14 on the back of a good monsoon and some improvements in industrial growth. A fuller recovery is likely to start taking shape towards the end of the fiscal year when current steps to clear the logjams constraining economic activity seep through the various inter-sectoral linkages in the economy.

The aggregate demand of the economy remained weak during Q1 of 2013-14 despite government final consumption expenditure increasing sharply. Private consumption decelerated, while fixed investment contracted. There was a sharp fall in fresh investment proposals from the private corporate sector. Weak demand conditions were also reflected in decelerating corporate sales. However, a good monsoon this year and consequent encouraging crop prospects are expected to shore up rural demand. The recent uptick in exports, if sustained, could provide added momentum. Public investments need to be boosted to crowd-in private investment with a view to supporting a revival in the economy.

The current account deficit (CAD) which widened again in Q1 of 2013-14, is likely to moderate in Q2, broadly in line with the narrower trade deficit. The trade balance has responded to the policy measures taken, especially as gold imports declined and exports picked up. Focus will also be needed to encourage stable long-term capital inflows and to exercise caution with regard to private external debt that has been rising in recent years

Since mid-July 2013, exceptional measures were put in place by the Reserve Bank to maintain liquidity conditions such that volatility in the forex market is contained. The policy rate was effectively recalibrated to the MSF rate, leading to the hardening of money market rates. However, to facilitate adequate credit to productive sectors, significant primary liquidity injection was provided via LAF, MSF, OMOs and standing facilities. Further monetary policy actions would have to be recalibrated keeping in mind the growth-inflation dynamics, going forward.

(Source: http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/SMQ271013_FL.pdf, Published on October 28, 2013)

Cold Storage:

Cold storages are meant to preserve the perishable commodities of food items for a longer period with retention of the original colour, flavour and taste. However, each commodity or item has certain life and they cannot be stored even in a cold storage for indefinite period. Cold storages are used for high value items or when prices crash down due to bumper crop or for such items which are grown during the season but there is a demand round the year or for products like meat, fish or milk products which are quickly perishable. They are mainly used for preservation of many food products since long. Their location has to be strategic and they should have easy access. Cold storages have demand all over the country.

(Source: mofpi.nic.in)

Cold storage facilities, essentially refrigerated warehouses, can reduce agricultural price volatility, helping to minimize food waste and increase income for various supply chain stakeholders. The benefits of cold storage are

simple: most types of produce have shelf lives ranging from just a few days to a couple weeks when kept at room temperature. Farmers and traders are forced to quickly get their produce to consumers, even if there's too much supply in the market. This can result in low prices that often don't even cover the price of production and transport. In the most extreme cases, when the market is flooded with a particular item, it makes more economic sense for farmers to just let certain crops rot in the field, rather than spend the time and money to harvest them.

The use of cold storage can extend the shelf life of produce for months or longer, buying farmers and traders valuable time. Fruits and vegetables can be stored while prices are low and there's little demand, and then released into the market when prices rise again. Since this process regulates supply, it helps stabilize prices over time, which is one of the reasons produce prices in developed countries are less volatile than those in developing countries.

(Source: www.somethingsbrewing.com)

List of Perishable Commodities generally stored In Cold Storages:

Fruits	Vegetables
Apples	Potato
Oranges	Potato seeds
Mausami(sweet lemon)	Potato with lesser sugar content
Grapes	Green peas
Pears(nashpati)	Carrot
Lichi	Tomato
Banana	
Mangoes	

All spices (including red chillies), dry fruits, milk products (like ice cream, khoya etc.), medicines, jaggery, meat, fish and eggs are also stored in the cold storages.

(Source: fcaoi.org)

Storage of Foods & Storage Conditions:

Foods and many other commodities can be preserved by storage at low temperature, which retards the activities of micro organisms. Micro organisms are the spoilage agents and consist of bacteria, yeasts and molds. Low temperature does not destroy those spoilage agents as does high temperature, but greatly reduces their activities, providing a practical way of preserving perishable foods in their natural state which otherwise is not possible through heating. The low temperature necessary for preservation depends on the storage time required often referred to as short or long term storage and the type of product.

In general, there are three groups of products:

- Foods that are alive at the time of storage, distribution and sale e.g. fruits and vegetables,
- Foods that are no longer alive and have been processed in some form e.g. meat and fish products,
- Commodities that benefit from storage at controlled temperature e.g. beer, tobacco, khandasari, etc.

Living foods such as fruits and vegetables have some natural protection against the activities of micro organism. The best method of preserving these items is to keep the product alive and at the same time retard the natural enzyme activity which will retard the rate of ripening or maturity.

Preservation of non-living foods is more difficult since they are susceptible to spoilage. The problem is to preserve dead tissues from decay and putrefaction. Long term storage of meat and fish product can only be achieved by freezing and then by storing it at temperature below -15°C. Only certain fruits and vegetables can benefit from freezing. However, for fruits and vegetables one should be very careful about the recommended storage temperature and humidity a deviation from which will have adverse effect on the stored product leading to even loss of the entire commodity.

Products such as apples, tomatoes, oranges, etc. cannot be frozen and close control of temperature is necessary for long term storage. Some product can also be benefited by storing under controlled atmosphere and modified atmosphere conditions.

Dairy products are produced from animal fats and therefore non living foodstuffs. They suffer from the oxidation and breakdown of their fats, causing rancidity. Packaging to exclude air and hence Oxygen can extend storage life of such foodstuffs.

(Source: agritech.tnau.ac.in)

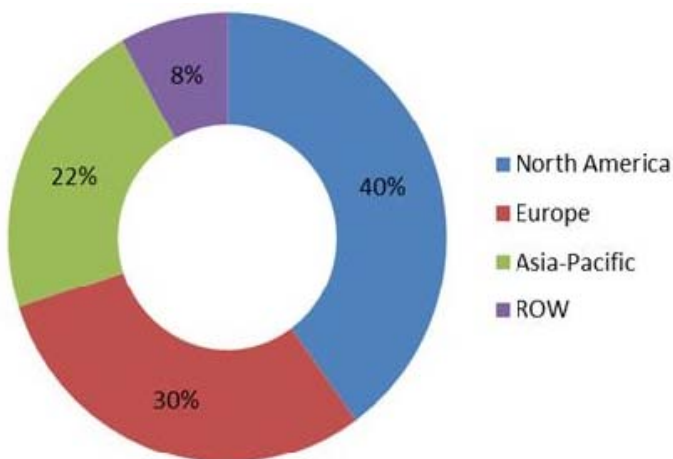
Cold Storage-Global Scenario:

The increasing demands for chilled and frozen foods and the major increase in trading activities due to globalization are the main growth drivers for the cold chain market. Growing demand for frozen food products from western countries has also triggered the frozen food industry. Due to technological improvements, largest producers of fruits and vegetable and dairy products are heading towards more exports of frozen foods. U.S. forms the largest market in frozen food industry due to excessive demand for frozen food products. In Europe, Germany is one of the largest markets due to the increased consumption of frozen foods

With the huge market potential and growth, market is likely to witness a speedy change in frozen food industry. The market is predicted to continue flourishing in the developing regions. Major shift in cold chain market is anticipated to come from emerging markets. Cold chain specifically allows maintaining the physical and bio-chemical properties of the frozen foods, regulating the market price of the products in off-season. Also it avoids the loss of the products and reduces the wastage which supplements in increasing the income of the producers or the manufactures.

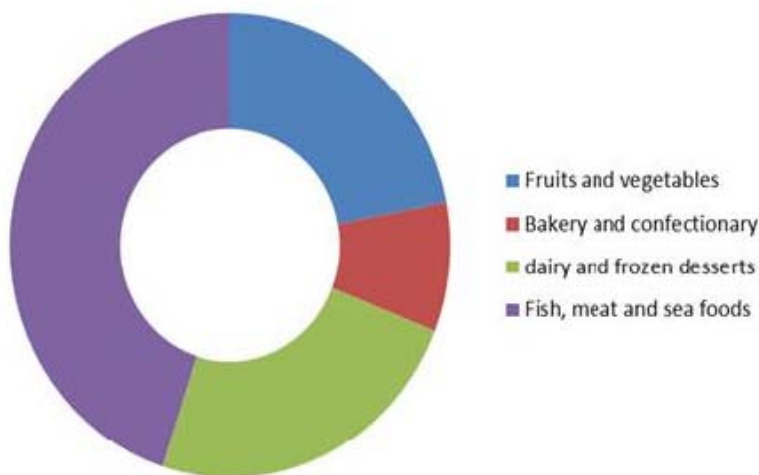
(Source: <http://www.businesswire.com/news/home/20130701005717/en/Research-Markets-Global-Cold-Chain-Market-Food>, Published July 01, 2013)

GLOBAL CHAIN MARKET REVENUE: BY GEOGRAPHY



North America is one of the largest exporters of frozen foods across the globe making it the largest market for cold chain followed by Europe. U.S. market is the largest frozen food market in North American cold chain market due to large import export. Asia-Pacific market is the fastest growing market due to the presence of the emerging geographies such as India, and China. These are one of the largest producers of fruits and vegetables, and dairy products. Cold storage has the largest share in this market. Chilled and frozen are the temperature ranges through which the products are stored and transported. Chilled cold chain market accounts for largest market share globally as most of the fruits and vegetables are stored and transported through chilled cold chain.

GLOBAL CHAIN MARKET REVENUE: BY APPLICATION



Meat, fish and seafood is the largest segment in cold chain logistics followed by fruits and vegetables due to excessive transportation. In North America, meat, fish and seafood cold chain market is growing at fastest rate whereas dairy and frozen desserts accounts for largest market share. China and Japan are the largest market for meat, fish and sea food cold chain logistics in Asia-Pacific. Meat, fish and seafood cold chain market is the largest market due to changing consumer behaviour for frozen foods in Europe.

(Source: www.giiresearch.com)

Cold Storage-Indian Scenario:

India is agriculture based economy having a production of 63.5 million tons of fruits and 125.89 million tons of vegetables, every year. India is also the largest producer of milk (105 million metric tons per year) and produces 6.5 million tons of meat and poultry and 6.1 million tons of fish. In addition to huge size of agro industry, the pharmaceuticals industry in India is the world's third largest in terms of volume and stands 14th in terms of value.

(Source: indiacoldchainshow.com)

India has occupied a remarkable position in global retail rankings; the country has high market potential, low economic risk, and moderate political risk. In market potential, India ranks second after Brazil. Net retail sales in India are also quite significant among emerging and developed nations; the country is ranked third after China and Brazil.

(Source: <http://indiainbusiness.nic.in/newdesign/upload/sectors/Retail-March-220313.pdf>, Published in March 2013)

Cold storages in India preserve agricultural produce for a fixed period of time (varying from one day and extending upto several months) at low temperature. Refrigerated storage helps in eliminating sprouting, rotting and tuber moth damage and in reducing weight loss of the agricultural produce. The edible products are generally not stored for more than one year. Several cold storages store perishable products which require the storage temperature as low as -25⁰ Celsius. As a general practice, the arrangement of products within the cold storage is managed by the cold storage staff members and not by the product owner, therefore the responsibility to deliver the product in appropriate condition, remains in the hands of the cold storage owner or the insurance company.

(Source: fcaoi.org)

Majority of the cold chain infrastructure in India was developed in 1960s which majorly supports the storage of potatoes and potato seeds. About 75% of the total capacity of cold storages is suitable only for potatoes. Cold chain Infrastructure for other temperature sensitive goods is at abysmal state right now. On an average, about 30-40% of horticultural produce gets wasted annually in India. Even though India is the second largest producer of vegetables

worldwide but its share in global export of vegetables is around 1.3% only. This is mainly caused by the lack of cold chain infrastructure which includes both storage and transportation facilities.

According to recently published report by TechSci Research “India Cold Chain Market Forecast & Opportunities, 2017” the cold chain market of India is anticipated to grow at the compounded annual growth rate (CAGR) of 28% during 2012-2017, which will make it a whopping US\$ 11.6 Billion (₹ 6,400 Crore) market. The Indian cold chain market is highly fragmented in which about 3500+ players are present.

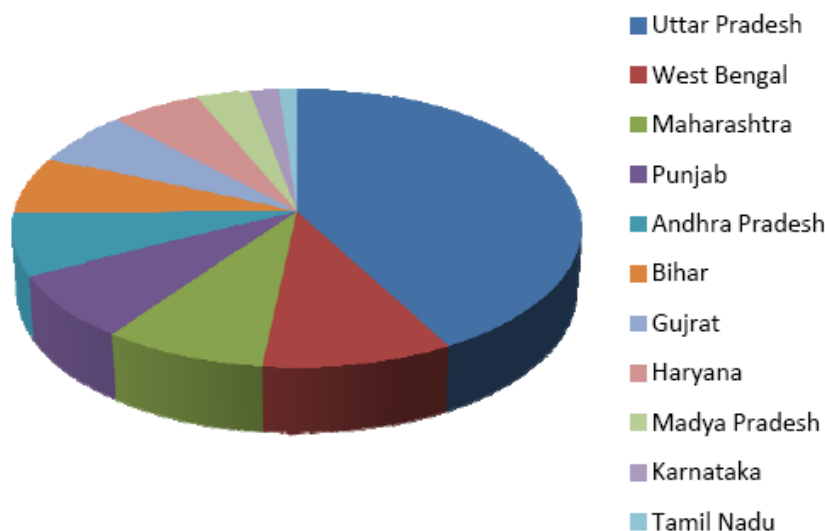
(Source: www.techsciresearch.com)

Market Outlook in India:

The current worth of Indian cold chain market is \$3 billion. The market is nascent yet increasingly demanding and expected to grow to \$12.4 billion by the end of 2015.

Uttar Pradesh has maximum 1,579 cold chains followed by West Bengal at the second place with 531 cold storages, Maharashtra 460, Punjab 420, Andhra Pradesh 350, Bihar 300, Gujarat 175, Haryana 140, Madhya Pradesh 75, Karnataka 65 and Tamil Nadu 35.

Cold Storages



The Indian industry is definitely growing. Currently, most of the cold storages are focused on single products. The focus is now shifting to introduce multiple products in cold storage facility and such cold storages are coming up fast.

For the past few years, the Indian cold chain industry has witnessed some positive changes. Private sector participation has increased in the cold chain industry to cater to the increasing demand for cold chain logistics. Majority of cold storages built in last few years are meant for multi-purpose storage and this trend is expected to continue in coming years as well. The focus of cold chain logistics provider has increased towards milk and milk products, frozen fruits and vegetables, meat and so on. The low profit margin in traditional items like potatoes and onions has led to increased focus on high valued items. The Government of India has taken various initiatives to attract private investment in this sector.

(Source: www.fnbnnews.com)

Projected Growth of India Cold Chain Market:



(Source: www.assocham.org, Techsci research, ASSOCHAM India)

Recent Key Developments for Cold Storage in India:

- In order to increase Foreign Direct Investment (FDI) in cold storage sector, Government has permitted 100% FDI under automatic route as per the extant FDI policy. This policy mandates minimum investment of US\$ 100 million with at least 50% of total FDI being invested in 'back-end infrastructure' within three years of the first tranche of FDI, where 'back-end infrastructure' will include capital expenditure on all activities, excluding that on front-end units.
- The Government is implementing following schemes which have components for increasing cold storage capacity aimed at checking wastage of horticulture and agriculture produce:
 7. National Horticulture Mission.
 8. Horticulture Mission for North East and Himalayan States.
 9. National Horticulture Board.
 10. Scheme of Ministry of Food Processing Industries.
 11. Scheme of Agricultural Processed Food Products Export Development Authority.
 12. National Cooperative Development Corporation.
- Further, Government has included capital investment in creation of modern storage capacity including cold chains and post-harvest storage as an eligible sector for viability gap funding under "support to public private partnership in Infrastructure scheme".
(Source: m.oifc.in)
- 5% concession on import duty, service tax exemption, excises duty exemption on several items. Subsidy of over 25% to 33.3% on the cold storage project cost.
(Source: www.assocham.org/events/recent/event_822/Mr-Karan-Chechi.pptx, Techsci research, ASSOCHAM India)

Further, apart from the revenue earned from cold storage activities the company is also engaged in trading of potatoes in the local markets. Hence, we hereby illustrate below certain basic details regarding potatoes market in India.

Potato Production in India

Potato popularly known as ‘The king of vegetables’, has emerged as fourth most important food crop in India after rice, wheat and maize. In world scenario, India became the second largest producer of potato (Scott and Suarez, 2011). India produced 42.34 million tons from 1.86 million hectare with an average yield of 22.72 ton/ hectare of Potato during 2010-11 (Agricultural statistics at a glance, 2012). Annual potato production in India was 1.66 million tons in 1950-51 which increased to 22.49 million tons in 2000-01. It showed an increasing trend and rose to as high as 42.34 million tons in 2010-11 which represents the growth in production at 5.98% per annum at the national level.

(Source: Analysis of Potato Production Performance and yield variability in India, April 2013 – www.icar.org)

The following table shows the state-wise production figures of potato along with the area under production for 2010-11 in India:

State	Area (in '000 Hectare)	Production (in '000 Tonne)
Uttar Pradesh	556.5	13576.6
West Bengal	406.3	13391.2
Others	409.9	6650.6
Punjab	83.6	2088.4
Gujarat	65.3	1881.8
Madhya Pradesh	62.0	743.0
Jharkhand	43.2	655.5
Haryana	26.8	598.2
Chhattisgarh	36.4	526.3
Uttarakhand	24.3	424.3
Karnataka	40.0	400.8
Maharashtra	18.0	318.0
Himachal Pradesh	15.3	206.0
Orissa	14.0	191.4
Meghalaya	17.7	162.4
Jammu & Kashmir	7.9	150.7
Tripura	6.2	109.8
Tamil Nadu	4.7	97.1
Rajasthan	10.5	75.7
Sikkim	9.4	45.7
Delhi	0.8	18.4
Manipur	1.7	15.2
Nagaland	1.5	10.0
Mizoram	0.2	2.3
Kerala	1.0	0.0
Total	1863.2	42339.4

(Source: <http://data.gov.in/dataset/all-india-and-state-wise-area-and-production-vegetables>)

Also, the first advanced estimates released by the National Horticulture Board show that Potatoes in India are primarily grown in Uttar Pradesh, West Bengal, Bihar, Gujarat and Punjab, with Uttar Pradesh and West Bengal having over 30% and 25% share.

Crop Cycle

The potatoes in India are cultivated under highly diversified agro-climatic conditions ranging from sea level to snowline and up to three crops are raised per year. Majority of the potatoes in India are produced during the winter season from November to March with certain states also harvesting the same during August and September.

Price Trends in Potato Markets in India

There are various markets in each state for potato trading in India and the prices at these markets may vary, however the market in Agra is considered a price maker and its data is widely available in India. Following table shows the price trends in Potato Market at Agra:

Year/ Period	Opening Price	Highest Price	Highest Price Date	Lowest Price	Lowest Price Date	Closing Price	% change (during the year)	% difference (between highest price and lowest price during the year)
FY 2006-07	620.80	891.30	Oct 27, 2006	503.30	May 17,2006	516.5	-16.80%	77.09%
FY 2007-08	511.40	650.20	Mar 1, 2008	489.90	Mar 31 2008	489.9	-4.20%	32.72%
FY 2008-09	489.50	2.70	Mar 27, 2009	317.00	Nov 29 2008	661.6	35.16%	112.21%
FY 2009-10	664.80	1438.80	Oct 26, 2009	503.30	Mar 24 2010	572.5	-13.88%	185.87%
FY 2010-11	573.80	738.90	Mar 11, 2011	354.40	Aug 16 2010	637.2	11.05%	108.49%
FY 2011-12	642.40	886.30	Mar 31, 2012	395.40	Oct 20 2011	886.3	37.97%	124.15%
FY 2012-13	899.00	1300.40	Aug 6, 2012	793.90	Mar 9 2013	917.9	2.10%	63.80%
Six month period ended 30 Sept. 2013	918.60	1021.20	Apr 26, 2013	738.00	Jul 27 2013	759.5	-17.32%	38.37%

(Source: Spot Market Prices – www.mcxindia.com)

OUR BUSINESS

Our company was incorporated as “Karnimata Cold Storage Pvt. Ltd” on April 29, 2011 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, West Bengal. For further details regarding the change in the name of our company, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page 90 of this Prospectus.

We are engaged in the business of cold storage and trading of agricultural commodities currently specializing in potatoes. We have set up and made operational our first cold storage unit in Medinipur District, West Bengal having an installed capacity of 1,81,000 quintals for preservation of potatoes.

The local farmer or trader of potatoes hire our services to store their produce prior to sale as per the specifications shown below:

Sr. No.	Produces to be stored as per requirement of the entrepreneur	Capacity (quintals)	Temp Zone (⁰ C)	Relative Humidity (%)
1.	Table and Seed Potato	1,81,000	1 to 2	88 to 90%

This first project has been set up on a 6.27 acre plot (free hold land) in order to cater to the localised demands of different growers and traders at Village–Chekuasole, P.O.– Jogerdanga, P.S. – Goaltore, Dist. – Paschim Medinipur, West Bengal.

We believe that the need for setting up and construction of cold storage facilities is highly required for the preservation of potatoes which is a cash crop and the same shall be equally beneficial to both producers and consumers and shall there by strengthen the rural economy of perishable commodities. Our project envisages perfect backward and forward linkage of marketing activities as an essential pre-condition. Further it has become a practice to accommodate necessary finance to hirers of the cold storage against their stocks stored in the cold storage in order to keep the price of potato steady and allow the support price to the growers of potato. Providing this seasonal finance is an important factor in the growth of our business. Our outstanding seasonal finance portfolio stands at ₹ 208.24 lacs and ₹ 163.48 lacs as on March 31, 2013 and September 30, 2013 respectively.

Since we have recently commissioned our first facility we have only completed one full financial year of operations. We have been able to report ₹ 377.27 lacs of Total Income and ₹ 172.25 lacs in EBITDA for the FY 2012-13.

In addition to the chambers aggregating to 1,81,000 quintals which we commissioned in March 2012, we are currently in the process of expanding our capacity by setting up additional chambers aggregating to 75,000 quintals at the same location. The construction of the same has begun and is expected to be completed by the first quarter of FY 2014-15.

Our Strengths

We believe that following are our competitive strengths:

Highly experienced Promoter backed by professional management team

Our Promoter - Mr. Pradip Lodha has been engaged in the business of Cold Storage for more than 20 years and has gathered immense knowledge of the working of this niche sector. *For further details regarding the experience of our Promoter please refer to “Our Management” and “Our Promoters, Promoter’s Group and Group Companies” beginning on page 93 and 105 of this Prospectus respectively.* Further, our Promoter is backed by a Management team comprising of qualified and professional team having due knowledge of their respective roles in the company. We believe that our promoter and management team is capable of understanding of the industry better than new entrants and will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent contractors, dealing with unorganized farming sector, the global economic crisis and fluctuations in potato prices.

Locational Advantage

Our unit is based in Paschim Medinipur, West Bengal which is in close proximity to the major Potato growing areas of West Bengal like Hooghly, Burdwan, Bankura, Jalpaiguri and Paschim Medinipur and also reachable to the potato growing areas of Uttar Pradesh. This proximity to the Potato growing areas has its inherent advantages. Potatoes, being a perishable commodity, it becomes very important collect the produce from the farmers immediately and keep it in Cold Storage. Also with the increasing infrastructure and transportation in the area, supplying the stored potatoes to wholesalers has become quick and convenient. We believe that there is no other cold storage facility of our size and capabilities within a radius of approximately 10 kms from our site and thus it provides us with a significant competitive edge.

Favourable Government Policies for our sector

The Government of India through the Ministry of Food Processing Industries has formulated a number of policies for extending assistance in the form of grant, subsidy and soft loan to agro food processing industries. In order to give impetus to promotion of all Agro Food Processing Industries several incentives and concessions have been granted. The government has actively supported cold chain, pre and post harvest network area near the production sites. Public-Private Partnership has been encouraged to establish cold chain, pre and post harvest net work infrastructures by the West Bengal Government. We believe that since our core business adds tremendous value to the supply chain of agro produce and empowers farmers/traders to be able to get good prices for their produce, this sector shall continue to get support and encouragement from the government going forward.

Relations with our Bankers and strong financial management

Finance provided by banks and other financial management remains an important source of funding. We maintain good relations with our lenders and up till now all dues have always been met before the due date. Good relations with bankers would enable us to leverage our strategies through firm financial management. *For further details regarding our current indebtedness please refer to “Financial Indebtedness” beginning on page 140 of this Prospectus.*

Our Strategies

Leverage our financial management in line with trends in Cold Storage Industry:

It has become a practice to accommodate necessary finance to hirers of the cold storage against their stocks stored in the cold storage in order to keep the price of potato steady and allow the support price to the growers of potato. Providing this seasonal finance is an important factor in the growth of our business. By listing our shares and improving our governance systems we intend to prove our worthiness in equity and debt markets alike and hence be able to access large pool of funds. This would put us in a situation of advantage w.r.t our funding abilities, hence having a direct impact on competitive position for making our Storage facility the first choice for the local market constituents.

Continue to identify gaps in potato supply chain systems in India and hence take advantage of our ready experience and technology.

We operate in a small village of Chekuasole in West Bengal. Our promoter – Mr. Pradip Lodha was able to identify this region as one having a good amount of potato farming activity and had a requirement for a cold storage facility. We believe that there are no other cold storage facilities in this locality within a radius of approximately 10 kms from our facility. This would put us in good stead w.r.t competitive pressures. Further, having first mover advantage locally is a prime factor in our continuous business possibilities. It helps us establish local networks as well as create goodwill. It is our long term strategy to continue to identify such locations where there is a demand supply mismatch and leverage our existing technological as well as financial capabilities for generating future growth. Our facilities are constructed looking into the need of social aspect for the purpose of development rural-economy in perishable commodity sector generate self employment as well as minimize post harvest loss of agro produces.

Explore other avenues of revenue generation giving synergies with the existing business plan

In addition to revenue earned from rental income of storage facility and interest income on seasonal finance facility, we further intend to utilize our domain knowledge on potatoes and our existing relations with marketing networks to place strategic trades on the potato markets in our area. We believe that trading would help us improve our financial results as well as provide an added revenue stream to our business. Further, in the future the management may consider setting up additional processing facilities for its agro commodities being stored in form of forward integration.

Regular Expansion of capacities to meet growing demand

Our Cold Storage facility is in the proximity of the Potato growing areas. It becomes very important to collect the produce from the farmers immediately and keep it in Cold Storage. Over the years, our Country has seen a tremendous growth in potatoes production. Potato production has shown a CAGR of 5% over the last 10 years (Source: APEDA, AgriExchange). We wish to capitalise on this opportunity by increasing our storage capacity in regular intervals, such that the increased capacity is operational before each Potato harvesting season. Accordingly, in addition to the existing chambers aggregating to 1,81,000 quintals which we commissioned in March 2012, we are currently in the process of expanding our capacity by setting up additional chambers aggregating to 75,000 quintals at the same location which will add upto 2,56,000 quintals. The construction of the expansion has begun and is expected to be completed and operational by the first quarter of 2014-15. The expansion project is funded from a mixture of debt and internal accruals. These regular expansions will help us absorb the growing Potato produce in the region and in turn enhance the business prospects in the coming years.

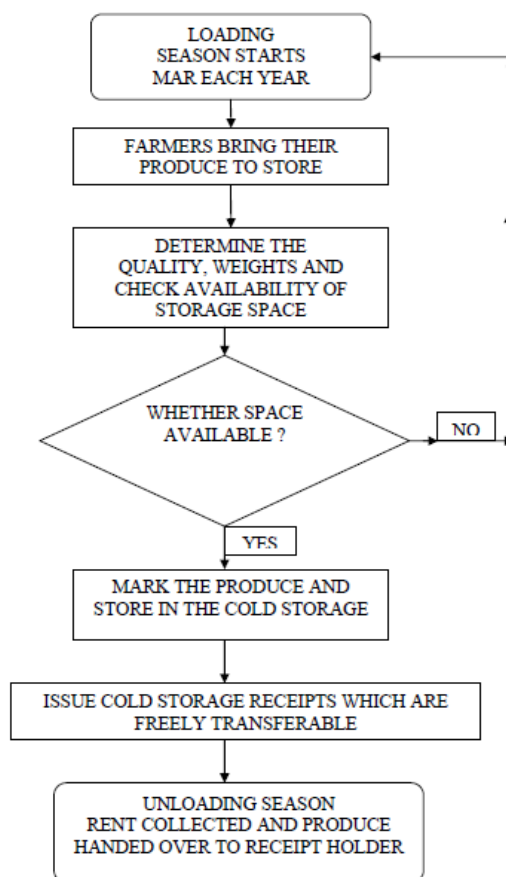
DETAILS OF OUR BUSINESS

Location

We operate our office as well as storage facilities from a 6.27 acre plot (free hold land) situated at Village – Chekuasole, P.O. – Jogerdanga, P.S. – Goaltore, Dist. – Paschim Medinipur, West Bengal. The existing 1,81,000 quintals capacity as well as the on-going expansion project of 75,000 quintals capacity are both set up in this same location.

Business Process Flowchart

The following illustration explains the flowchart of activities carried out at our storage facility:



Systems and Technology

In line with strategies, emphasis has been given to the following technical points:

- Reducing Post harvest management (PHM) losses with multi-chamber and multi products facilities;
- Usage of Modern Design/Technology and Energy Saving equipments/devices in order to avoid Obsolescence of machinery;
- Improvement of technology by installation of Gravity cooling system with Ammonia Pump liquid overfeed systems;

In the cold storage potato should be kept in fresh condition thereby requiring following features:

Temperature: Dry bulb temperature of the chamber storing potatoes and vegetables is maintained at 35°F (+) 1° F for storage above three months. In case of storage for less than 3 months d.b.t of 38° F (+) 1° F is maintained. In our case storing is done in March and potatoes are taken out till November, hence, maintenance of dry bulb temperature at 36° F (+) 1° F is essential for the cold storage.

Relative Humidity: Relative humidity in the chambers of potatoes with water contents of 82 to 85% at temperature difference of 12° F between evaporating temperatures within the cooling coil and dry bulb temperature in the chamber is maintained between 80 to 85 due of the usage of gravity coil in our cold storage.

Fresh Air: The produces i.e. Potatoes emit carbon dioxide and absorb oxygen. Hence, we ensure that, after the completion of loading operation, the chamber is supplied with fresh air at regular intervals to replenish the loss of oxygen.

Cold Storage operation: Operation of cold storage should have huge variation in power requirement throughout its running period. The cold storage generally starts functioning from first day of March when loading of the potatoes inside the chamber begin. Entire loading of potatoes is generally completed by last week of March/first week of April, after which the same are locked and temperature inside the chamber is brought down to the desired range, i.e. 36° F (+) 1° F. This period is called as the loading period. After this the holding period starts where it is only required to maintain the temperature at the proper range, and cooling load requirement become almost half during this period. Even during the loading period, requirement of cooling load varies. Maximum cooling load is negotiable towards the end of loading of produces i.e. last week of March/ first week of April.

Plant and Machinery

Apart from the cold storage chamber which consist of the primary civil structure (building chamber) which is internally fitted with sub-structures made from Wood, Wood Chaali & Battam, Bamboo Chali, Stone Chips, etc. and is insulated using glass wood and polystyrene slabs the other core equipments and machinery critical to our business is as follows:

- Refrigeration Compressor with all accessories and drive sets, Pulley, V-Belt etc
- Atmospheric Type Condensing Unit for water sprinkling system with water outlet arrangement and drip pan.
- Cooling Coils at the top floor of the Cold Storage Chamber with the interconnection arrangement including water jacket cooling
- Refrigeration Equipments and Valves such as Ammonia Pressure Receivers, Non-Condensable Air Purger, testing equipments etc.
- Other electrical fittings and accessories such as Induction Motor, Centrifugal Pump Set, Ceiling Fans on top of the Cooling Coils for providing necessary air pressure and cooling to the other chambers below etc.

The selection of machinery is based on the requirement of maximum cooling load in terms of tones of refrigeration. The components of the cooling load for the refrigerated space may be classified according to the following items:

- 1) Heat transmission through the structure
- 2) Infiltration of air leakage into the space
- 3) Heat emission from occupants
- 4) Heat from fan, motor, electric, light, etc.
- 5) Product load i.e. heat, to the extracted from produces

For the cold storage maximum cooling load requirements is calculated to be around 512 TR. at peak season. Selection of pump is based on the maximum water requirement for condenser unit, which is of water cooled atmospheric type, maximum water requirement has been found to be around 3000 opm at a total head of 35ft.

We believe that our plant structure and machineries are suitable for such type of project and the same have been extensively used throughout the country for last 3 decades.

Further, we are currently in the process of expansion of our existing storage capacity and additional chambers aggregating to 75,000 quintals are being installed on the existing land. Accordingly, the following is a summary of the major machineries which will be installed in varying quantities:

Sr. No	Description
1	Refrigeration Compressor Kirloskar "KCX - 4" with all accessories and drive sets, Pulley, V - Belt etc
2	Atmospheric Type Condensing Unit
(i)	2" NB "TATA" 'H' Class plain end tube
(ii)	1 1/2" NB "TATA" 'H' Class plain end tube
(iii)	2" NB Heavy Class to be made "TATA' ERW Tube
(iv)	1 1/2" NB Heavy Class to be made "TATA' ERW Tube
(v)	G.I Tubes and Black Tubes for Headers, Sub Headers, G.I Fittings, G.I Valves etc. for water sprinkling system with water outlet arrangement from drip pan
3	Cooling Coil and Interconnection arrangement
(i)	40mm dia Fin type cooling coil "L" fin 2.5 fins/inch on TATA made black "M" class tube
(ii)	40 mm 'TATA'H" Class Black Bend
(iii)	Headers, Sub Headers, G I Pipes for interconnection arrangement including water jacket cooling
4	Refrigeration equipments and valves
(i)	Ammonia High Pressure Receiver Size: 30" X 16'-0" X 18 mm thick
(ii)	Liquid Overfeed system with ammonia Low Pressure Receiver and ammonia pump set 2 Nos. with solenoid valve, safety valve, reflex gauges
(iii)	Non Condensable Air Purger
(iv)	Ammonia valves, solenoid valves, M.S & Galvanized Fittings, flanges, testing equipments etc.
5	Electrical, fittings and accessories
(i)	125 HP Kirloskar/ components SPDP Slipring Induction Motor 1500 rpm 3ph 50cy with Starter
(ii)	"KSB" Centrifugal" Pump set with 15HP Motor
(iii)	Electrical H.T & L.T & cable and wiring in the plant room & in cold storage chamber including Dry Shed, office
(iv)	48" Ceiling Fan
(v)	18" Exhaust Fan

Collaborations

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

Raw Materials

Since there is no manufacturing or processing activities carried out, there is no specific raw material applicable to our company's operations. The only material requirement is the potatoes which are being stored as well as traded by the company. No scarcity of potatoes is anticipated due to substantial quantities of production in our district, State as well as Country. For details regarding the production trends of potatoes in India please refer "Industry Overview" on page 69 of this Prospectus.

Utilities

Power: Power is the main resource for our operations. We have obtained electrical power to the extent of 300 KVA from W.B State Electricity Distribution Co. Ltd .which appears to be sufficient for the cold storage. However, since the facility is located in a remote location of West Bengal, we have arranged two existing standby D.G. sets of 125 KVA and 82.50 KVA respectively which are also sufficient to cope up the entire power requirement. Further, we propose to install one set high power 250 KVA D.G. set under the expansion scheme in addition to existing arrangements.

Water: Water is required for cooling and living purpose and as such, 3 sets of 3 HP motor fitted, submersible pump sets have been duly installed within the compound under the existing system and an additional 1 set of 15 HP is being installed for expansion purpose.

Access to Road: Our site has direct access to a concrete road which connects to State Highway No. 4.

Marketing Setup, Installed Capacity and Capacity Utilization

The growth of potatoes is abundant in the locality where our cold storage facility is set up. Further, we believe there is no other cold storage facility with the similar technology and capability available within a radius of approximately 10 kms from our site and hence there is an extreme demand for our services. Hence, there is no specific requirement of a marketing set up. However, our Managing Director – Mr. Pradip Lodha has extensive experience as a trader, cold storage facility provider and agriculturist in this region and business is, and will continue to be generated through this existing network. Further, there is need to further increase in capacity for the upcoming harvest season wherein storage requirements would begin from March 2014 and hence we are in the process of setting up additional chamber of 75,000 quintals. The details regarding our current and proposed installed capacity and utilization figures are as follows:

Particulars	FY 12-13 (Actual)*	FY 13-14 (estimated)	FY 14-15 (estimated)	FY 15-16 (estimated)
Installed Capacity (in Quintals)	1,81,000	1,81,000	2,56,000	2,56,000
Utilized Capacity (in Quintals)	1,81,000	1,81,000	2,56,000	2,56,000
Utilized Capacity in percentage	100%	100%	100%	100%

* Our cold storage facility was made fully operational in March 2012 and hence historical figures are provided for the sole completed financial year only.

Manpower

We do not require significant manpower on our payroll. The daily requirement of unskilled manpower for the loading, unloading, weighing etc is carried out by the manpower of the farmers/traders. Such manpower is easily available in the proximity of the cold storage. Our manpower requirements are limited to supervisory and administration activities. Following is the number of employees on our company's payroll as on October 30, 2013:

Sr. No	Category	No. of employees
1.	Managing Director and Key Managerial Persons	4
2.	Operations and Administration Support Staff	12
	Total	16

Export and Export Obligations

Our Company doesn't have any export obligation as of now as we are neither importing nor exporting any material.

Products and Services

We provide cold storage facilities to potato traders/farmers for a fixed rent. These services would be industrial in nature. Further in addition to the same, we provide seasonal finance to our customers against the crop being stored in the facility. This helps them manage their liquidity and market prices as well as helps us gain customer share and some interest rate spread.

Apart from the above rental incomes earned from cold storage activities, we are also involved in the trading of potatoes not only because we regularly auction stock lying at our warehouse but also because we believe that since we are deeply involved in the potato marketing and logistics business, we would have good knowledge of price trends and hence would be able to earn additional revenue.



Potato is world's fourth-largest food crop, following rice, wheat and maize. China is now the world's largest potato-producing country, and nearly a third of the world's potatoes are harvested in China and India. (Source: <http://en.wikipedia.org/wiki/Potato>). Potatoes in India are primarily grown in Uttar Pradesh, West Bengal, Bihar, Gujarat and Punjab, with Uttar Pradesh and West Bengal having over 30% and 25% share respectively in 2012-13 (Source: First Advanced Estimates – NHB)

In India, Potatoes are harvested in the fourth quarter of a financial year and are stored and sold during the first, second and third quarter with the sowing season being primarily during the first and second quarter. This determines the pricing of potatoes throughout the year with highest usually being prior to beginning of harvest season and slowly reducing as and when more supply starts to flow. (Source: www.mcxindia.com)

The major markets for trading potatoes in West Bengal are Burdwan and Howrah. (Source: www.mcxindia.com)


Client Base

Our clients are local traders and farmers of potato in the region where we operate. Our top ten clients constitute 68.93% and 58.03% of our total revenue from operations for FY ended March 2013 and March 2012. We do not cater to any large or organized corporations as part of our internal business strategy.

Competition

Cold Storage Industry in India and particularly West Bengal is governed by local factors. The proximity of a storage facility to the local growing areas is a core competitive factor in this business. As on this date there is no other cold storage facility of our size and capabilities within a radius of approximately 10 kms from Chekuasole Village. However our closes competitors are other cold storage facilities in Medinipur District such as Jia Krishna Cold Storage, Poornima Cold Storage and Brahmanand Himghar. There are no large organizations or large corporate group who are operating this business in West Bengal.

Intellectual Property

The logo “” and the name Karnimata is currently being registered in the name of the company Karnimata Cold Storage Limited. The company has filed an application dated October 09, 2013 before the Trade Mark Registry for registration of its name and logo under Class 39. The application is waiting for registration. The company shall use the logo once the same is registered.

Property

The details of the Free Hold property on which we have our registered office as well as cold storage facility is as under:

Sr. No	Schedule of the property and use	Area	Consideration (in Lacs)	Nature of Interest	Date of Purchase	Seller
1.	Land	5.01 Acre	17.77	Owner	June 29, 2011	Rohini Nandan Sanigrahi, Jamini Mohan Satapti, Anjana Hota
2.	Land	1.26 Acre	4.82	Owner	July 04, 2011	Rohini Nandan Sanigrahi
3.	Mutation Fees	-	0.06	-	July 07, 2011	-
4.	Conversion Fees	-	0.31	-	August 04, 2011	-
Total		6.27 Acre	22.96			

Insurance:

The insurance policies covered by the company are:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the policy	Policy No.	Sum Insured	Premium
1.	United India Insurance Co. Ltd.	Money Insurance Policy	April 30, 2013 to April 29, 2014	Money in Transit	035000/48 /13/07/00 000049	₹ 5,00,000	₹ 19,742
2.	United India Insurance Co. Ltd	Standard Fire & Special Perils Policy	April 30, 2013 to April 29, 2014	Stock of Potatoes (Goods Held in Trust)on Declaration basis	035000/11 /13/11/00 000033	₹ 11,63,25,000	₹ 2,54,871
3.	United India Insurance Co. Ltd	Deterioration of Stock (Potatoes) Insurance Policy	April 30, 2013 to April 29, 2014	Storage Capacity of 1,76,25,000 kg	035000/44 /13/54/30 000016	₹ 11,63,25,000	₹ 11,76,293
4.	United India Insurance Co. Ltd	Machinery Breakdown Insurance Policy	April 30, 2013 to April 29, 2014	All Machineries	035000/44 /13/51/30 0000017	₹ 1,58,45,000	₹ 1,39,366
5.	United India Insurance Co. Ltd	Standard Fire & Special Perils Policy	April 30, 2013 to April 29, 2014	Building; Stock; and Plant & Machinery	035000/11 /13/11/00 000034	₹ 9,00,00,000	₹ 1,17,557

KEY INDUSTRY REGULATIONS AND POLICIES

We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. The regulations set out below are not exhaustive and are only intended to provide general information to Applicants.

Warehouse and supply chain management systems, including cold storage ensures efficient commodity management which in turn provides end to end solutions to intermediates which may include procurement of agricultural commodities, cold storage, warehousing arrangements, inspection, valuation, quality testing, monitoring services and financial arrangements in terms of providing seasonal loans to farmers and traders to achieve these objects.

West Bengal Cold Storage (Licensing & Regulation) Act, 1966

Cold Storage Order, 1980 applies to whole of India except West Bengal, Uttar Pradesh, Punjab & Haryana. West Bengal Cold Storage (Licensing & Regulation) Act, 1966 extends to whole of West Bengal. The Act provides for licenses, supervision and control of cold storages. No person can start or carry on business of storing or store agricultural produce in a cold storage except in accordance with the terms of license granted under the Act.

Warehousing (Development and Regulation) Act, 2007

Warehousing (Development & Regulation) Act, 2007 makes provision for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a Warehousing Development and Regulatory Authority and for matters connected therewith or incidental thereto.

Warehousing Development & Regulating Authority (Warehousing Accreditation) (WDRA) Regulations, 2011

WDRA aims to regulate and ensure implementation of the provisions of the warehousing (Development and Regulation) Act, 2007 for the development and regulating of warehousing regulations of negotiability of warehouse receipts and promote orderly growth of the warehousing business.

The Companies Act, 1956

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

The Companies Act, 2013 (to the extent notified)

In the first phase of implementation, Government has notified 98 sections on September 12, 2013. On September 18, 2013, Ministry of Corporate Affairs, through its General circular No.16/2013 has clarified that the sections of the old Act i.e. Companies Act, 1956 that correspond to the 98 provisions notified on September 12, 2013, will cease to have effect

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.

The Workmen Compensation Act, 1923

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

The Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex. It states that no employer shall pay to any worker, employed by him in an establishment or employment, remuneration, whether payable in cash or in kind, at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment or employment for performing the same work or work of a similar nature.

The Payment of Gratuity Act, 1972

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease.

The Maternity Benefits Act, 1961

The purpose of the Maternity Benefit Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

Environmental Laws:

The Environmental Protection Act, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

Environmental Legislation

We are required under applicable law to ensure that our operations are compliant with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974, as amended ("Water Pollution Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended ("Air Pollution Act") and the Environment Protection Act, 1986, as amended ("Environment Act"). The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programs for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board. The Central and State Pollution Control Boards constituted under the Water Pollution Act are to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

Kyoto Protocol

The Kyoto Protocol is an international agreement linked to the United Nations Framework Convention on Climate Change. The major feature of the Kyoto Protocol is that it sets binding targets for 37 industrialized countries and the European community for reducing Green House Gas (GHG) emissions. These amount to an average of five per cent (5%) against 1990 levels over the five-year period 2008-2012. Recognizing that developed countries are principally responsible for the current high levels of GHG emissions in the atmosphere as a result of more than 150 years of industrial activity, the Protocol places a heavier burden on developed nations under the principle of "common but differentiated responsibilities". The Kyoto Protocol was adopted in Kyoto, Japan, on December 11, 1997 and came into force on February 16, 2005. One Hundred and Eighty Four (184) Parties of the Convention have ratified the Protocol to date. The detailed rules for the implementation of the Protocol were adopted at seventh conference of parties in Marrakesh, Morocco, in 2001, and are called the "Marrakesh Accords". Of the few methods to participate in the Carbon market a Clean Development Mechanism (CDM) project must provide emission reductions that are additional to what would otherwise have occurred. The projects must qualify through a rigorous and public registration and issuance process. Approval is given by the Designate National Authorities. Public funding for CDM project activities must not result in the diversion of official development assistance. The mechanism is overseen by the CDM Executive Board, answerable ultimately to the countries that have ratified the Kyoto Protocol.

Tax Related Legislations:

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax and like are also required to be complied by every Company.

Other Applicable Laws

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

Trade Marks Act, 1999 (Trade Marks Act)

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to controller-general of patents, designs and trade - marks who is the registrar of trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Regulation of Foreign Investment in India

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

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Karnimata Cold Storage Private Limited on April 29, 2011 under the Companies Act, 1956 bearing Registration No. 162131 and having its Registered Office in Paschim Medinipur, West Bengal. Subsequently, the status of our Company was changed to a public limited company and the name of our Company was changed to Karnimata Cold Storage Limited vide special resolution dated November 26, 2012. A fresh Certificate of Incorporation consequent upon change of name was issued on December 04, 2012 by the Registrar of Companies, West Bengal. The Company's Corporate Identity Number is U01403WB2011PLC162131 and its Registered Office is situated at Village – Chekuasole, P.O. – Jogerdanga, P.S. – Goaltore, Dist. – Paschim Medinipur, West Bengal – 721121.

We are engaged in the business of cold storage and trading of agricultural commodities currently specializing in potatoes. We have set up and made operational our first cold storage unit in Medinipur District, West Bengal having an installed capacity of 1,81,000 quintals for preservation of potatoes.

This first project has been set up on a 6.27 acre plot (free hold land) in order to cater to the extreme demands of different growers and traders at Village – Chekuasole, P.O. –Jogerdanga, P.S.–Goaltore, Dist. – Paschim Medinipur, West Bengal.

For further details regarding our business operations, please see the Chapter titled “*Our Business*” beginning on page 77 of this Prospectus.

Our Company has 247 (Two Hundred and Forty Seven) shareholders, as on the date of this Prospectus.

Major events in the history of Our Company:

YEAR	MAJOR EVENT
2011	Incorporation of our Company
2011	Execution of term loan of ₹ 6 Crore
2012	Completion of the construction of Cold Storage having storage capacity of 1,81,000 quintals of potatoes
2012	Conversion of Pvt. Ltd. To Public Limited and subsequent changes in MOA & AOA
2013	Change of Registered Office
2013	Commencement of Construction of additional capacity for storage of 75,000 quintals of potatoes

Main Objects of our Company

The main object of our Company is as follow:

To carry on the business in India and elsewhere to construct, build, establish, run, erect, promote, undertake, acquire, lease, sale, purchase, own, operate, manage, renovate, recondition, maintain, keep and to run Potato cold storage, multipurpose cold storage, storage chambers, ice chambers, go-downs, warehouse, refrigeration houses and freezing houses for storing, warehousing, keeping, preserving of Potatoes all kinds of fruits and vegetables, including onion, milk, milk products, sweets, processed food, protein food, food products, bakery products, bacons, soft drinks, medicines, chemicals, cereals, gur, roots or other substances, made from all or any of them whether kept loose, packed, tinned, canned or in any other form whatsoever and to act as a buyer, seller, financier, auctioneer, stockists, distributor, importer, exporter or otherwise to deal in all sorts of commodities, vegetables, fruits, edibles and similar good, to establish and to run a food processing unit.

Changes in Registered Office of our Company

Date of Change of Registered Office	Old Address	New Address	Reason for Change
20 th July, 2013	Lodha Mansion, Village – RadhaNagar, P.O. – Amlagora, Midnapore West Bengal – 721121	Village – Chekuasole, P.O. – Jogerdanga, P.S. – Goaltore, Dist. – Paschim Medinipur, West Bengal – 721121	Shifted to Company's own premises

Amendments to the Memorandum of Association

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

DATE	NATURE OF AMMENDMENT
November 17, 2011	The authorized share capital was increased from ₹ 1,00,00,000 to ₹ 4,00,00,000
November 26, 2012	The authorized share capital was increased from ₹ 4,00,00,000 to ₹ 8,00,00,000
December 04,2012	The name of the company was changed from “Karnimata Cold Storage Private Limited” to “Karnimata Cold Storage Limited”

Shareholders' Agreement

There are no Shareholders' Agreements existing as on the date of this Prospectus.

Acquisition of business/ undertakings

We have not acquired any business/ undertakings till date.

Other Agreements

Except the contracts/agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract as on the date of this Prospectus.

Financial Partners

We do not have any financial partners as on the date of this Prospectus.

Strategic Partners

We do not have any strategic partners as on the date of this Prospectus.

Holding Company

Our Company does not have any holding company within the meaning of Companies Act, 1956 as on the date of this Prospectus.

Company's subsidiaries

Our Company does not have any subsidiary.

Joint Ventures

As on the date of this Prospectus, there are no joint ventures of our Company.

Other Confirmations

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

OUR MANAGEMENT

Board of Directors:

The Company has Six (6) Directors consisting of one (1) Managing Director, two (2) Promoter Non-Executive Directors and three (3) Non-Executive Independent Directors.

The following table sets forth the details of our Board of Directors as on the date of this Prospectus:

Sr. No.	Name, Father's Name & Address,	Age	Designation & Term	Occupation, Qualification, & DIN	Other Directorships
1.	Mr. Pradip Lodha S/o Mr. Nandalal Lodha Radhanagar, P.O – Amlagora, Paschim Midnapur, Midnapur – 722121	53	Managing Director Term: 5years; appointed w.e.f September 02, 2013	Business Qualification: B.Com, L.L.B DIN: 03006602	<ul style="list-style-type: none"> • Bina Pani Real Estate Pvt. Ltd. • Pratyush Mercantile Pvt. Ltd. • Dynasty Inn Pvt. Ltd.
2.	Mrs. Sushila Lodha D/o. Mr. Bajrang Lal Modi Radhanagar, P.O – Amlagora, Paschim Midnapur, Midnapur - 722121	47	Promoter Director (Non-Executive) Term: liable to retire by rotation	Business Qualification: Higher Secondary Schooling DIN: 03504185	<ul style="list-style-type: none"> • Janu Infrastructure Pvt. Ltd. • SRG Trading Pvt. Ltd. • Dynasty Inn Pvt. Ltd. • Pratyush Mercantile Pvt. Ltd.
3.	Mrs. Asha Ladia D/o. Mr. Abhinandan Prasad Jain 7A, Bentick Street, 2 nd Floor, Room No- 212, Kolkata - 700001	51	Promoter Director (Non-Executive) Term: liable to retire by rotation	Business Qualification: B.A, B.Ed. DIN: 03504170	<ul style="list-style-type: none"> • SRG Trading Pvt. Ltd. • Dynasty Inn Pvt. Ltd. • Pratyush Mercantile Pvt. Ltd.
4.	Mrs. Kalpana Agrawal D/o Mr. Bhushan Chandra Pradhan 493/B/1 G.T. Road (South), Howrah Municipal Corp. , Shibpur, Howrah-711102	46	Non-Executive Independent Director Term: Liable to retire by rotation	Business Qualification: B. Ed & M.S.C in (Botany) DIN: 02976827	<ul style="list-style-type: none"> • Maa Purnima Printers Pvt. Ltd. • Ortek Controls Ltd.
5.	Mrs. Venus Kedia D/o of Sushil Kumar Singhanian 3, Amratolla Street, 1 st Floor, Kolkatta – 700001, West Bengal, India.	34	Non-Executive Independent Director Term: Liable to retire by rotation	Practicing CA Qualification: CA, B.Com DIN: 06422518	NIL
6.	Mr. Jay Prakash Heerwal S/o of Mr. Ramavtar Heerwal Near Gurudwara, PNB Building, 2 nd Floor, Station Road, Jugsalai,	31	Non-Executive Independent Director Term: : Liable to retire by rotation	Practicing CA Qualification: B.Com, CA DIN: 03123914	<ul style="list-style-type: none"> • G. Raj Shares & Stock Brokers Pvt. Ltd. • Purnima Publications Pvt. Ltd.

Sr. No.	Name, Father's Name & Address,	Age	Designation & Term	Occupation, Qualification, & DIN	Other Directorships
	Jamshedpur - 831006				<ul style="list-style-type: none"> G. Raj Publishing House Pvt. Ltd. G. Raj Associates Pvt. Ltd.

Brief Profile of Our Directors

Mr. Pradip Lodha aged 53 years, is the Promoter and Managing Director of our Company. He has completed his B. Com from Kolkata University and also holds a Bachelor's Degree in Law from North Orissa University. He has vast industry experience of agricultural products (especially potatoes) having been associated as a trader, agriculturist and also as a consultant in professional capacity with Cold Storage Units in West Bengal for over 20 years. His role in our company includes supervision of all operational activities as well strategizing and leading the overall organizational execution. He was appointed as Managing Director of the company on September 02, 2013.

Mrs. Sushila Lodha, aged 47 years, is the Promoter and Non-Executive Director of our Company. Post the completion of Higher Secondary Schooling Education from Orissa Board she has been involved in the business activities of her family. She has hence acquired relevant experience in Agricultural Trading, Real Estate, Infrastructure Activities, Investment business and has been involved with our company as an Executive Director since December 01, 2012 to September 30, 2013. Being a Non-Executive Director of the company her role currently is limited to the guidance and supervision provided through the board meetings of the company. She was re-appointed as Non-Executive Director on October 01, 2013.

Mrs. Asha Ladia aged 51 years, is the Promoter and Non-Executive Director of our Company. She has completed her B.A. (Arts) and B. Ed from Rajasthan University. She has been involved in the business activities of her family. She has hence acquired relevant experience in Trading and Investment Businesses and has been involved with our company as an Executive Director since December 01, 2012 to September 30, 2013. Being a Non-Executive Director of the company her role currently is limited to the guidance and supervision provided through the board meetings of the company. She was re-appointed as Non-Executive Director on October 01, 2013.

Mrs. Kalpana Agrawal aged 46 Years, is a Non-Executive Independent Director of our Company. She has completed her B.Ed from Indira Gandhi National Open University and M.S.C (Botany) from Ravenshaw College, Cuttack (Utkal University). She has over 10 years of teaching experience and is currently employed as a teacher at Shri Jain Vidyalaya, Howrah (West Bengal). Being an Independent Director of the company she shall be responsible for ensuring the board adheres to the required corporate governance requirements. She was appointed on our board on November 15, 2012.

Mrs. Venus Kedia aged 34 Years, is a Non-Executive Independent Director of our Company. She has completed her B.Com from Kolkata University and is an Associate Member of the Institute of Chartered Accountants of India (ICAI). She is a partner in M/s. Kedia Singhanian & Co. Chartered Accountants since 2005. She has hence acquired relevant experience of eight years in the field of Accounts, Auditing, Taxation & Statutory Compliance. Being an Independent Director of the company she shall be responsible for ensuring the board adheres to the required corporate governance requirements. She was appointed on our board on November 15, 2012.

Mr. Jay Prakash Heerwal aged 31 Years, is a Non-Executive Independent Director of our Company. He has completed his B.Com from Ranchi University and is an Associate Member of the Institute of Chartered Accountants of India (ICAI). Apart from the articleships, he has been a partner in M/s. Agrawal & Friends, Chartered Accountants, since 2012. He has hence acquired relevant experience in the field of Accounts and Taxation. Being an Independent Director of the company he shall be responsible for ensuring the board adheres to the required corporate governance requirements. He was appointed on our board on June 06, 2013.

Relationship between Directors

Except for Mr. Pradip Lodha, being Spouse of Mrs. Sushila Lodha, none of the other directors are related to each other in any manner.

Important Notes regarding the Board of Directors

- There is no arrangement or understanding with any shareholders, customers, suppliers or others, pursuant to which of the directors of our Company are selected as a director or member of Senior Management.
- There is no service contracts entered into by the Directors with our Company.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been / were suspended from being traded on the Stock Exchanges during the last five years preceding the date of this Prospectus.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been delisted from the Stock Exchange(s):

Confirmation

None of the above mentioned Directors are on the RBI List of wilful defaulters as on date of filing the Prospectus.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and persons in control of our Company have not been/are not debarred from accessing the capital market by SEBI.

Borrowing Powers of the Board of Directors

Our Company at its Annual General Meeting held on September 26, 2013, passed a resolution authorizing Board of Directors pursuant to the provisions of section 293(1) (d) for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 20 Crores (Rupees Twenty Crores only).

Remuneration of Directors

- **Mr. Pradip Lodha, Managing Director**

The compensation package payable to him as resolved in the Board meeting held on August 17, 2013 is stated hereunder:

Salary, allowances and Perquisites: ₹ 18,000 per month (inclusive of all benefits)

Bonus: Nil

Commission: Subject to overall limit laid down in Section 198 and 309 of the Companies Act, 1956, such percentage of the net profit of the company as may be decided by the board of director for each financial year.

Compensation of Non-Executive Independent Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on August 17, 2013 the Non-Executive Independent Directors will be paid ₹ 500 sitting fee for all Board / Committee meetings held on and after October 01, 2013. Save as provided in this section, except for the sitting fees, our non-executive directors are not entitled to any other remuneration from the Company.

Compensation paid to Directors for the last completed financial year (i.e. Year ended March 31, 2013)

Sr. No.	Name of Executive Director	Remuneration (₹)	Sitting Fees (₹)	Other Fees (₹)	Total Fees Paid (₹)
1	Mrs. Sushila Lodha*	1,50,000	-	-	1,50,000
2	Mrs. Asha Ladia*	1,20,000	-	-	1,20,000

* Mrs. Sushila Lodha & Mrs. Asha Ladia has been involved with our company as an Executive Director from December 01, 2012 to September 30, 2013 and was re-appointed as Non-Executive Director on October 01, 2013.

Interest of the Directors

Our Company has been promoted by Mr. Pradip Lodha, Mrs. Sushila Lodha & Mrs. Asha Ladia, being individual Promoters, and Pratyush Mercantile Private Limited & SRG Trading Private Limited, being the Corporate Promoters. The Promoters may be deemed to be interested in the promotion of our Company to the extent of shares held by them and their relatives. The Promoters may also benefit from holding directorship in our Company. All our Directors may be deemed to be interested to the extent of remuneration and/or fees, if any, payable to them for attending meetings of the Board and of committees thereof, reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under the Articles of Association and the applicable laws. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to anybody-corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees. Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

Except as stated otherwise in this Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Shareholding of the Directors

The following table details the shareholding of the Directors in their personal capacity and either as sole or first holder, as on the date of this Prospectus:

Name of Director	No. of Shares held	Holding in %
Mr. Pradip Lodha	Nil	0.00
Mrs. Sushila Lodha	50,000	1.40
Mrs. Asha Ladia	50,000	1.40
Mrs. Venus Kedia	Nil	0.00
Mrs. Kalpana Agrawal	Nil	0.00
Mr. Jay Prakash Heerwal	Nil	0.00

Changes in the Board of Directors in the last 3 years

Following are the changes in our Board of directors in the last three years:

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Reason for change
1.	Mrs. Sushila Lodha	29/04/2011	-	Appointment
2.	Mrs. Asha Ladia	29/04/2011	-	Appointment
3.	Mrs. Venus Kedia	15/11/2012	-	Appointment
4.	Mrs. Kalpana Agrawal	15/11/2012	-	Appointment

5.	Mr. Jay Prakash Heerwal	06/06/2013	-	Appointment
6.	Mr. Pradip Lodha	06/06/2013	-	Appointment

Corporate Governance

The provisions of the SME Equity Listing Agreement to be entered into with the Stock Exchange with respect to corporate governance and SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. Our Company has complied with the corporate governance code in accordance with Clause 52 of the SME Equity Listing Agreement to be entered into with the Stock Exchange, particularly, in relation to appointment of independent directors to our Board and constitution of an audit committee, a remuneration committee and a shareholders' grievance committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Board Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on date, the Board is comprised of total 6 directors, consisting of one (1) Managing Director, two (2) Promoter Non-Executive Directors and three (3) Non-Executive Independent Directors. The Company complies with the revised norms for Independent Directors.

Sr. No	Name of Director	Nature of Directorship
1	Mr. Pradip Lodha	Managing Director
2	Mrs. Sushila Lodha	Non Executive Promoter Director
3	Mrs. Asha Ladia	Non Executive Promoter Director
4	Mrs. Kalpana Agrawal	Non Executive Independent Director
5	Mrs. Venus Kedia	Non Executive Independent Director
6	Mr. Jay Prakash Heerwal	Non Executive Independent Director

Various Committees of Directors

1. Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated 1st October, 2013 pursuant to section 292A of the Companies Act. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Jay Prakash Heerwal	Non Executive Independent Director	Chairman
Mrs. Venus Kedia	Non Executive Independent Director	Member
Mr. Pradip Lodha	Managing Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly 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, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors any significant findings and follow up there on.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

- a. To investigate any activity within its terms of reference,

- b. To seek information from any employee
- c. To obtain outside legal or other professional advice, and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.
- e. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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

The Company Secretary of the Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

2. Shareholder and Investor Grievance Committee

The Shareholder and Investor Grievance Committee of our Board were reconstituted by our Directors by a board resolution dated 1st October, 2013. The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mrs. Kalpana Agrawal	Non Executive Independent Director	Chairman
Mrs. Sushila Lodha	Non Executive Director	Member
Mr. Jay Prakash Heerwal	Non Executive Independent Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- 1. Allotment and listing of our shares in future

2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mrs. Sushila Lodha is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

3. Remuneration Committee

The Remuneration Committee of our Board was reconstituted by our Directors by a board resolution dated 1st October, 2013.

The Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mrs. Venus Kedia	Non Executive Independent Director	Chairman
Mr. Jay Prakash Heerwal	Non Executive Independent Director	Member
Mrs. Kalpana Agrawal	Non Executive Independent Director	Member

The remuneration committee has been constituted to recommend/review remuneration of Directors and key managerial personnel based on their performance and defined assessment criteria. The remuneration policy of our Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

The board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. To avoid conflicts of interest, the remuneration committee, this would determine the remuneration packages of the executive directors. It comprises of at least three directors, all of whom are non-executive directors the chairman of committee being an independent Director.

The scope of Remuneration/Compensation Committee shall include but shall not be restricted to the following:

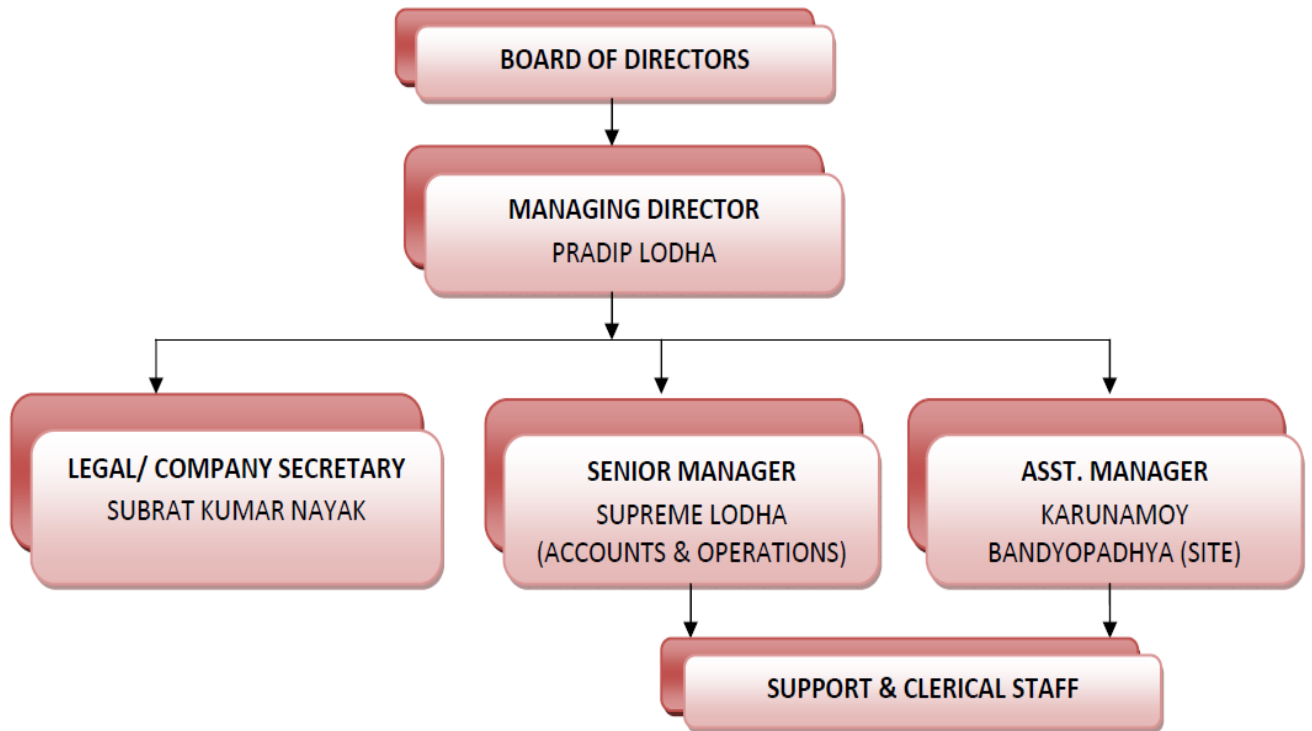
1. To recommend to the Board, the remuneration packages of the Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary,

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.);

2. To be authorized at its duly constituted meeting to determine on behalf of 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;
3. To implement, supervise and administer any share or stock option scheme of the Company;
4. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Committee is required to meet at least once a year.

MANAGEMENT ORGANISATION CHART



Key Managerial Personnel

The following table sets forth the Key Managerial Personnel and their significant details:

Name of Employee	Designation & Functional Area	Date of Joining	Current C.T.C (₹ in lacs)	Perks & Requisites	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Supreme Lodha	Sr. Manager Operations & Head of Accounts	01/04/2013	1.80	Nil	B. Tech and M. Tech	–	–
Mr. Karunamoy Bandyopadhyaya	Asst. Manager : Site	01/04/2013	1.44	Nil	HSC	Agrani Ice & Cold Storage Pvt. Ltd.	22 years
Mr. Subrat Kumar Nayak	Legal & Company Secretary	10/09/2013	1.80	Nil	B. Sc & C.S	Enfield Apparels Limited	2 years 7 months

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP are related to each other. However, Mr. Supreme Lodha is the son of Mr. Pradip Lodha and Mrs. Sushila Lodha.

Also, none of them have been selected pursuant to any arrangement/understanding with major shareholders/ customers/ suppliers.

Shareholding of Key Managerial Personnel

None of the KMP in our Company holds any shares of our Company as on the date of this Prospectus.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus/profit sharing plan for any of the employees, key managerial personnel.

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or Benefit to our Officers

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Prospectus

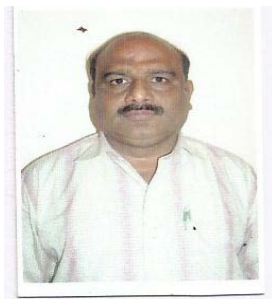
Name	Designation	Date of Joining	Date of Leaving	Reason
Mr. Supreme Lodha	Sr. Manager Operations & Head of Accounts	01/04/2013	-	Appointment
Mr. Karunamoy Banerjee	Asst. Manager : Site	01/04/2013	-	Appointment
Mr.Subrat Kumar Nayak	Legal & Company Secretary	10/09/2013	-	Appointment

OUR PROMOTERS AND PROMOTER'S GROUP

OUR PROMOTERS

Mr. Pradip Lodha, Mrs. Sushila Lodha, Mrs. Asha Ladia, M/s. Pratyush Mercantile Pvt. Ltd. and SRG Trading Pvt. Ltd. are the Promoters of our Company.

Brief Profile of our Individual Promoters:



Mr. Pradip Lodha

PAN: ABZPL3976C

Passport No.: J2642764

Driver's License No.: 27527

Voter's ID No.: WB/33/221/549228

Bank A/c No.: 11222248858

Name of Bank & Branch: State Bank of India, Paschim Midnapur, West-Bengal



Mrs. Asha Ladia

PAN: ABTPL7743H

Passport No.: N.A

Driver's License No.: N.A

Voter's ID No.: DKN0221937

Bank A/c No.: 0303101023971

Name of Bank & Branch: Canara Bank, Kolkata Canning Street, West -Bengal



Mrs. Sushila Lodha

PAN: ABZPL3975B

Passport No.: J2642766

Driver's License No.: N.A

Voter's ID No.: WB/33/221/549182

Bank A/c No.: 11222210845

Name of Bank & Branch: State Bank of India, Paschim Midnapur, West-Bengal

For additional details on the age, background, personal address, educational qualifications, experience, positions/posts and Directorship held in the past, please see the chapter titled "Our Management" beginning on page 93 of this Prospectus.

For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page 45 of this Prospectus.

Brief Profile of our Corporate Promoters

Pratyush Mercantile Pvt. Ltd. (hereinafter referred to as “PMPL”)

Identification

Name	M/s. Pratyush Mercantile Private Limited
Permanent Account Number	AAECP8655K
Company Registration Number	U51909WB2008PTC128979
Address of ROC with which the company was registered	Nizam Palace, II-MSO Building, 2 nd Floor, 234/4 A.J.C Bose Road, Kolkata – 700020.
Bank Account Number	000605018520
Name of the Bank and Branch	ICICI Bank Ltd. Rasoi Court, 20 Sir R.N. Mukherjee Road, Kolkata – 700001

Brief History and Background

PMPL was incorporated on September 01, 2008 as a private limited company under the Companies Act, 1956 as ‘Pratyush Mercantile Private Limited’ and was registered with the Registrar of Companies, West Bengal.

The registered office of PMPL is situated at 18, British Indian Street, 2nd Floor, Room No. 207, Kolkata - 700069. The company is currently involved in Trading and Investment Business.

PMPL was originally promoted by Mr. Sanjay Dhanuka and Sunil Dhanuka only. In 2012-13, our promoters – Mr. Pradip Lodha, Mrs. Asha Ladia and Mrs. Sushila Lodha through their company M/s. Dynasty Inn Pvt. Ltd. acquired substantial interest in PMPL along with its existing promoters. Subsequently Mr. Pradip Lodha, Mrs. Asha Ladia and Mrs. Sushila Lodha were also inducted as directors in PMPL on October 01, 2013, May 30, 2013 and May 30, 2013 respectively and thereby gained majority board control. Other than the above mentioned appointments of Mr. Pradip Lodha, Mrs. Asha Ladia and Mrs. Sushila Lodha there has been no change in control or management of PMPL in the last three years.

PMPL was not the original promoter of our company, however it currently holds 2,50,000 Equity Shares of our Company, which constitutes 7.01% of our Pre-Issue paid-up share capital. The Post –Issue shareholding of PMPL will be 5.51%. *For details of the build-up of our PMPL’s shareholding in our Company, please see “Capital Structure –Notes to Capital Structure” on page 45 of this Prospectus.* Further, we confirm that, compliance with SEBI (SAST) Regulations and Listing Agreement was not applicable, since shares of our company were not listed on any Stock Exchange in India at the time of said acquisitions.

Nature and extent of interest of our Promoters

Our Promoters and Promoters Group currently hold 27.19% equity in PMPL.

For details of the natural person in control of M/s. Dynasty Inn Private Limited please see “Group Companies” on page 113 of this Prospectus

Board of Directors

The Board of Directors of PMPL as on date of this Prospectus are:

Sr. No.	Name of Director
1.	Mr. Pradip Lodha
2.	Mrs. Asha Ladia
3.	Mrs. Sushila Lodha

4.	Mr. Sunil Dhanuka
5.	Mr. Sanjay Dhanuka

Financial Information

The brief audited financial information of PMPL for the last three years is set forth below:

(₹ in Lacs)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	8.90	8.90	8.57
2.	Reserves (excluding revaluation reserve) and Surplus	291.09	318.36	291.43
3.	Income including other income	250.43	7.41	272.81
4.	Profit/ (Loss) after tax	(26.70)	(5.57)	0.38
5.	Earnings per share (face value of ₹ 10 each)	(30.07)	(6.26)	0.44
6.	Net asset value per share	337.07	367.56	349.93

SRG Trading Pvt. Ltd. (hereinafter referred to as “STPL”)

Identification

Name	M/s. SRG Trading Private Limited
Permanent Account Number	AAGCS7943D
Company Registration Number	U51909WB1999PTC090106
Address of ROC with which the company was registered	Nizam Palace, II-MSO Building, 2 nd Floor, 234/4 A.J.C Bose Road, Kolkatta – 700020.
Bank Account Number	000605011387
Name of the Bank and Branch	ICICI Bank Ltd. Rasoi Court, 20 Sir R.N. Mukherjee Road, Kolkata - 700001

Brief History and Background

STPL was incorporated on August 20, 1999 as a private limited company under the Companies Act, 1956 as ‘SRG Trading Private Limited’ and was registered with the Registrar of Companies, West Bengal.

The registered office of STPL is situated at 36-A, Bentick Street, 2nd Floor, Kolkata, West Bengal – 700069. The company is currently involved in Trading and Investment Business.

STPL was originally promoted by Mr. Surinder Singh Soni, Raminder Kaur Soni and Gurdeep S. Soni. In 2012-13, Mrs. Asha Ladia and Mrs. Sushila Lodha individually and along with their group company - M/s. Pratyush Mercantile Pvt. Ltd. acquired substantial interest in this company alongside its then existing promoters. Subsequently Mrs. Asha Ladia and Mrs. Sushila Lodha were inducted as directors in the company on May 30, 2013 and acquired majority board control. In addition to the appointment of Mrs. Asha Ladia and Mrs. Sushila Lodha, in 2013-14, Mr. Vishal Agarwal and Mr. Rajendra Agrawal were earlier appointed on July 04, 2012 as directors in the company. Subsequently, Mr. Vishal Agarwal and Mr. Rajendra Agrawal resigned on September 05, 2013 and October 01, 2013 from the company. Except these changes there has not been any change in management or control in this company in the last three years.

STPL was not the original promoter of our company, however it currently holds 5,20,000 Equity Shares of our Company, which constitutes 14.58% of our Pre-Issue paid-up share capital. The Post –Issue shareholding of PMPL will be 11.41%. *For details of the build-up of our STPL’s shareholding in our Company, please see “Capital Structure –Notes to Capital Structure” on page 45 of this Prospectus.* Further, we confirm that, compliance with

SEBI (SAST) Regulations and Listing Agreement was not applicable, since shares of our company were not listed on any Stock Exchange in India at the time of said acquisitions.

Nature and extent of interest of our Promoters

Our Promoters and Promoter Group currently hold 29.39 % equity in STPL.

Board of Directors

The Board of Directors of STPL as on date of this Prospectus is as follows:

Sr. No.	Name of Director
1.	Mrs. Asha Ladia
2.	Mrs. Sushila Lodha
3.	Mr. Kanai Kumar Bose

Financial Information

The brief audited financial information of STPL for the last three years is set forth below:

(₹ in Lacs)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	76.79	40.00	20.00
2.	Reserves (excluding revaluation reserve) and Surplus	425.76	223.54	43.25
3.	Income including other income	35.72	107.66	25.77
4.	Profit/ (Loss) after tax	(0.12)	0.28	0.22
5.	Earnings per share (face value of ₹ 10 each)	(0.02)	0.07	0.11
6.	Net asset value per share	65.44	65.88	31.57

Other Understandings and Confirmations

We confirm that the PAN, bank account number and passport number of the Individual Promoters and PAN, Bank account Number, Company registration number, and the address of the ROC Office with which the company is registered have been submitted to the Stock Exchanges at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters, the members of our Group Companies and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters, Promoter Groups or Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, 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.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the sections titled “*Risk Factors*” and chapter titled “*Outstanding Litigations and Material Developments*” beginning on pages 11 and 142 respectively of this Prospectus.

Experience of Promoters in the proposed line of business

The proposed line of business of the company is same as the existing line of business.

Since, our Promoters namely Mr. Pradip Lodha, Mrs. Asha Ladia and Mrs. Sushila Lodha are the original promoters of our company and have been directors on our board they all have the relevant industry experience of around 2 years to that extent. Further Mr. Pradip Lodha has extensive experience in the fields of potato trading, agriculture as well as cold storage activities of over 2 decades. The other two promoters Mrs. Sushila Ladia and Mrs. Asha Lodha have certain trading experience outside the experience with Karnimata as Directors and Promoters but do not have professional experience like Mr. Pradip Lodha. The company shall endeavour to ensure that relevant professional help is sought as and when required in the future.

Interest of Promoters in our Company other than as Promoters

Other than as promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Except as mentioned in this chapter and the chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Financial Indebtedness*” and “*Financial Statements - Annexure XXII*” on pages 77, 90, 140 and 131, respectively, of this Prospectus, our Promoters do not have any interest in our Company other than as promoters.

Common Pursuits of our Promoters

None of our Promoter Companies is currently engaged in businesses similar to ours. However, PMPL has been authorised by its Memorandum of Association to undertake activities which are similar to ours. Even though PMPL has not been involved in any activity that is similar of our company, since its MOA authorises it to be involved in similar activities as ours, it does pose a potential conflict of interest.

Our Company has not adopted any measures for mitigating such conflict situations. For further details on the related party transactions, to the extent of which our Company is involved, please see the “*Annexure XXII - Related Party Transactions*” beginning on page 131 of this Prospectus.

There are no other companies, firms, and trusts in which our Promoters are interested as a promoter, director, member, partner, proprietor, and/or trustee that are in the same line of business as of the Company.

Interest of Promoters in the Promotion of our Company

Our Company is promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company as mentioned above in this chapter, under the heading “*Common Pursuits of our Promoters*” and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus.

Further, we confirm that our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

However, prior to the change in registered office made on July 20, 2013, our Company had been operating its registered office from a location which was owned by our Promoters. A rent of ₹ 18,000/- and ₹ 6,000/- was paid for the FY ended March 2013 and six month period ended September 2013 respectively to our promoters for such property by the company.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Except as stated in “*Financial Statements – Annexure XXII*” on page 131 of this Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this Prospectus.

Other Confirmations

Except as stated elsewhere in this Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further, except as disclosed in the chapter titled “*Our Promoter, Promoter Group and Group Companies*” beginning on page 105 of this Prospectus, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Companies with which the Promoters are disassociated in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Prospectus:

Name of the Company	Particulars of Disassociation
Techno Builders Pvt. Ltd. (“TBPL”)	Mrs. Sushila Lodha and Mrs. Asha Ladia were appointed as directors in TBPL on May 30, 2013 however they have resigned from this company on October 01, 2013 due to pre-occupation. They did not hold any shares in the company.

OUR PROMOTER'S GROUP

Apart from our Promoters, the following individuals and entities constitute our Promoter Group:

1. Natural Persons who are Part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, apart from Mr. Pradip Lodha, Mrs. Sushila Lodha and Mrs. Asha Ladia, the following natural persons (being the immediate relatives of our Promoters), shall form part of our Promoter Group:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mrs. Asha Ladia	Lt. Abhinandan Prasad Jain	Father
	Lt. Sarda Devi Jain	Mother
	Mr. Sushil Ladia	Husband
	Mr. Durga Prasad Jain	Brother(s)
	Mr. Hanuman Prasad Jain	
	Mrs. Rakhi Sarawagi	Sister(s)
	Mrs. Seema Jhaharia	
	Lt. Malchand Ladia	Husband's Father
	Lt. Ram Pyari Ladia	Husband's Mother
	Gopal Ladia	Husband's Brother
	Suman Agarwal	Husband's Sister
Mr. Pradip Lodha	Mrs. Kirti Ladia Arora	Daughter(s)
	Miss. Dipti Ladia	
	Mr. Nandlal Lodha	Father
	Lt. Gayatri Devi Lodha	Mother
	Mrs. Sushila Lodha	Wife
	Mr. Dilip Lodha	Brother(s)
	Mr. Rajendra Lodha	
	Mrs. Anita Agrawal	Sister(s)
Mrs. Sushila Lodha	Mrs. Sangeeta Jajodia	
	Mr. Suprim Lodha	Son(s)
	Mrs. Priyanka Patwari	Daughter(s)
	Mr. Bajrang Lal Modi	Father
	Mrs. Bimla Devi Modi	Mother
	Mr. Pradip Lodha	Husband
	Mr. Gopal Modi	Brother(s)
	Mr. Shyam Sundar Modi	
	Mr. Ram Kumar Modi	Sister(s)
	Mrs. Nitu Pagia	
	Mr. Suprim Lodha	Son(s)
	Mrs. Priyanka Patwari	Daughter(s)

2. Other Individuals who are part of the Promoter Group: None

3. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, other than the Corporate Promoters (i.e. PMPL and STPL) the following entities shall form part of our Promoter Group:

Sr. No.	Relationship with Individual Promoter	Name of Promoter Group Entity
(A)	Any body corporate in which ten per cent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;	<ul style="list-style-type: none"> • Janu Infrastructure Pvt. Ltd. • Binapani Real Estate Pvt. Ltd. • Dynasty Inn Pvt. Ltd.
(B)	Any body corporate in which a body corporate as provided in (A) above holds ten per cent or more, of the equity share capital;	-
(C)	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent. of the total;	-

Sr. No.	Relationship with Corporate Promoter	Name of Promoter Group Entity
(A)	a subsidiary or holding company of such body corporate;	-
(B)	Anybody corporate in which the promoter holds ten per cent. or more of the equity share capital or which holds ten per cent. or more of the equity share capital of the promoter;	-
(C)	Anybody corporate in which a group of individuals or companies or combinations thereof which hold twenty per cent. or more of the equity share capital in that body corporate also holds twenty per cent. or more of the equity share capital of the issuer;	-

GROUP COMPANIES

Besides PMPL and STPL, the following companies are promoted by our Promoters (“Group Companies”):

- Binapani Real Estate Pvt. Ltd.
- Dynasty Inn Pvt. Ltd.
- Janu Infrastructure Pvt. Ltd.

Unless otherwise stated none of the companies forming part of the Group Companies, is a sick company under the meaning of SICA and none of them are under winding up. Further, all the Group Companies are unlisted and have not made public issue of securities in the preceding three years.

Details of our Group Companies

1. Binapani Real Estate Pvt. Ltd. (“BREPL”)

The Company was originally incorporated as Binapani Real Estate Private Limited under the Companies Act on March 26, 2010 in the state of West Bengal. The CIN of the Company is U70200WB2010PTC144507. It is engaged in the business of real estate and infrastructure development. Its registered office is situated at Village – Radhanagar, P.O. – Amlagora, Dist.- Paschim Medinipur, West Bengal - 721121, India

Interest of our Promoters

Our Promoters and Promoters Group currently hold 28.00% of the equity share capital of this company and Mr. Pradip Lodha is also a Director in the company.

Financial Information

The brief audited financial information of BREPL for the last three years is set forth below:

(₹ in Lacs)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	50.00	50.00	50.00
2.	Reserves (excluding revaluation reserve) and Surplus	(7.57)	(6.78)	(1.90)
3.	Income including other income	117.87	-	-
4.	Profit/ (Loss) after tax	(0.79)	(3.08)	(1.90)
5.	Earnings per share (face value of ₹ 10 each)	-	-	-
6.	Net asset value per share	8.49	8.64	9.25

2. Dynasty Inn Pvt. Ltd. (“DIPL”)

Dynasty Inn Private Limited was incorporated under the Companies Act on January 17, 2009 in the state of Kolkata. The CIN of the Company is U74999WB2009PTC132090. It is authorized by its memorandum to be involved in the business of running Hotels, Motels, Inns, Lodging and Boarding, Resorts, Restaurants, tour operators, etc., however it has not yet begun commercial activities related to the same. Its registered office is situated at Room no. 207, Merlin Chambers, 2nd floor, 18 British Indian Street, Kolkata, West Bengal-700069.

Interest of our Promoters

Our Promoters and Promoters Group currently hold 100% of the equity share capital of this company. The natural persons in control of the company are Mrs. Asha Ladia , Mrs. Sushila Lodha and Mr. Pradip Lodha are also Directors in the company.

Financial Information

The brief audited financial information of DIPL for the last three years is set forth below:

(₹ in Lacs)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	1.00	1.00	1.00
2.	Reserves (excluding revaluation reserve) and Surplus	(0.83)	(0.65)	(0.35)
3.	Income including other income	-	-	-
4.	Profit/ (Loss) after tax	(0.19)	(0.30)	(0.15)
5.	Earnings per share (face value of ₹ 10 each)	-	-	-
6.	Net asset value per share	1.69	2.44	4.88

3. Janu Infrastructure Pvt. Ltd. (“JIPL”)

Janu Infrastructure Private Limited was incorporated under the Companies Act on November 20, 2012 in the state of West -Bengal. The CIN of the Company is U70102WB2012PTC18846. Its memorandum authorises the company to be involved in the business of real estate and infrastructure development and leasing activities, however being newly incorporated JIPL has not yet begun commercial operations in the said field. Its registered office is situated at Lodha Mansion, Village: Radhanagar, P.O. Amlagora, Garbeta – 721121, India.

Interest of our Promoters

Our Promoters and Promoters Group currently hold 50% of the equity share capital of this company and Mrs. Sushila Lodha is a Director in the company.

Financial Information

The brief audited financial information of JIPL is set forth below:

(₹ in lacs)

Sr. No.	Particulars	As at March
		2013*
1.	Equity Capital	2.00
2.	Reserves (excluding revaluation reserve) and Surplus	(1.22)
3.	Income including other income	0.00
4.	Profit/ (Loss) after tax	(1.22)
5.	Earnings per share (face value of ₹ 10 each)	-
6.	Net asset value per share	2.78

* Being newly incorporated this company has only completed one accounting period.

Nature and extent of the interest of the Group Companies in our Company

(a) In the promotion of our Company

None of the Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired by our Company within the two years of the date of filing this Draft Prospectus or proposed to be acquired by our Company

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing this Prospectus or proposed to be acquired by our Company.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

(d) Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the section “Financial Information – Annexure XXII Related Party Transactions” beginning on page 131 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

Common pursuits between the Group Companies and our Company

None of our Group Companies are engaged in the same line of business or have any common pursuits as our Company.

Related business transactions within the Group Companies and its significance on the financial performance of our Company

For details, please see the chapter titled “Financial Statements- Annexure XXII Related Party Transactions” on page 131.

Sale/purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, please see the chapter titled “Financial Statements- Annexure XXII Related Party Transactions” on page 131.

Business interest of Group Companies in our Company

For details, please see the chapter titled “Financial Statements- Annexure XXII Related Party Transactions” on page 131.

Defunct Group Companies

None of the Group Companies are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of this Prospectus.

Litigation

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled “Outstanding Litigations and Material Developments” on page 142.

Other Confirmations

Our Group Companies have further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of our Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

CURRENCY OF PRESENTATION

In this Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten lacs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million” and the word “trillion” means “One thousand billion”. Throughout this DRHP, all the figures have been expressed in lacs of Rupees, except when stated otherwise.

In this Prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” and “₹” are to the legal currency of the Republic of India; all references to “U.S. Dollars” and “US\$” are to legal currency of the United States.

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

DIVIDEND POLICY

Under the Companies Act, 1956, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

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

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENT

REPORT OF THE AUDITORS ON FINANCIAL STATEMENTS

**The Board of Directors,
Karnimata Cold Storage Limited**
Vill- Chekuasole, P.O. – Jogerdanga,
P.S. – Goaltore, Dist – Paschim Mednipur,
West Bengal - 721121

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Karnimata Cold Storage Limited (KCSL)

1. We have examined the attached **Restated Financial Information** of Karnimata Cold Storage Limited, as on period ended 30th September 2013, as at 31st March 2013 and 31st March 2012 and **Restated Profit & Loss and Cash Flow Statements** for the period ended 30th September 2013, and for the Financial Year ended 31st March 2013 and 31st March 2012 (Collectively the “**Restated Financial Statements**”), as approved by the Board of Directors of KCSL prepared in terms of the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended to date (the “SEBI Regulations”) in connection with the Company’s Proposed Initial Public Offer (IPO) of equity shares at ₹ 10/- each at a premium of ₹ 10/- each (referred to as the “**Issue**”) under the Fixed Price Issue Method.
2. The Restated Financial Information have been extracted by the management from the financial statements for the period ended 30th September 2013, Financial Year ended 31st March 2013 and 31st March 2012.
3. Information of the Company are for the Period ended 30th September 2013, Financial Year ended 31st March 2013 and 31st March 2012 have been audited by us and books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, for the presentation of the Restated Summary Statements under the requirements of Revised Schedule VI of the Act, in relation to the period ended 30th September 2013, Financial Year ended 31st March 2013 and 31st March 2012.
4. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act 1956, the SEBI Regulations; Revised Guidance Note on Reports in Company Prospectus (as amended from time to time) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the term of our engagement agreed with you, we further report that:
 - i. The Restated Statement of Assets and Liabilities of the Company as at 30th September 2013, 31st March 2013 and 31st March 2012, as set out in “**Annexure I**” to this report read with the Significant Accounting Policies and related Notes in **Annexure IV & V** are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the **Restated Summary Statements**.
 - ii. The Restated Profit & Loss Statement of the Company for the Period ended 30th September 2013, Financial Year ended 31st March 2013 and 31st March 2012 as set out in “**Annexure II**” to this report read with the significant accounting policies and related Notes in **Annexure IV & V** are after making such adjustments and re groupings as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the **Restated Summary Statements**.
 - iii. We have also examined the following financial information as set out in Annexure prepared by the Management and approved by the Board of Directors relating to the Company for the Period ended 30th September 2013, Financial year ended 31st March 2013 and 31st March 2012.

Annexure I	Restated Statement of Assets and Liabilities
Annexure II	Restated Statement of Profit and Loss
Annexure III	Restated Statement of Cash Flows
Annexure IV	Significant Accounting Policies
Annexure V	Major Notes to Accounts
Annexure VI	Restated Statement of Fixed Assets
Annexure VII	Restated Statement of Investments
Annexure VIII	Restated Statement of Non-Current Assets
Annexure IX	Restated Trade Receivables
Annexure X	Restated Statement of Long term loans and advances
Annexure XI	Restated Statement of Short term loans and advances
Annexure XII	Restated Statement of Cash and Cash Equivalents
Annexure XIII	Restated Statement of Long Term Borrowings
Annexure XIV	Restated Statement of Short Term Borrowings
Annexure XV	Restated Statement of Revenue from Operations
Annexure XVI	Restated Statement of Other Income
Annexure XVII	Restated Dividend Declared
Annexure XVIII	Restated Accounting Ratios
Annexure XIX	Restated Statement of Capitalization
Annexure XX	Restated Statement of Tax Shelters
Annexure XXI	Restated Contingent Liabilities
Annexure XXII	Restated Statement of Related Parties Transaction

In our Opinion, the above financial information contained in Annexure I to XXII of this report read along with the Restated Statement of Significant Accounting Policies, and related Notes (refer Annexure IV & V) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance Notes on the Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

Our report is intended solely for the use of management and for inclusion in the Draft Offer Document / Offer Document in connection with the proposed issue of equity shares of the Company and our Report should not to be used, referred to or distributed for any other purpose without our written consent.

For BIDASARIA & ASSOCIATES.

Chartered Accountants

(Firm Registration No. 315101E)

R.K BIDASARIA

Partner

Membership No.: 052251

Place: Kolkata

Date: 25th November, 2013

Annexure I
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	356.60	356.60	333.50
(b) Reserves and Surplus	12.09	7.44	4.67
Total Shareholder's Funds (A)	368.69	364.04	338.17
(2) Share application money pending allotment (B)	-	-	12.10
(3) Non-Current Liabilities			
(a) Long-term borrowings	537.42	537.97	523.04
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long term liabilities	-	-	-
(d) Long term provisions	-	-	-
Total Non-Current Liabilities (C)	537.42	537.97	523.04
(4) Current Liabilities			
(a) Short-term borrowings	296.18	351.05	403.02
(b) Trade payables	-	-	-
(c) Other current liabilities	117.50	98.52	109.29
(d) Short-term provisions	0.65	-	0.55
Total Current Liabilities (D)	414.33	449.57	512.86
Total (A+B+C+D)	1320.44	1351.58	1386.17
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	866.84	887.69	903.86
(ii) Intangible assets	-	-	-
(iii) Capital work-in-progress	103.53	-	5.00
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	-	-	-
(c) Deferred tax assets (net)	-	-	-
(d) Long term loans and advances	2.33	1.44	0.90
(e) Other non-current assets	65.47	60.22	51.24
Total Non-Current Assets (A)	1038.17	949.35	961.00
(2) Current assets			
(a) Current investments	-	-	-
(b) Inventories	80.07	69.87	31.43
(c) Trade receivables	31.79	29.96	17.62
(d) Cash and cash equivalents	6.93	94.16	22.66
(e) Short-term loans and advances	163.48	208.24	349.87
(f) Other current assets	-	-	3.59
Total Current Assets (B)	282.27	402.23	425.17
Total (A+B)	1320.44	1351.58	1386.17

NOTE: The Company was incorporated on April 29, 2011 and hence only two (2) full years of Financials are available.

Annexure II
STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Income			
Revenue from operations-	190.83	363.12	17.62
Other Income	12.10	14.15	8.95
Total Income	202.93	377.27	26.57
Expenditure			
Purchase of Stock in Trade	51.06	133.25	24.17
Changes in Inventory of Stock in Trade	(10.20)	(36.03)	(24.17)
Employee benefit expense	9.08	16.12	0.46
Financial costs	57.31	118.01	7.66
Depreciation and amortization expense	21.14	47.08	2.83
Other expenses	69.89	91.68	10.95
Total Expenses	198.28	370.11	21.90
Profit before exceptional and extraordinary items and tax	4.65	7.16	4.67
Less: Exceptional Items	-	-	-
Profit before extraordinary items and tax	4.65	7.16	4.67
Less: Extraordinary Items	-	4.39	-
Profit before tax	4.65	2.77	4.67
Tax expense:			
Current tax	0.89	0.53	0.90
MAT Credit Entitlement	(0.89)	(0.53)	(0.90)
Deferred tax	-	-	-
Profit(Loss) from the period from continuing operations	4.65	2.77	4.67

Annexure III
CASH FLOW STATEMENT, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax as restated	4.65	2.77	4.67
<u>Adjustments:</u>			
Add: Depreciation	21.14	41.49	2.83
Add: Interest & Financial Charges	57.31	118.01	7.66
Add: Preliminary Expenses written off	-	3.59	-
Less: Interest Income	2.47	5.46	1.87
Operating Profit before Working Capital Changes	80.63	160.40	13.29
<u>Adjustment for :-</u>			
(Increase) / Decrease in Trade Receivables	(1.83)	(12.33)	(17.62)
(Increase) / Decrease in Inventories	(10.20)	(38.44)	(31.43)
(Increase) / Decrease in Other Current Assets	-	-	(3.59)
(Increase) / Decrease in Short Term Loans & Advances	44.76	141.62	(349.87)
Increase / (Decrease) in Other Current Liabilities	18.98	(10.79)	109.29
Cash Generated from Operations	132.34	240.46	(279.93)
Direct Taxes Paid / TDS	(0.24)	(1.07)	(0.37)
Net cash from / (used in) operating activities (A)	132.10	239.39	(280.30)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase Of fixed Assets	(103.82)	(20.32)	(911.68)
Other non Current Assets	(5.25)	(8.98)	(51.24)
Interest Income	2.47	5.46	1.87
Net cash from/ (used in) Investing activities (B)	(106.60)	(23.84)	(961.05)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From issue of share capital + Premium	-	23.10	333.50
Share Application Money Received	-	(12.10)	12.10
Proceeds / (Repayment) from Working Capital Loan	39.45	(50.62)	50.62
Proceeds / (Repayment) of Primary Marketing Loan	(94.32)	(1.35)	352.40
Proceeds / (Repayment) of Term-Loan	(30.55)	(43.07)	523.03
Proceeds / (Repayment) of Un-secured Loan	30.00	58.00	-
Interest & Financial Charges	(57.31)	(118.01)	(7.66)
Net cash from/ (used in) financing activities (C)	(112.73)	(144.05)	1263.99
Net (Decrease)/Increase in cash and Cash Equivalents (A+B+C)	(87.23)	71.50	22.64
Cash and cash equivalents at beginnings of year	94.16	22.66	-
Cash and cash equivalents at end of year	6.93	94.16	22.66

Annexure IV

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions of the Companies Act, 1956, Provisions of the Companies Act, 2013 (to the extent notified) and accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as Applicable.

2. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles. It requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

3. Income Recognition

Sales: Revenue is recognised to the extent that it is probable the economic benefits will flow to the company and revenue can be reliably measured. Revenue from sale of goods is when all the significant risks & rewards of ownership of the goods have been passed to the recognised buyers, usually on delivery of goods. The provisions of AS-9 are complied with to the extent applicable to the company.

Income & Expenditure: Income & Expenditure are accounted for on accrual basis, wherever ascertainable.

4. Fixed Assets And Depreciation

- a) Fixed assets are stated at historical cost of acquisition/construction inclusive of duties, taxes, incidental expenses and erection/commissioning expenses up to the date the asset is ready for intended use.
- b) Depreciation and amortization: On fixed assets, depreciation is provided on straight line method. The rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956, are considered as minimum

5. Impairment

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and the value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

6. Inventories

Items of inventories are measured at lower of cost or net realisable after providing for obsolescence, if any.

7. Investments

The Company does not have any investment.

8. Employee Benefits

Short –term Employee Benefits for Services rendered by employees are recognized during the period when the services are rendered.

9. Segment Reporting

The Company is engaged in only one segment of business which is Cold Storage Business. The company operates in only one geographical segment viz. India.

10. Related Party Disclosure

Disclosure of related parties as required by the accounting standard is furnished as part of Annexure.

11. Accounting For Taxes On Income

Income tax expenses is the aggregate amount of current tax and deferred tax charge, Taxes on income are accrued in the same period as the revenue and expenses to which they relate. Current Tax is determined in accordance with the income Tax Act 1961, on the amount of tax payable in respect of income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences arising between the carrying value of assets and liabilities. Deferred tax assets are recognized only after giving due consideration to prudence. Deferred tax assets and liabilities are measured using tax retards and tax laws that have been enacted (or) substantially enacted by the balance sheet date.

12. Government Grants

The company has applied for State Subsidy under The West Bengal State Support for industries scheme 2008, but no subsidy received during the period.

13. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share issued by the Institute of Chartered accountants of India. Basic earnings per share have been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

14. There are no Auditor's Qualifications in the Financial Statements of our Company.

Annexure V MAJOR NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in Lacs)

Particulars	Sept 30, 2013	For the Year Ended March 31,	
		2013	2012
<i>Whole Time Directors Remuneration</i>			
Salaries and Allowances	1.53	2.70	-
<i>Non Whole Time Directors Remuneration</i>			
Sitting Fees	-	-	-

2. Remuneration to Statutory Auditors:

(₹ in Lacs)

Particulars	Sept 30, 2013	For the year ended March 31,	
		2013	2012
Audit Fees			
Taxation Matters	0.10	0.17	0.11
ROC Matters	-	-	-
Total	0.10	0.17	0.11

- In the opinion of Board of Directors, the value of realization of current assets, loans and advances in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.
- The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

5. Accounting for taxes on income

Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where the income is assessable.

6. Contingent Liability

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprises, or is a possible obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

7. Earnings Per share

Basic & Diluted Earnings per Share is calculated on Weighted Average number of Equity shares during the year.

- Previous year figures have been re-grouped and reclassified wherever necessary to confirm to the current year classification.
- Information regarding Foreign Exchange earnings and expenditure:
Earning in Foreign Exchange: NIL
Expenditure in Foreign Exchange: NIL

NOTES FOR MATERIAL RE – GROUPING

F. Y. 2012

Balance Sheet

1. Fixed Deposit of ₹ 10.75 lacs shown under Other Current Assets in the Audited Financials, now re-classified under Cash & Bank Balance in the Restated Financials.

Cash Flow

1. AS – 3 has not been strictly complied with in the Audited Financial Statements for F.Y. 2012. However, the same has been rectified and detailed Cash Flow has been provided in the Restated Financial Statements.

F. Y. 2013

Balance Sheet

1. Fixed Deposit of ₹ 11.68 lacs shown under Other Current Assets in the Audited Financials, now re-classified under Cash & Bank Balance in the Restated Financials.
2. Unsecured Loans received ₹ 58.00 lacs wrongly shown under Other Current Liabilities in the Audited Financials, now rectified and shown under Long – Term Borrowings in the Restated Financials

Profit & Loss A/c

3. Interest Income on Loans given to from Farmers / Traders ₹ 14.59 lacs wrongly shown under Other Income in the Audited Financials, now rectified and shown as part of Income from Operations.

Cash Flow

1. AS – 3 has not been strictly complied with in the Audited Financial Statements for F.Y. 2013. However, the same has been rectified and detailed Cash Flow has been provided in the Restated Financial Statements.

PERIOD ENDED SEPTEMBER 2013

Profit & Loss A/c

1. Interest Income on Loans given to from Farmers / Traders ₹ 5.63 lacs wrongly shown under Other Income in the Audited Financials, now rectified and shown as part of Income from Operations.

Annexure VI

STATEMENT OF FIXED ASSETS, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Computers	0.13	0.13	0.13
Less: Accumulated Depreciation	0.03	0.02	0.00
Net Block	0.10	0.11	0.13
Furniture & Fixtures	2.05	1.75	1.27
Less: Accumulated Depreciation	0.16	0.09	0.00
Net Block	1.89	1.66	1.27
Vehicles	7.78	7.78	7.54
Less: Accumulated Depreciation	1.15	0.79	0.05
Net Block	6.63	6.99	7.49

Electrical Installation	16.38	16.38	16.38
Less: Accumulated Depreciation	1.36	0.92	0.06
Net Block	15.02	15.46	16.32
Plant & Machinery	738.00	738.00	725.92
Less: Accumulated Depreciation	60.49	41.00	2.62
Net Block	677.51	697.00	723.30
Building	95.26	95.26	82.74
Less: Accumulated Depreciation	2.27	1.49	0.09
Net Block	92.99	93.77	82.65
Land & Land Development	72.70	72.70	72.70
Less: Accumulated Depreciation	-	-	-
Net Block	72.70	72.70	72.70
Total	866.84	887.69	903.86

Annexure VII
STATEMENT OF INVESTMENTS, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
A) Long Term Investments			
Equity Instruments			
-Quoted	-	-	-
-Unquoted	-	-	-
Total	-	-	-
B) Short Term Investments	-	-	-
C) Provision for diminution in value of Investments	-	-	-
Total (A+B+C)	-	-	-
Quoted Investments			
-Book Value	-	-	-
-Market Value	-	-	-
Total	-	-	-

Annexure VIII
STATEMENT OF OTHER NON – CURRENT ASSETS, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Fixed Deposit with Banks	55.47	50.22	46.24
Life Insurance	10.00	10.00	5.00
Total	65.47	60.22	51.24

Annexure IX
STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Debt outstanding exceeding six months:			
Considered Good			
Receivable from Promoter / Promoter Group Co.	-	-	-
Others	29.17	-	-
Less: Provision	-	-	-
Sub - Total (A)	29.17	-	-

Debt outstanding not exceeding six months:			
Considered Good			
Receivable from Promoter / Promoter Group Co.	-	-	-
Others	2.62	29.96	17.62
Less: Provision	-	-	-
Sub - Total (B)	2.62	29.96	17.62
Total (A+B)	31.79	29.96	17.62

Annexure X

STATEMENT OF LONG TERM LOANS AND ADVANCES, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Advance Tax and TDS Receivable	0.02	0.02	-
MAT Credit Entitlement	2.31	1.42	0.90
Total	2.33	1.44	0.90

Annexure XI

STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Loans and Advances to Farmers / Traders	163.48	208.24	349.87
Total	163.48	208.24	349.87

Annexure XII

STATEMENT OF CASH AND CASH EQUIVALENTS, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Cash in hand	6.28	5.23	1.06
Bank Balances (Includes deposit a/c's)	0.65	88.93	21.60
Total	6.93	94.16	22.66

Annexure XIII

STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	For the year ended March 31,	
		2013	2012
From Banks	449.42	479.97	523.04
From Corporate Bodies	88.00	58.00	-
Total	537.42	537.97	523.04

Annexure XIV

STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
From Banks	296.18	351.05	403.02
From Directors	-	-	-
Total	296.18	351.05	403.02

Annexure XV
STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Revenue from operations			
-Rent From Potato Storage	138.64	203.89	17.62
-Sale of Potato's	46.56	144.63	0.00
-Interest Income from loan to traders/farmers	5.63	14.60	0.00
Total	190.83	363.12	17.62

Annexure XVI
STATEMENT OF OTHER INCOME, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Net Profit Before Tax and Extraordinary Items	4.65	7.16	4.67
20% of Net Profit Before Tax	0.93	1.43	0.93
Other Income Details			
Recurring			
- Interest Income on FD with SBI	2.47	5.46	1.87
Non – Recurring			
- Insurance Claim	9.06	3.69	0.00
- Sale of scrap	0.14	4.60	7.08
- Misc. Income	0.43	0.40	0.00
Total	12.10	14.15	8.95

Annexure XVII
STATEMENT OF DIVIDEND DECLARED, AS RESTATED

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
On Equity Shares			
Fully Paid up Share Capital(₹ in Lacs)	356.60	356.60	333.50
Face Value (₹)	10/-	10/-	10/-*
Paid up Value per Share (₹)	10/-	10/-	10/-*
Rate of Dividend	-	-	-
Total Dividend	-	-	-
Corporate dividend tax on above	-	-	-

* The Face Value of the Equity Shares for F. Y.2012 is ₹1/-. However, for comparison purposes, the same has been considered as face value of ₹10 per Equity Share and No. of Shares accordingly adjusted

Annexure XVIII
STATEMENT ACCOUNTING RATIOS, AS RESTATED

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Face Value per Equity share	10/-	10/-	10/-*
Number of Outstanding Equity Shares	3566000	3566000	3335000*
Profit/(Loss) after Tax as per Profit and Loss Account (₹ in lacs)	4.65	2.77	4.67
Earnings / (Losses) per share			
Basic & Diluted earnings per share	0.13	0.08	15.68 [#]
Return On Net worth (%)	1.26%	0.76%	1.40%

Net Assets Value per Equity Share (₹)	10.34	10.21	10.03
Weighted average numbers of equity shares used in calculating Basic & Diluted Earnings per Share	3566000	3528778	29808

* The Face Value of the Equity Shares for F. Y.2012 is ₹1/-. However, for comparison purposes, the same has been considered as face value of ₹10 per Equity Share and No. of Shares accordingly adjusted

The EPS is high due to weighted average no. of shares is very low, as 3315000 shares were allotted on 31st 2012

Annexure XIX CAPITALISATION STATEMENT

(₹ in Lacs)

Particulars	Pre-Issue as on Sept 30, 2013	Post Issue*
Short Term Debt	296.18	296.18
Long Term Debt	597.42*	597.42*
Total Debt	893.60*	893.60*
Equity Share Capital	356.60	508.40
Reserves and Surplus	12.09	163.89
Total Shareholder's Fund	368.69	672.29
Long Term Debt to Total Shareholder's Fund	1.62	0.89
Short Term Debt to Total Shareholder's Fund	0.80	0.44
Total Debt to Total Shareholder's Fund	2.42	1.33

* Includes ₹ 60 lacs shown under Current Liabilities as 'Current Maturities of Long Term Debt'

Annexure XX: STATEMENT OF TAX SHELTERS

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Profit /(Loss) before taxation as restated	4.65	2.77	4.67
Normal Tax Rate on Business Income (%)	30.90	30.90	30.90
Minimum Alternative Tax Rates (%)	19.055	19.055	19.055
Adjustments:			
Difference between Tax Depreciation & Book Depreciation	18.17	39.82	2.83
Deduction u/s 35AD as specified expenditure	-	-	(833.98)
Other adjustments	(1.12)	4.47	0.02
Set off of Unabsorbed Depreciation	(779.40)	(826.46)	-
Net Adjustments	(762.35)	(782.17)	(831.13)
Profit /(Loss) before taxation as per Tax Laws	(757.69)	(779.40)	(826.46)
Net Tax Payable [A]	0.00	0.00	0.00
Tax as per Minimum Alternative Tax (MAT)	0.89	0.53	0.89
Total Tax Payable or MAT whichever is higher	0.89	0.53	0.89
Carry Forward Unabsorbed Depreciation	757.69	779.40	826.46
Carry Forward Preliminary Expenses	3.35	4.47	0.00
Total	761.04	783.87	826.46
Tax savings Thereon @ 30.9%	235.16	242.22	255.38
Minimum Alternative Tax (MAT) Credit Entitlement	2.31	1.42	0.89

Annexure XXI
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
Claims against the company not acknowledged as debts	13.00	13.00	3.50

Note: We had not followed AS-29 i.e. we had not disclosed contingent liability in books of accounts in the FYs 2012 & 2013 and for the period ended September 30, 2013. However, we have disclosed the same in the Restated Financial Statements with retrospective.

Annexure XXII
STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

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:

(i) Key Managerial Personnel

For the year ended March 31,				30 th Sep 2013
2010	2011	2012	2013	
-	-	Asha Ladia	Asha Ladia	Asha Ladia
-	-	Sushila Lodha	Sushila Lodha	Sushila Lodha
-	-	-	-	Pradip Lodha
-	-	-	-	-

(ii) Relatives of Key Managerial Personnel

For the year ended March 31,				30 th Sep 2013
2010	2011	2012	2013	
-	-	Pradip Lodha	Pradip Lodha	-
-	-	Gaurav Lodha	Gaurav Lodha	Gaurav Lodha
-	-	Supreme Lodha	Supreme Lodha	Supreme Lodha
-	-	Dipti Ladia	Dipti Ladia	Dipti Ladia
-	-	Sushil Kumar Ladia	Sushil Kumar Ladia	Sushil Kumar Ladia
-	-	Nand Lal Lodha	Nand Lal Lodha	Nand Lal Lodha
-	-	Priyanka Patwari	Priyanka Patwari	Priyanka patwari
-	-	Rajendra Lodha	Rajendra Lodha	Rajendra Lodha

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the year ended March 31,				30 th Sep 2013
2010	2011	2012	2013	
-	-	Pratyush Mercantile Private Limited	Pratyush Mercantile Private Limited	Pratyush Mercantile Private Limited
-	-	SRG Trading Private Limited	SRG Trading Private Limited	SRG Trading Private Limited
-	-	Janu Infrastructure Private Limited	Janu Infrastructure Private Limited	Janu Infrastructure Private Limited
-	-	Dynasty Inn Private Limited	Dynasty Inn Private Limited	Dynasty Inn Private Limited
-	-	Binapani Real Estate Private Limited	Binapani Real Estate Private Limited	Binapani Real Estate Private Limited

(iv) Particulars of Transactions with Related Parties

Key Management Personnel

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
1) Remuneration Paid to Directors:			
Asha Ladia	0.60	1.20	-
Sushila Lodha	0.75	1.50	-
Pradip Lodha	0.18		
2) Short Term Loans taken from KMP / (repaid) during the year (Including interest payments, if any).			
Sushila Lodha	13.00	-	19.50
Sushila Lodha			(19.50)
Asha Ladia			2.00
Asha Ladia			(2.00)
3) Short Term Loans given to KMP and returned back during the year (including interest receipts, if any)	-	-	-
4) Share Allotment made to KMP:			
Sushila Lodha	-	-	5.00
Asha Ladia	-	-	5.00
Total	14.53	2.70	10.00

Relatives of KMP

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
1) Salaries Paid to :			
Supreme Lodha	0.90	-	-
Gaurav Lodha	0.28	0.18	-
2) Advance Money Received & Refunded:			
Pradip Lodha	-	-	19.50
Dipti Ladia	-	-	1.00
Sushil Kumar Ladia	-	-	1.00
Nand Lal Lodha	-	-	12.00
PriyankaPatwari	-	-	15.00
Rajendra Lodha	-	-	7.00
3) Rent Paid:			
Nand Lal Lodha	0.06	0.18	-
Total	1.24	0.36	55.5

Associate Companies

(₹ in Lacs)

Particulars	Sept 30, 2013	As on March 31,	
		2013	2012
1) Short Term Loans taken from Associate and (repaid) during the year (including interest payments, if any).			
Pratyush Mercantile Pvt. Ltd.	-	-	-
SRG Trading Pvt. Ltd.	-	-	-
Janu Infrastructure Pvt. Ltd.	(8.00)	8.00	-

2) Share Allotment made to Associates:			
Pratyush Mercantile Pvt. Ltd.	-	3.00	22.00
SRG Trading Pvt. Ltd.	-	-	52.00
Janu Infrastructure Pvt. Ltd.	-	-	-
Total	(8.00)	11.00	74.00

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

Interest income from farmers and traders shown as other income in earlier period i.e. 31-03-2012, 31-03-2013 and 30-09-2013 reclassified as Revenue from Operation.

CHANGE IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

SALE OR PURCHASE BETWEEN OUR COMPANY AND GROUP COMPANIES

There are no Sales or Purchases between our Company and our Group Companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

Our company was incorporated as "Karnimata Cold Storage Pvt. Ltd" on April 29, 2011 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, West Bengal.

We are engaged in the business of cold storage and trading of agricultural commodities currently specializing in potatoes. We have set up and made operational our first cold storage unit in Medinipur District, West Bengal having an installed capacity of 1,81,000 quintals for preservation of potatoes.

The local farmer or trader of potatoes hire our services to store their produce prior to sale as per the specifications shown below:

Sr. No.	Produces to be stored as per requirement of the entrepreneur	Capacity (quintals)	Temp Zone (⁰ C)	Relative Humidity (%)
1.	Table and Seed Potato	1,81,000	1 to 2	88 to 90%

This first project has been set up on a 6.27 acre plot (free hold land) in order to cater to the localised demands of different growers and traders at Village–Chekuasole, P.O.– Jogerdanga, P.S. – Goaltore, Dist. – Paschim Medinipur, West Bengal.

We believe that the need for setting up and construction of cold storage facilities is highly required for the preservation of potatoes which is a cash crop and the same shall be equally beneficial to both producers and consumers and shall there by strengthen the rural economy of perishable commodities. Our project envisages perfect backward and forward linkage of marketing activities as an essential pre-condition. Further it has become a practice to accommodate necessary finance to hirers of the cold storage against their stocks stored in the cold storage in order to keep the price or potato steady and allow the support price to the growers of potato. Providing this seasonal finance is an important factor in the growth of our business. Our outstanding seasonal finance portfolio stands at ₹ 208.24 lacs and 163.48 lacs as on March 31, 2013 and September 30, 2013 respectively.

In addition to the chambers aggregating to 1,81,000 quintals which we commissioned in March 2012, we are currently in the process of expanding our capacity by setting up additional chambers aggregating to 75,000 quintals at the same location. The construction of the same has begun and is expected to be completed by the first quarter of FY 2014-15.

Competition

Cold Storage Industry in India and particularly West Bengal is governed by local factors. The proximity of a storage facility to the local growing areas is a core competitive factor in this business. As on this date there is no other cold storage facility of our size and capabilities within a radius of approximately 10 kms from Chekuasole Village. However our closes competitors are other cold storage facilities in Medinipur District such as Jia Krishna Cold

Storage, Poornima Cold Storage, Brahmanand Himghar and various others. There are no large organizations or large corporate groups who are operating this business in West Bengal.

Significant Developments after March 31, 2013 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors affecting our Result of Operation

Except as otherwise stated in this Prospectus and the Risk Factors given in the Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

Revenue Generation

We earn majority of our revenue from rent received for storing potatoes. Regular income is the only source to create a healthy working of our Company. Our rent rates may differ from vendor to vendor. Our revenue growth is impacted by total quantity of potatoes stored by the customer and also the duration of storage required. Rent revenues are principally driven by area utilized for storing and duration of storing. We also earn some revenue from the interest received on the Loans extended to farmers against their stored produce.

We use various marketing techniques to attract new farmers / vendors for storing their potatoes & also to retain the existing. Our Director Mr. Pradip Lodha is mainly responsible for obtaining new farmers / vendors.

Overall produce of Potatoes

The produce of Potatoes in the region and also in surrounding regions, have a significant impact on our operations and consequently on our results of operations. An increasing trend in the potato production by farmers will result in higher rental income and thus this macroeconomic factor affects our growth. In addition, the loan given to farmers against their stored potatoes also depend upon the quantity of potatoes stored by them, thus determining our interest income from the same. We intend to use the Proceeds of the Issue to expand our capital base so that we can enhance the amount of loan given to farmers on their produce.

Our Financial Expenses

Our profitability is significantly impacted by our financial costs. We source our capital from short & long term loans and working capital loans from State Bank of India which is based on floating rate of interest. Any major change in economic conditions resulting in steep increase in interest rates and will have an adverse impact on our results of operation. For the period ended September 30, 2013 and for fiscal 2013 and 2012 our financial expenses were ₹ 57.3 lacs, ₹ 118.01 lacs and ₹ 7.66 lacs respectively.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

Increasing competition in the industry

Our Company faces competition from other Cold Storage operators. Our Company operates in competitive environment which may force us to reduce the rental rates of the storage facility for storing potatoes and it may have an effect on our margins.

General economic and business conditions

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect financial market in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

Results of our Operations

(₹ in Lacs)

Particulars	30-Sep-2013	% of Total Income	For the year ended March 31,			
			2013	% of Total Income	2012	% of Total Income
Income						
Revenue from operations-	190.83	94.04	363.12	96.25	17.62	66.32
Other Income	12.10	5.96	14.15	3.75	8.95	33.68
Total Income	202.93	100.00	377.27	100.00	26.57	100.00
Expenditure						
Purchase of Stock in Trade	51.06	25.16	133.25	35.32	24.17	90.97
Changes in Inventory of Stock in Trade	(10.20)	(5.03)	(36.03)	(9.55)	(24.17)	(90.97)
Employee benefit expense	9.08	4.47	16.12	4.27	0.46	1.73
Financial costs	57.31	28.24	118.01	31.28	7.66	28.83
Depreciation and amortization expense	21.14	10.42	47.08	12.48	2.83	10.65
Other expenses	69.89	34.44	91.68	24.30	10.95	41.21
Total Expenses	198.28	97.71	370.11	98.10	21.90	82.42
Profit before exceptional and extraordinary items and tax	4.65	2.29	7.16	1.90	4.67	17.58
Less: Exceptional Items	-	-	-	-	-	-
Profit before extraordinary items and tax	4.65	2.29	7.16	1.90	4.67	17.58
Less: Extraordinary Items	-	-	4.39	1.16	-	-
Profit before tax	4.65	2.29	2.77	0.73	4.67	17.58
Tax expense:						
Current tax	0.89	0.44	0.53	0.14	0.90	3.39
MAT Credit Entitlement	(0.89)	(0.44)	(0.53)	(0.14)	(0.90)	(3.39)
Deferred tax	-	-	-	-	-	-
Profit(Loss) from the period from continuing operations	4.65	2.29	2.77	0.73	4.67	17.58

NOTE: Our Company was incorporated on April 29, 2011. However, our Company commenced its operations in the month of February 2012. Thus, the financials for the FY 2011-12 represent income and expenditure only for 2 months in that year.

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations (i.e. our Rent from Potato Storage, Sale of Potato's and Interest Income from loan to traders/farmers) as a percentage of total income was 96.25% and 66.32% in fiscal 2013 and 2012 respectively.

Other Income

Our other income primarily includes Sale Of scrap, Interest income on FDI with SBI and Insurance claim. Other income, as a percentage of total income was 3.75% and 33.68% in fiscal 2013 and 2012 respectively

Expenditure

Our total expenditure primarily consists of purchase of stock in trade, changes in inventory of stock in trade, employee benefit expense, financial cost, depreciation and amortization expense and other expenses.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and allowances, workmen and staff welfare costs, Director's remuneration etc. It represents one of our significant expenses.

Financial Cost

Financial Cost primarily consists of interest expenses, bank charges and other finance cost.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes Vehicles, Furniture and fixtures, Computers and Office Equipments.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Review for the six (6) months period ended September 30, 2013

Income

Our total income for the six (6) months period ended September 30, 2013 was ₹ 202.93 Lacs. In the current period, the revenue earned from operations is 94.04% of the total income. Other income for said period was ₹12.1 Lacs which is 5.96% of the total income

Purchase of stock in trade

Our Purchase for the six (6) months period ended September 30, 2013 was ₹ 51.06 Lacs. As a proportion of total income, it was 25.16%.

Financial Cost

Our Financial Cost for the six (6) months period ended September 30, 2013 was ₹ 57.31 Lacs. As a proportion of total income, it was 28.24%.

Employee Benefit Expenses

Our Employee Benefit Expenses accounted to ₹ 9.08 Lacs for the six (6) months period ended September 30, 2013. As a proportion of total income, it was 4.47%.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses accounted to ₹ 21.14 Lacs for the six (6) months period ended September 30, 2013. As a proportion of total income, it was 10.42%.

Other Expenses

Our Other Expenses accounted to ₹ 69.89 Lacs for six (6) months period ended September 30, 2013. As a proportion of total income, it was 34.44%.

Profit before Tax

Our profit before tax was ₹ 4.65 Lacs for for six (6) months period ended September 30, 2013.

Profit after Tax

Our profit before tax was ₹ 4.65 Lacs for for six (6) months period ended September 30, 2013.

Trade Receivables

Our Trade Receivables were ₹ 31.79 Lacs for six (6) months period ended September 30, 2013.

Borrowings

Our Borrowings accounted to ₹ 893.60 Lacs* (6) months period ended September 30, 2013.

(* Includes ₹ 60 lacs shown under Current Liabilities as 'Current Maturities of Long Term Debt')

Fiscal 2013 compared with Fiscal 2012

Our Company was incorporated on April 29, 2011. However, the operations of our Company commenced in February 2012 and the financials shown for the FY 2012-13 represent income, expenditure and other balances for a period of 2 months only. Thus, a comparison of FY 2011-12 (which represents only 2 months) with FY 2012-13 (full year) is not provided here.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this 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 “*Financial Information*” and Chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages 118 and 134 respectively of this Prospectus respectively, to our knowledge there are no Significant economic changes that materially affected or are likely to affect income from continuing Operations.

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

Other than as described in the Section titled “*Risk Factors*” and Chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on pages 11 and 134 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the Section titled “*Risk Factors*” beginning on page 11 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is in the business of Cold Storage of Potatoes. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 69 of this Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Our Business*” beginning on page 77 of this Prospectus.

8. The extent to which the business is seasonal.

Our business is seasonal to the extent of the crop cycle of Potatoes.

9. Any significant dependence on a single or few suppliers or customers

Our top ten clients constitute 68.93% and 58.03% of our total revenue from operations for FY ended March 2013 and March 2012

10. Competitive Conditions

Despite the fact that we are not affected by competition in the short-term, our results of operations could be affected by competition in the financial sector in India and in abroad in the future. We expect competition to intensify due to possible changes in government policy, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established financial companies and banks. This we believe may impact our financial condition and operations.

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings (Term Loan, Primary Market Loan and Working Capital Facility) as on September 30, 2013 together with a brief description of certain significant terms of such financing arrangements.

Nature of Borrowing	Amount (₹ in Lacs)
Secured Borrowings	805.60*
Unsecured Borrowings	88.00
Total	893.60*

* Includes ₹ 60 lacs shown under Current Liabilities as 'Current Maturities of Long Term Debt'

Non Fund Based Sanction:

Nature of Sanction	Amount (₹ in Lacs)
Bank Guarantee	15.00

Set forth below is a summary of Secured Borrowings and Guarantee of our company as on September 30, 2013:

Sr. No	Name of Lender	Type of Loan	Date of Financing Documents	Amount Sanctioned (₹ in Lacs)	Amount drawn down as on September 30, 2013 (₹ in Lacs)	Interest (in % p.a.)	Repayment Schedule	Security
1.	State Bank of India	Term Loan	November 18, 2011	600.00	509.42*	12.25	16 Half Yearly Installments comprising of 1 st 6 installments of ₹ 30 lacs, next 6 installments of ₹ 40 lacs and last 4 installments of ₹ 45 lacs each due on 30 th June & 31 st December each year, starting from June 30,2012	<ul style="list-style-type: none">Primary Security: Hypothecation of stocks, fuel lubricants mobile etc; Assignment of Cold Storage Receipts pledged to the company; Hypothecation of all movable plant and machineriesCollateral Security: Extension of charge over the entire fixed assets of the company present and future
2	State Bank of India	Primary Market Loan	March 19, 2012	400.00	256.73	12.70	November 2013	
			March 29, 2013	257.00				
3.	State Bank of India	Working Capital Loan	November 18,2011	52.50	39.45	12.45	Repayable on Demand	

* Includes ₹ 60 lacs shown under Current Liabilities as 'Current Maturities of Long Term Debt'

During the currency of the facilities, without prior approval of the Lenders which shall not be unreasonably withheld, the Borrower (Karnimata Cold Storage Limited) shall not:

- ✓ Change or alter capital structure, unless stipulated by the Bank
- ✓ Effect any scheme of amalgamation or reconstitution.
- ✓ Implement a new scheme of expansion or take up an allied line of business / manufacture.
- ✓ Declare dividends without paying the due installments, interests etc. to the Bank and without regularizing the Bank Accounts.
- ✓ Enlarge the scope of other manufacturing / trading activities.
- ✓ Withdraw moneys brought in by promoters / directors / friends and relatives.
- ✓ Invest any fund by way of deposits or loans or in share capital.
- ✓ Borrow or obtain credit facilities from any other Bank / Institution.
- ✓ Draw Bills on Branches of the borrower or on firms / companies in which the borrower has interests.
- ✓ Draw bills / documents which do not represent genuine sale transaction.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

I. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

II. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. TAX PROCEEDINGS INVOLVING OUR COMPANY

There are no tax proceedings pending against our Company nor filed by our Company.

IV. LITIGATIONS INVOLVING OUR PROMOTERS

(i) Proceedings of Civil nature

(a) By the promoters

NIL

(b) Against the promoters

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(b) Against the promoters

NIL

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(b) Against our Group Companies

NIL

MATERIAL DEVELOPMENTS

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

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by us for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

I. APPROVALS PERTAINING TO THIS ISSUE

1. The Board of Directors has, vide resolution passed at its meeting held on 17th August, 2013 authorised the Issue subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act, 1956 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to special resolution passed at the Annual General Meeting of the company held on 26th September, 2013 under Section 81(1A) of the Companies Act, 1956 authorised the Issue.
3. The Company has obtained in-principle listing approvals from SME Platform of BSE dated February 05, 2014.

II. INCORPORATION AND OTHER DETAILS

1. The Company was incorporated with Registrar of Companies, West Bengal on 29th April, 2011 as Karnimata Cold Storage Private Limited and was allotted Company Identification Number (CIN) U01403WB2011PTC162131.
2. Pursuant to shareholders resolution dated 26th November, 2012 our Company was converted into a Public Limited Company and the name was changed to Karnimata Cold Storage Limited. A fresh Certificate of Incorporation, bearing number U01403WB2011PLC162131, consequent to change of name as a result of conversion to a public limited company was issued on 4th December, 2012 by the Registrar of Companies, West Bengal.

III. APPROVALS FOR BUSINESS/GENERAL APPROVALS

TAXATION RELATED APPROVALS AND LICENSES

1. Permanent Account Number (PAN) of our company is AAECK3236F and issued on 29.04.2011.
2. Tax Deduction Account Number (TAN) of our company is CALK07462A.
3. Profession Tax Registration No. RWM/0021180 under West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979 issued by Profession Tax Officer, West Bengal, South Unit-III is issued on 13.08.2013.

MUNICIPAL AND OTHER APPROVALS

1. Provisional Certificate of Trade for Enlistment from 10 No. Jogardanga Gram Panchayat, Garhbeta-II Panchayat Samiti, Dist- Paschim Medinipur bearing Trade Certificate Issue No. 236 and Trade Registration No. 183/12 valid up to 20.3.2014.

2. License from Government of West Bengal granted under the West Bengal Cold Storage (Licensing and Regulation) Act 1966 from Department of Agriculture, Directorate of Agricultural Marketing bearing License No. 783 dated 28.05.2012 valid up to 27.05.2017.
3. Approval from West Bengal Pollution Control Board for potato storing from Environmental Engineer, West Bengal Pollution Control Board bearing No. 1504-2937/WPB (HRO)-K/2012 dated 11.06.2012 valid upto 29.02.2016.
4. Offer letter No. CM/MDC/BULK/Blk-2/2367 dated 14.11.2011 from West Bengal State Electricity Distribution Company Limited for bulk power supply at 11 KV for the premises of the company situated at Village – Chekuasole, P.O. –Jogerdanga, P.S.– Goaltore, Dist. – Paschim Medinipur, West Bengal - 721121

V. PENDING APPROVALS

1. Application No. AAECK3236FSD001 dated 09.10.2013 made to Central Board of Excise and Customs for registration under Service Tax.
2. Application No. 2609575 dated 09.10.2013 under Class 39 for Registration of Karnimata Cold Storage Ltd.



Under Class 39 under Trade Marks Act, 1999.

SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated August 17, 2013 authorized the Issue, subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, 1956.

The shareholders have authorized the Issue, by passing a Special Resolution at the Annual General Meeting held on September 26, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

The Company has obtained approval from BSE vide letter dated February 05, 2014 to use the name of BSE in this offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI.

We further confirm that none of our Company, its Promoters, its Group Companies or the relatives of our Promoters and Group Companies was ever identified as wilful defaulters by RBI or other authorities.

Association with 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 at any time.

Eligibility for the Issue

Our Company is an “Unlisted issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is less than ₹ 10crore shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten (excluding the Promoter's Contribution of 1,62,000 Equity Shares amounting to ₹ 32.40 lacs i.e. 10.67% of the total Issue) and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see “General Information-Underwriting” on page 37 of this Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been / may be notified under the Companies Act, 2013).
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that

our Lead Manger submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making please refer to “General Information- Details of the Market Making Arrangements for this Issue” on page 37 of this Prospectus.

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

- e) Our Company has Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results
- f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 1 crore as per the latest audited financial results.
- g) Our Company has track record of distributable profits in terms of Sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the year ended and as at March 31, 2013 and 2012 is as set forth below:

(₹ in Lacs)

Particulars	Fiscal 2013	Fiscal 2012
Distributable Profit ⁽¹⁾	2.77	4.67
Net tangible Assets ⁽²⁾	290.70	287.39
Net Worth ⁽³⁾	364.04	334.58

⁽¹⁾Distributable profits have been computed in terms section 205 of the Companies Act, 1956.

⁽²⁾Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

⁽³⁾Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

- i) As on the date of Prospectus, our Company has a paid up capital of ₹ 356.6 lacs, which is in excess of ₹ 1 crore, and the Post Issue Capital shall also be in excess of ₹ 1 crore.
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against our company that has been accepted by a court.
- l) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- m) We have a website: www.karnimatacoldstorage.com

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED

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

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 11, 2014 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABOURATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF

PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 (SECTION 40 OF COMPANIES ACT, 2013) AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND**

- B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE “ANNEXURE A” FOR FURTHER DETAILS).**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

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

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

- 1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- 3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**

4. **WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**
5. **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.**
6. **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Disclaimer Clause of the SME Platform of BSE

"BSE Limited ("BSE") has given vide its letter dated February 05, 2014, permission to this Company to use its name in this offer document as one of the stock exchanges 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 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 promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by 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 from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

CAUTION

The Lead Manager accept no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated January 06, 2014 the Underwriting Agreement dated January 16, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated January 15, 2014 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager 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 centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are

eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

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), Hindu Undivided Families (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), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

Disclaimer Clause under Rule 144a of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

Filing

The Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(O)(1). However, a copy of the Prospectus shall be filed with SEBI at Eastern Regional Office, L&T Chambers, 3rd Floor, 16 Camac Street, Kolkata 700 017.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Nizam Palace, II-MSO Building, 2nd Floor, 234/4, A. J. C. B Road, Kolkata – 700020.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been / may be notified under 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 mentioned above are taken within 12 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated February 05, 2014 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

S. No	Issue Name	Issue size (₹ in lacs)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Suyog Telematics Limited	453.00	25.00	22/01/2014	25.20	25.25	1.00%	21,337.67	25.20	20,513.85	N.A	N.A	N.A	N.A
2	Stellar Capital Services Ltd.	900.00	20.00	01/11/2013	20.10	19.10	(4.50)%	21,196.81	16.90	20,490.96	15.30	20,229.05	14.55	20,791.93
3	S R G Securities Finance Ltd.	501.60	20.00	29/10/2013	23.90	24.25	21.25%	20,929.01	20.50	20,666.15	20.10	20,850.74	20.00	20,534.91
4	Kushal Tradelink Ltd.	2,774.80	35.00	04/09/2013	35.00	35.80	2.29%	18,567.55	35.30	19,732.76	35.30	19,920.21	43.10	19,915.95
5	India Finsec Ltd.	600.00	10.00	11/06/2013	10.00	10.50	5.00%	19,143.00	9.55	18,774.24	10.00	19,577.39	10.00	19,676.06
6	SRG Housing Finance Ltd.	700.80	20.00	11/09/2012	20.30	20.30	1.50%	17,852.95	21.00	18,752.83	20.15	18,823.91	20.10	18,804.75
7	Jupiter Infomedia Ltd.	408.00	20.00	16/08/2012	22.00	22.05	10.25%	17,657.21	21.95	17,783.21	22.40	17,313.34	23.15	18,464.27
8	Sangam Advisors Ltd.	506.88	22.00	09/08/2012	22.10	22.00	0.00%	17,560.87	22.10	17,691.08	22.20	17,490.81	22.00	17,749.65
9	VKS Projects	5500.00	55.00	18/07/2012	55.80	55.05	0.09%	17,185.01	55.50	16,839.19	53.10	17,601.78	52.00	17,691.08

	Ltd.													
10	BCB Finance Ltd.	885.00	25.00	13/03/2012	27.00	25.70	2.80%	17,813.62	25.27	17,361.74	25.35	17,478.15	25.00	17,332.62

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in lacs)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%
2013-14 [#]	5 [@]	5229.40	-	-	1	-	-	4	-	1	-	-	-	1
2012-13	4 [*]	7115.68	-	-	-	-	-	3	-	-	1	-	-	1
2011-12	1 [^]	885.00	-	-	-	-	-	1	-	-	-	-	-	-

[#] Details indicated in 2013-14 are for the IPOs completed as on date.

[@] As on the 30th Calendar day from the listing day, the price of India Finsec Limited and S R G Securities Finance Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

^{*} As on the listing day, the price of Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount; As on the 30th Calendar day from the listing day, the price of SRG Housing Finance Ltd. and Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

[^] As on the 30th Calendar day from the listing day, the price of BCB Finance Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Notes:

(a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.

(b) BSE SENSEX has been considered as the benchmark index.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of the Lead Manager – www.afsl.co.in.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 60 of the Companies Act, 1956, Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Bidasaria & Associates, Chartered Accountants, the Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated November 25, 2013 on Restated Financial Statements, Statement of Funds Deployed dated January 03, 2014 and Statement of Tax benefits dated November 25, 2013 which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of this Prospectus.

Expert Opinion

Except for the below stated reports and certificate included in the Prospectus, our Company has not obtained any expert opinions:

1. Statutory Auditor – Statement of Tax Benefits
2. Peer Reviewed Auditor – Restated Financial Statements
3. Legal Due Diligence Report

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB's commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	29.00
2	Printing & Stationery, Distribution, Postage, etc.	3.50
3	Advertisement and Marketing Expenses	4.50
4	Regulatory and other Expenses	3.00
Total		40.00

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOU dated January 06, 2014 the Underwriting Agreement dated January 16, 2014 and the Market Making Agreement dated January 15, 2014 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated August 19, 2013.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Capital Issue during the last three years

Karnimata Cold Storage Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

Previous Public and Rights Issues

We have not made any previous rights and public issues, and we are an “Unlisted Company” 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 Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 44 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite issues to the public) during the last three years.

Promise v. Performance – Associates

Our Company and Promoter Group have not made any previous rights and public issues.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments Issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely Bigshare Services Private Limited, will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business 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 Board by a resolution on October 01, 2013 constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mrs. Kalpana Agrawal	Non Executive Independent Director	Chairman
Mrs. Sushila Lodha	Non - Executive Director	Member
Mr. Jay Prakash Heerwal	Non Executive Independent Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page 93 of this Prospectus.

We have also appointed Mr.Subrat Kumar Nayak as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the registered office of our Company. The contact details are as follows:

Name: Mr. Subrat Kumar Nayak

Address: Village - Chekuasole, P.O. –Jogerdanga,

P.S. – Goaltore, Dist. – Paschim Medinipur,

West Bengal - 721121

Tel No.: +91 3227 - 218314

Tele Fax No.: +91 3227 - 265193

Email: karnimatacoldstorage@gmail.com.

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances

Change in Auditors

Our Company has changed the Auditors, appointing M/s. Bidasaria & Associates; Chartered Accounts in place of M/s Mahalka & Associates, Chartered Accounts vide resolution in the AGM dated September 29, 2012.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled “*Capital Structure*” beginning on page 44 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets since inception.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on August 17, 2013 and was approved by the Shareholders of the Company by passing a Special Resolution at the Annual General Meeting held on September 26, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "Main Provisions of the Articles of Association of our Company" beginning on page 190 of this Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please see the chapter titled "Dividend Policy" beginning on page 117 of this Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 20 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page 59 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and

- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association of our company*" beginning on page 190 of this Prospectus.

Minimum Application Value; Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialized form only.

Trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE 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 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 Working days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, 1956, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, 1956, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, 1956, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, 1956, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or

- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten (excluding the Promoter's Contribution of 1,62,000 Equity Shares amounting to ₹ 32.40 lacs i.e. 10.67% of the total Issue). If the issuer does not receive the subscription of 100% of the Issue through this Offer Document including devolvment of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been/may be notified under the Companies Act, 2013).

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 6,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 190 of this Prospectus.

Option to receive Equity Shares in Dematerialized Form

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter

shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled *"General Information - Details of the Market Making Arrangement for this Issue"* beginning on page 37 of this Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 158 and 165 respectively, of this Prospectus.

Following is the issue structure:

Public issue of 15,18,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 20 per Equity Share (including a Share premium of ₹ 10 per Equity Share) aggregating to ₹ 303.60 lacs ("the Issue") by Karnimata Cold Storage Limited ("KCSL" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 12,78,000 Equity Shares of ₹ 10 each ("the Net issue"), a Promoters Contribution of 1,62,000 Equity Shares of ₹ 10 each ("the Promoters Contribution") and a reservation of 78,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public*	Promoters Contribution Portion	Market Maker Reservation Portion
Number of Equity Shares available for allocation	12,78,000 Equity Shares	1,62,000 Equity Shares	78,000 Equity Shares
Percentage of Issue Size available for allocation	84.19% of the Issue Size	10.67% of the Issue Size	5.14% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 6,000 Equity Shares and further allotment in multiples of 6,000 Equity Shares each.	Firm Allotment	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000. <i>For Retail Individuals:</i> 6,000 Equity Shares	1,62,000 Equity Shares	78,000 Equity Shares
Maximum Application Size	<i>For QIB and NII:</i> Such number of Equity Shares in multiples of 6,000	1,62,000 Equity Shares	78,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Promoters Contribution Portion	Market Maker Reservation Portion
	Equity Shares such that the Application Size does not exceed 12,78,000 Equity Shares. <i>For Retail Individuals:</i> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.		
Mode of Allotment	Dematerialized Form	Dematerialized Form	Dematerialized Form
Trading Lot	6,000 Equity Shares	6,000 Equity Shares	6,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.		

* 50 % of the shares offered are reserved for allocation to applications below or equal to ₹ 2 lacs and the balance for higher amount applications.

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for after Allotment; and
- The final RoC approval of the Prospectus after it is filed with the RoC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

ISSUE OPENING DATE	FEBRUARY 25, 2014
ISSUE CLOSING DATE	MARCH 03, 2014

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, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

Fixed Price Issue Procedure

This Issue is being made under Regulation 106 (M) (1) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit them to the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications based on technical grounds only.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, 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.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the 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 ASBA Applicant.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who Can Apply?

1. Indian nationals resident in India, who are not minors, in single or joint names (not more than three);
2. 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;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. 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;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
9. VCFs registered with SEBI;
10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Multilateral and bilateral development financial institutions;
13. State Industrial Development Corporations;
14. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
15. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
16. Insurance companies registered with Insurance Regulatory and Development Authority;
17. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
18. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Limited liability partnerships;
20. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;

21. Nominated Investor and Market Maker
22. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
23. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Applications not to be made by:

1. Minors
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

Availability of Prospectus and Application Forms:

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of SME Platform of BSE Limited i.e. www.bsesme.com.

Option to Subscribe in the Issue

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Participation by Associates of Lead Manager

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

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 HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

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.

Applications by Eligible NRIs/FIIs on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

Applications by Eligible FPIs

SEBI recently notified the SEBI (Foreign Portfolio Investors) Regulations whereby FIIs, sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'. Prior to the notification of the SEBI (Foreign Portfolio Investors) Regulations, portfolio investments by FIIs and sub-accounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (the "QFI circulars"). Pursuant to the notification of the SEBI (Foreign Portfolio Investors) Regulations, the FII Regulations were repealed and the QFI circulars were rescinded.

Under the SEBI (Foreign Portfolio Investors) Regulations, purchase of equity shares by an FPI or an investor group should be below 10% of the total issued capital of an Indian company.

However, portfolio investments by FIIs and QFIs are also governed by RBI under FEMA and RBI has not yet notified the corresponding amendments to regulations under FEMA. Under the FEMA regulations, no single FII can hold more than 10% of the paid up capital of an Indian company. In respect of an FII investing on behalf of its eligible sub-accounts, the investment on behalf of each eligible sub account shall not exceed 10% of the paid up capital, or 5% of the paid up capital in case such eligible sub-account is a foreign corporate or an individual. The total equity share holding of all FIIs in a company is subject to a cap of 24% of the paid up capital of the company. The 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the board of the directors followed by passing a special resolution to that effect by the shareholders of the company. The Company has not obtained Board or the shareholders approval to increase the FII limit to more than 24%.

The individual and aggregate investment limits for Eligible QFIs in equity shares of a listed Indian company, under the FEMA regulations, are 5% and 10%, respectively, of the paid up capital. Further, wherever there are composite sectoral caps under the extant FDI policy, these limits for Eligible QFI investment in equity shares shall also be within such overall FDI sectoral caps.

In light of the notification of SEBI (Foreign Portfolio Investors) Regulations and the absence of any RBI notification on corresponding amendments to regulations under FEMA, FIIs and Eligible QFIs should consult their advisors regarding the investment limits applicable to them”.

Under the SEBI FPI Regulations and subject to compliance with all applicable Indian laws, FPIs may issue, subscribe or otherwise deal in offshore derivative instruments (defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying security), directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. Further, Category II FPIs under the SEBI FPI Regulations which are unregulated broad based funds and Category III FPIs under the SEBI FPI Regulations shall not issue, subscribe or otherwise deal in such offshore derivative instruments directly or indirectly. In addition, FPIs are required to ensure that further issue or transfer of any offshore derivative instruments by or on behalf of it is made only to person regulated by an appropriate foreign regulatory authority.

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are required to submit the Application Form for the Issue. Eligible QFIs are advised to use the Application Form meant for Non-Residents. Eligible QFIs are required to participate in the Issue through the ASBA process and are not permitted to issue off-shore derivative instruments or participatory notes.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst 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 Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended (“LLP Act”) a certified copy of certificate of registration issued under the LLP Act 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 Scheme) (5th Amendment) Regulations, 2013, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group; and
- c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. 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.

Application by Provident Funds/ Pension Funds

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lacs, 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, Mutual Funds, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores 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 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 ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a Chartered Accountant certifying the corpus of the provident fund/pension fund must be lodged along with the

Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Application Size

a) For Retail Individual Applicants:

The Application must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 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 Prospectus.

Information for the Applicants

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the Corporate Office of the Lead Manager.

- d) Applicants who are interested in subscribing for the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager 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>. 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 Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

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 Lead Manager. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorize 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, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

ESCROW MECHANISM

For details of the escrow mechanism and payment instructions, see chapter titled “*Issue Procedure – Payment Instructions*” on page 177 of this Prospectus.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.
2. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.

3. In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:
 - Name of the Applicant
 - IPO Name
 - Application Form number
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Numbers of Equity Shares Applied for;
 - Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
 - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.

In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor

does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

SIGNING OF UNDERWRITING AGREEMENT AND ROC FILING

Our Company and the Underwriters shall enter into an Underwriting Agreement as per the terms of Regulation 106P of the SEBI (ICDR) Regulations, 2009 amendments thereto from time to time.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC at Nizam Palace, II- MSO Building, 2nd Floor, 234/4 A.J.C.Bose Road, Kolkata-700020, West-Bengal, as required under the Companies Act.

ANNOUNCEMENT OF PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, 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 and one widely circulated Hindi language national daily newspaper. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE ("CAN")

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

1. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Applicant's depository account will be completed within 12 Working Days of the Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.
2. In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
3. Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the Lead Manager or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any

responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Applications by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Applications and revision to Applications must be made in the following manner:

1. On the Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained overleaf.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Applications by Eligible NRIs for an amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Applications for an amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall make out the cheque or demand draft in respect of his or her Application and/or revision of the Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account. The Escrow

Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account opened with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 20 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

- 1) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: "Escrow Account – KCSL – Public Issue – R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – KCSL – Public Issue – NR"
- 2) In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- 3) Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.

- 4) On the Designated Date and no later than 12 Working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

For Terms of Payment / Payment Instructions for ASBA Applicants, please see “Issue Procedure for ASBA Applicants” under the chapter “Issue Procedure” on page 172 of this Prospectus.

Payment by Stock Invest

In terms of the RBI Circular No. DBOD No. FSC BC 42 / 24.47.00 / 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

SUBMISSION OF APPLICATION FORM

All Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Brokers / Sub Brokers at the time of submission of the Application. With regard to submission of Application Forms, please refer to the sub-section on “Issue Procedure - Application Form” on page 165 of this Prospectus.

Kindly note that the Brokers / Sub Brokers at the Collection Centers may not accept the Application if there is no branch of the Escrow Collection Banks at that location.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Brokers / Sub Brokers will acknowledge the receipt of the Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. In case of ASBA Applications, an acknowledgement from the Designated Branch or concerned Brokers / Sub Brokers, as the case may be, for submission of the Application Form may be provided.

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:

- a. All applications are electronically strung on first name, address (1st line) and applicant’s status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband’s name to determine if they are multiple applications
- b. 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.

- c. 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.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the Lead Manager 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 and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
2. 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;
3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Application Form;
5. GIR number furnished instead of PAN;
6. Applications for lower number of Equity Shares than specified for that category of investors;
7. Applications at a price other than the Fixed Price of the Issue;
8. Applications for number of Equity Shares which are not in multiples of 6,000;
9. Category not ticked;

10. Multiple Applications as defined in this Prospectus;
11. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
12. Applications accompanied by Stock invest/ money order/ postal order/ cash;
13. Signature of sole Applicant is missing;
14. 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;
15. 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;
16. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
17. Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
18. Applications by OCBs;
19. Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
20. Applications not duly signed;
21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
22. Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
24. 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;
25. Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 5.00 pm on the Issue Closing Date;

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 29 (1) of the Companies Act, 2013, the allotment of Equity Shares in this Issue shall be only in de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated November 5, 2013 with NSDL, the Company and the Registrar to the Issue;
2. Agreement dated October 14, 2013 with CDSL, the Company and the Registrar to the Issue.

All Applicants can seek allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

1. 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.
2. 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.
3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
4. 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.
5. 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.
6. 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.
7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.
9. Non-transferable allotment advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

Communications

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants

and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, Direct Credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (twelve) working days of the Issue Closing Date would be ensured; and

The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447 of the said Act.”

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

- 3) For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 4) If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- 6) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to (i) individual applicants other than retails individual investors and (ii) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

If 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.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 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 the Lead Manager and the Registrar to this Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

PROCEDURE AND TIME SCHEDULE FOR TRANSFER OF EQUITY SHARES

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Brokers / Sub-Brokers and SCSBs will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on February 25, 2014 and expire on March 03, 2014. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation and will be required to pay unpaid amount, if any, for the Equity

Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 12 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBs

The Registrar to the Issue shall give instructions for credit of the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of closure of Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

Payment of Refund

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in

dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the Lead Manager shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** - Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 4) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

INTEREST IN CASE OF DELAY IN DISPATCH OF ALLOTMENT LETTERS OR REFUND ORDERS/ INSTRUCTION TO THE SCSBS BY THE REGISTRAR

The issuer agrees that as far as possible allotment of securities offered to the public shall be made within twelve (12) days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen (15) per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;

- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the letter of allotment/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) That adequate arrangements shall be made till the securities offered through this Offer Document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.;
- 8) That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 9) That the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public;

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

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

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Stock Exchange.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular 1 of 2013, with effect from April 05, 2013 ("Circular 1 of 2013"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2013 will be valid until the DIPP issues an updated circular. (It is expected on April 05, 2014 and effective from April 05, 2014).

FII's are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of 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. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

	Article Contents		Titles of Article
	CAPITAL		
4		The Authorized Share Capital of the Company is as stated in Clause 5 of the Memorandum of Association of the Company with power to increase and reduce the Capital and to divide the shares in the Capital for the time being into several classes, and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions, as may be determined by or in accordance with the regulations of the Company.	'Capital'
5		Subject to the provisions of Section 80 of the Act, the Company with the sanction of an ordinary resolution may issue preference shares, which are liable to be redeemed on such terms and in such manner as the Company may determine.	'Preference Shares'
6		Subject to the provisions of these Articles and the Act, Shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off all the same or any of them to such persons on such terms and conditions and at such times as the Directors think fit and with full power for the allotment of any shares either at par or at premium and for such time and for such consideration as the Directors think fit, provided that upon the issue of further shares the Directors shall act in accordance with the provisions of Section 81 of the Act.	'Further Issue of Capital'
7		The Company may exercise the power of paying commission and brokerage conferred by Section 76 of the Act and in such case the Company shall comply with the requirements of the Section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.	'Commission'
SHARES			
8		The Company shall have power to issue Sweat Equity Shares in accordance with the provisions of Section 79A of the Companies Act or any statutory modifications thereof.	'Issue of Sweat Equity Shares'
9		Each share issued by the Company shall be distinguished by its appropriate number, provided that nothing herein shall apply to the shares of the Company held with the depository.	'Shares to be numbered progressively'
10		As regards all allotments made from time to time the Company shall duly comply with Section 75 of the Act. Provided that notwithstanding anything contained in the Act or in the Articles, where the securities of the Company are dealt with in a depository, the Company shall intimate the details of allotment of the relevant securities to the depository on allotment of such securities. Provided further that where a person subscribing to securities	'Return Of Allotments'

		offered by the Company opts to hold such securities with the depository instead of receiving the certificate for them, the Company shall intimate such depository the details of allotment of the securities.	
11		Subject to and in accordance with the applicable provisions of the Act then prevailing, the Company shall have power to purchase any of its fully paid shares or securities, which purchase shall not be deemed to the reduction of share capital contemplated by Section 100 of the Act.	‘Reduction of Share Capital’
12		If a beneficial owner opts out of the depository in respect of any security of the Company and the Company receives due intimation thereof from the depository, the Company shall, within thirty days of receipt of the aforesaid intimation and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations made by SEBI, issue certificate of the said securities to the beneficial owner or the transferee, as the case may be.	‘Option to opt out of any Security’
13		The Board of Directors may allot and issue shares in the capital of the company as partly or fully consideration paid in consideration of any property sold or goods other than cash transferred or machinery supplied or for any services rendered to the company and any shares which may be so allotted may be issued as fully or partly paid-up shares, as the case may be.	‘Allotment of Shares as partly or fully consideration paid in consideration of any property or goods sold’
14		With the previous authority of the Company in General Meeting and the sanction of the Company Law Board or such other authorities as may be prescribed, and upon otherwise complying with the provision of Section 79 of the Act, it shall be lawful for the directors to issue at a discount shares of a class already issued.	‘Issue Shares at Discount’
15		Regulations 4 to 8 Table ‘A’ shall apply	‘Share Capital and Variation rights’

CALLS

16		If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the shares or by his executor or administrator.	‘Payment of whole or part of amount of shares to be paid in instalments’
17		Save as otherwise decided by the Directors, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not at its discretion; except ordered by a Court of competent jurisdiction or has by statute required, be bound to recognize any benami, equitable or other claim to or interest in such share on the part of any other person.	‘Company not bound to recognise any interest in shares other than that of the registered holders’
18		Shares may be registered in the name of any person, company or other body corporate.	‘Registration of shares’
19		Section 91 of the Companies Act and Regulations 13, 14, 17 and 18 of Table ‘A’ shall apply, subject to the following provisions :-	‘Calls on shares of same class to be made on

				uniform basis'
	I.		The amount paid up in advance of Calls shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared and the members shall not be entitled to voting rights in respect of money so paid by them.	
	II.		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.	
20	I.		If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 12% per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine.	'Calls to carry interest'
	II.		The Board shall be at liberty to waive payment of any such interest wholly or in a part.	'Power of the board to waive interest on unpaid call money'
21			On the trial or hearing of any action of suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect to his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the register of shareholders of the Company as a holder, or one of the holder of the member of shares in respect of which claim is made that the resolution making the call is duly recorded in the minute books and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting duly convened or constituted, nor any other matter whatsoever but the proof of matters aforesaid shall be conclusive evidence of the debt.	'Evidence in action by company against shareholders'
22			Any money due from the Company to a shareholder may without the consent of such shareholder be applied by the Company in or towards payment of any money due from him to the Company for call or otherwise.	'Set-off of Money due to Shareholders'
23			Regulations 29 to 35 of Table 'A' shall apply	'Forfeiture of shares'

LIEN

24	1.		The Company shall have first and paramount lien :-	'Company's lien on shares'
		a.	On every share (not being fully-paid shares) for all moneys (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 moneys presently payable by him or his estate to the Company. Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause..	
	2.		The Company's lien, if any, on a share shall be extended to all dividends	

		payable thereon	
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SHARE CERTIFICATES

25		The Certificates of title to shares and duplicates thereof, when necessary shall be issue under Seal of the Company and shall be signed by two Directors or persons acting on behalf of them under a duly registered power of attorney and the Secretary or some other persons appointed by the Board for the purpose.	‘Certificates’
26	a	Notwithstanding anything contrary to this Article, Board of Directors may refuse application for splitting of share certificates where such splitting will result in issue of certificates for shares less than that of marketable lot by stock exchange where shares of the Company are listed for the time being.	‘Power of Board of Directors to refuse splitting of share certificate’
	b	No certificate of any share or shares shall be issued either in exchange for those which are sub- divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cases on the reverse for recording transfers have been fully utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.	
	c	When new share certificates has been issued in pursuance of clause (b) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of Share Certificate No.....sub-divided/replaced/ on consolidation of shares	
	d	If a share certificate is loss or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence as indemnity as to payment of out-of-pocket expenses incurred by the Company in investigating evidences, as the Board may think fit	
	e	When a new share certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is ‘duplicate issued in lieu of share certificate No.....’The word ‘Duplicate’ shall be stamped or punched in bold letters across the face of the share certificate	
27		When any shares under the powers in that behalf in these Articles herein contained are sold by the Directors and the Certificate thereof has not been delivered upto the Company by the former holder of the said shares the Directors may issue a certificate for such shares distinguishing it in such manner as they think fit from the Certificate not so delivered up.	‘Board may issue new certificates’

JOINT HOLDERS

28		Where two or more persons are registered as holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the provisions following :	‘Joint Holders’
	a.	The Company shall not be bound to register more than four persons as the joint holders of any shares.	‘Maximum limit on registration as joint holders’
	b.	The joint- holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.	‘Several Liabilities of joint holders’
	c.	On the death of any one of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company	‘Death of one or more joint

		as having any title.	holders of share'
	d.	Any one of such joint-holders may give effectual receipts of all dividends, bonus and return of capital payable to such joint-holders.	'Effectual receipts'
	e.	Only the person whose name stands first in the register will be entitled to delivery of the certificate relating to such share or to receive notices from the company and any notice given to such persons shall be deemed notice to all the joint-holders.	'Person entitled for delivery of share certificate'
	f.	Any one of the several joint-holders of any share may attend or vote at any meeting either personally or by proxy as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then that one of the said persons so present whose name stands prior in order on the register thereof shall be so entitled. Several executors or administrators of a deceased member in whose name any share stand shall for the purposes of this Article are deemed joint-holders thereof.	'Votes of joint members'

TRANSFER AND TRANSMISSION OF SHARES

29		No transfer of share shall be registered unless an instrument of transfer in accordance with Section 108 of the Act and duly stamped and executed by the transferor and the transferee has been delivered to the Company within the time prescribed by Section 108 together with the Certificate or if no such Certificate is in existence of the Letter of Allotment, of the shares. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of respect thereof. Provided that nothing contained in this Article shall apply to transfer of shares effected by the transferor and the transferee both of whom are beneficial owners in the records of the depository.	'Transfer not to be registered except on production of instrument of transfer'
30		Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the Application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if application for Registration of the transfer was made by the transferee. Provided that nothing contained in this Article shall apply to transfer of the shares effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of the depository.	'Application for registration of transfer'
31		Before registering any transfer tendered for registration the Directors may, if they so think fit, give notice by the letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objections is received, the transfer will be registered and if such registered holder of the Company does not make objection within ten days from the positing of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.	

32		Neither the Company nor its Directors shall incur any liability for registering or acting upon a transfer of shares transfer apparently' made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred and although the transfer may, as between the transferor and transferee be liable to be set aside and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to be name of the transferee or the particulars of the shares transferred, or otherwise in defective manner, and in every such case the person registered as the transferee, his executors, administrators and assignees along shall be entitled to be recognized as the holder of such shares and the previous holder shall so far as the company is concerned be deemed to have transferred his whole title thereto.	'No liability on the directors and company for registering or acting upon transfer of shares'
33	a.	The instrument of transfer of any share shall be in writing in the form as prescribed by Section 108 of the Companies Act, 1956 and or the rules made there under.	'Execution of transfer'
	b.	In the case of any share registered in any Register maintained outside India the instrument shall be in a form recognized by the law of the place where the register is maintained.	'Instrument to be recognized by the law of the place where the register is maintained'
34	a.	Subject to the provisions of Section 111 of the Act, the Board may within two months from the date on which the instrument of transfer, or the intimation of transmission, as the case may be, was delivered to the Company, refuse to register any transfer of, or the transmission by operation of law of the right to a share upon which the Company has a lien and in the case of a share not fully paid-up, the board may refuse to register the transfer to a transferee to whom the Board does not approve provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.	'Form of transfer'
	b.	If the Board refuses whether in pursuance of this Article or otherwise to register the transferor of, or the transmission by operation of law of the right to, any share, the Company shall within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee or the beneficiary of such transmission, as the case may be, notice of the refusal.	'Notice of refusal'
35		Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the shares to which it relates or if no such certificate is in existence by the letter of allotment of the share and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer the shares. The Directors may waive the production of any certificate upon evidence satisfactory to them of its loss/destruction.	'Directors power to waive production of any certificate'
36		Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.	'Registered instrument to remain with the'

				company'
37			If the Board refuse to register the transfer of or the transmission by operation of law of the right to any share, the Company shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.	'Notice of refusal'
38			No fee shall be charged for the registration of transfer, transmission, grant of probate, grant of latter of administration, certificate of death or marriage, power of attorney or other similar instructions.	'No fees for transfer or transmission'
39			Regulations 25 to 28 of Table 'A' shall apply.	'Transmission & Forfeiture of shares'

FORM OF SECURITIES

40			Notwithstanding anything contained in these Articles, The Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the Depositories and/or offer its fresh securities in a dematerialized form pursuant to the Depositories Act, 1996, and rules framed there under, and any amendments, modifications, re-promulgation or re-enactment thereof.	'Dematerialization & Rematerialization of securities'
41			Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is beneficial owner of the securities can at anytime opt out of a depository. If permitted and in the manner and within the time prescribed, the Company shall issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the securities.	'Option to opt of holding securities in a depository'
42			All securities held by a depository shall be dematerialized and be in fungible form.	'Securities in dematerialized form'
43	a.		Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.	'Rights Of Depositories and Beneficial Owners'
	b.		Save as otherwise provided in (a) above the depository as the registered owner of the securities shall not have any voting rights or other rights in respect of the securities held by it.	
	c.		Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository.	
44			Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository the record of the beneficial owner	'Mode of submission of'

		may be served by such depository on the Company by means of electronic mode or by floppies or discs.	record of beneficial owner on the Company'
45		Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities affected by a transferor or transferee both of who are entered as beneficial owners in record of depository.	'Transfer of Securities'
46		Notwithstanding anything in the Act or these Articles where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.	'Allotment of Securities dealt with in a Depository'
47		Nothing contained in these Articles regarding the necessity of having distinctive number of securities issued by the Company shall apply to securities held with a depository.	'Distinctive numbers of security held in a Depository'
48		The Register and Index of beneficial owners maintained by depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and security holders for the purpose of such securities.	'Register and Index of beneficial owners'
NOMINATION			
49		Notwithstanding anything to the contrary in these Articles, every share/debenture holder may at any time nominate a person to whom his shares/debenture shall vest in the event of his death, in the manner prescribed under the Act and any rules, regulation made there under for the time being in force.	'Nomination of shares'
50		A member may revoke or vary his nomination at any time by notifying the Company to this effect.	'Right to revoke or vary'
51		Where the shares/debentures of the Company are held by more than one person jointly, joint-holders may together nominate a person to whom all the rights in the shares/debentures shall vest in the event of death of all the joint-holders in such manner as may be prescribed under the Act, and any rules and regulations made there under for the time being in force.	'Nominee of person by joint-holders'
52		Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise where a nomination made in the prescribed manner purports to confer on any person the right to vest in the share/debentures of the Company, the nominee shall, on death of the holders, or as the case may be as death or last of the joint-holders be entitled to all the rights in the shares/debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled.	'Nomination of shares'
53		Any person who becomes a nominee by virtue of the aforesaid provisions, upon the production of such evidence as required by the Board or the Committee thereof and subject as hereinafter provided, elect either.	
	a.	to be registered as a holder of shares/debentures	
	b.	to make such transfer as the deceased holder could have made.	

54		If the nominee elects to be registered as holder of the shares/debentures, he shall submit to the Company a notice in writing signed by him, to such effect, accompanied with the death certificate of the deceased holder.	
55		The Board shall have the same right to decline or suspend registration, as it would have had if the deceased holder had affected such transferor.	
56		No person shall be recognized by the Company as a nominee unless the holder had during his lifetime, given intimation to the Company of having appointed a nominee in the manner prescribed in the law for the time being in force.	
57		A nominee shall be entitled to the dividend and other advantages to which he would be entitled if he were the registered holder of such shares/debentures provided that he shall not before being registered as a member be entitled to exercise any right conferred by membership in relation to the Company. Provided further that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares/debentures and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonus, shares, or other moneys payable in respect of shares/debentures until the requirements of the notice have been complied with.	
58		The provisions of these articles shall apply mutates mutandis to a deposit of money made with the Company as per Section 58A of the Act.	‘Deposits not to be invited without issuing an advertisement’

ALTERATION & CONVERSION

59		Regulations 44 to 46 of Table ‘A’ shall apply.	‘Alteration of Capital’
60		Except so as otherwise provided by the condition or issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of call and instalments, transfer and transmission, forfeiture, lien and otherwise.	‘Same as Original Capital’
61		If owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company at General Meeting be determined by the Directors.	
62		Subject to the provisions of the Act, the Directors may at any time accept the surrender of any shares from or by any shareholder desirous of surrendering on such terms as the Directors may think fit.	‘Surrender of Shares’

63		Whenever the capital by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the Rights and Privileges attached to each class may, subject to the provisions of the Act be modified, commuted abrogated, varied or dealt with by agreement between the company and any purporting to contract on behalf of that class, provided such agreement is : (a) consented to in writing by the holders of at least three-fourths in nominal value of the issued shares of that class or (b) sanctioned by a special resolution passed at a separate meeting of the holders of shares of that class in accordance with Section 106 of the Act. This Article is not by implication to curtail the power of modification which the Company would have if these Articles were omitted.	‘Alteration of right of holders of special classes of shares’
64		Regulations 36 to 39 of Table ‘A’ shall apply.	‘Conversion of shares into stock’
65		Regulations 40 to 43 of Table ‘A’ shall apply.	‘Share Warrant’

BORROWING POWERS

66		Subject to the provisions of the Act, the Directors may from time to time at their discretion raise or borrow and secure the payment of any sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particulars by the creation of any mortgage or charge on the undertaking of the whole or any part of the property, present or future or the uncalled capital of the Company or by the issue of debentures-stock of the Company, perpetual or redeemable, charged upon the undertaking or all or any part of property of the Company both present and future including its uncalled capital for the time being.	‘Power of Borrow’
67		The Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the company or any interest payable thereon, and shall be entitled to receive such payment as consideration determined by the Directors with power to the Directors and subject to the provisions of Section 293 of the Act to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets for otherwise.	‘Restrictions on powers of Board’
68		Debentures and other securities may be made assignable free from any equities between the Company and the persons to whom the same may be issued.	‘The payment or repayment of money borrowed’
69		Any debentures or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into any shares and with any special privileges as to redemption, surrender, drawing, appointment of Directors and allotment of shares or otherwise. Provided that the debentures with a right to conversion into or allotment of shares shall not be issued without consent of the Company in General Meeting.	‘Terms of issue of debentures’

GENERAL MEETINGS

70		All general meeting other than the annual general meeting shall be called Extra-ordinary General Meetings.	‘Distinction between ordinary meetings and extra ordinary
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				meetings'
71	a.		The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting.	
	b.		If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director may call an Extra-ordinary General Meeting.	
	c.		The Directors shall also, on the requisition of such member or members as hold at the date of deposit of requisition not less than one-tenth of such of the paid-up capital of the Company as at that date carrying the right of voting in regard to the matter to be considered at the meeting forthwith proceed to convene an extra-ordinary general meeting and section 169 or the Act, shall apply.	'Calling an Extra-ordinary general meeting on requisition'
	d.		If permissible under applicable requirement of law ,a director may attend Board Meeting by any video or audio conferencing, facility that permits simultaneous communication between participants	
72			Regulation 49 to 55 of Table 'A' shall apply subject to the following provisions:	'Proceeding at General meetings'
	a.		If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, and in any other case, it shall stand adjourned to the same day in the next week at the same time and place as the Directors may determine, and if at the adjourned meeting quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.	'Quorum for an Extra-ordinary general meeting'
	b.		At any general meeting a resolution put to the vote shall be decided on show of hands unless a poll is before or on the declaration of the result of the show of hands demanded.	'Questions at Extra-ordinary general meeting how to decide'
	c.		If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the decision on the resolution of the meeting at which the poll was demanded.	'Poll to be taken if demanded'
	d.		Any poll demanded on the election of a Chairman of meeting or on any question of adjournment shall be taken at the meeting and without adjournment.	
	e.		The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question or which a poll has demanded.	'Business to proceed notwithstanding demand to poll'
73			Regulation 56 to 63 of Table 'A' shall apply provided that in case, any Resolution relating to such business as may be required to be passed only by postal ballots, such resolution shall be passed by means of a postal ballot, instead of transacting the business in general meeting of the Company, and provision of Section 192A and rules framed there under will apply on such business accordingly.	'Registrations of certain resolutions and agreements'

DIRECTORS

74	i.	Until otherwise determined by the general meeting the number of Directors shall not be less than three and more than twelve.	‘Number of Directors’
	ii.	No person shall be capable of being appointed as Director of the Company if he is having are or more disqualifications prescribed under section 274 of the Act.	‘Disqualification of Directors’
75		On the date of adoption of these Articles the Directors of the Company are :	‘Directors’
	i.	Smt. Asha Ladia	
	ii.	Smt. Sushila Lodha	
	iii.	Smt. Venus Kedia	
	iv.	Smt. Kalpana Agrawal	
	v.	Mr. Pradip Lodha	
	vi.	Mr. Jay Prakash Heerwal	
76		The Director shall not be required to hold any qualification shares.	‘No Qualification shares for Directors’

ROTATION & APPOINTMENT OF DIRECTORS

77		At each Annual General Meeting of the Company one-third of the Directors (not being an ex-official Directors) for the time being as are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one-third shall be retired from office. The Directors to retire by rotation at every annual general meeting shall be the directors (other than ex-official Director) who have been longest in office since their last election. As between Directors who became Directors on the same day, those to retire shall (in default of agreement between them) be determined by lot. The length of time a Director had been in office shall be computed from his last election or appointment when he had previously vacated office.	‘Retirement and rotation of Directors’
78		A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.	‘Eligibility for re-election’
79		No person other than a retiring Director shall be elected a Director (except a Director or Directors appointed by the Directors, under the provisions of law) unless at least fourteen days’ notice shall have been left at the registered office of the Company of the intention to propose him together with a notice in writing by himself of his willingness to be elected and with a deposit of such sum as may be prescribed which shall be refunded if the person succeeds in getting elected as a Director.	‘Re-appointment of retiring director’
80		The Board shall have power to fill casual vacancy in the Board, whether by means of a resolution passed at meeting of the Board or by resolution by circulation. Any Director so appointed shall hold office only so long as the vacating Director would have held the same if no vacancy had occurred.	‘Filling of casual vacancies among directors’

81		Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time and from time to time to appoint additional Director or Directors.	‘Additional directors’
82		Subject to the provisions of Section 313 of the Act, the Board of Directors shall have power to appoint an alternate Director.	‘Appointment and term of office of Alternate directors’
83		In the event of the Company borrowing any money from any financial corporation, institution, government, government body, collaborator, bank, person or any other loan giving agency or source, while any money remains due to them or any of them, they said corporation, institution, government, government body, collaborator, bank, person or other loan giving agency or source as the case may be shall have and may exercise the right and power to appoint from time to time any person or persons to be a Director or Directors of the Company subject to the limits prescribed under the Act and such Director or Directors shall not be liable to retire by rotation. Any person so appointed may at any time be removed from office by the appointing authority that may, from the time of such removal or in case of resignation of the person, appoint any other in his place. Any such appointment or removal shall be in writing signed by the appoint or and served on the Company.	‘Nominee Directors’
84		The Company may by ordinary resolutions of which special notice has been given in accordance with Section 190 of the Act, remove any Director before the expiration of his period of office notwithstanding anything contained in the these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director has for damages or for breach of any contract of service between him and Company.	‘Resolutions requiring special notice’
85		The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding Articles and the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so appointed or to fill a vacancy shall be subject to retirement at the same times as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.	
86		In addition to the grounds mentioned in section 283 of the Act, the office of a Director would be vacated if any director resigns his office by serving notice in writing to the company. Such resignation shall be effective after fifteen days from the date of receipt of the notice by the Company or from the date of acceptance of such resignation by the Board of Directors whichever is earlier.	‘Vacation of office of directors’
87		The Continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed, the Board shall not, except for the purpose of filling vacancies or for summoning a General Meeting of the Company, act so long as the number is below the minimum.	‘Filling of vacancies’
POWER OF DIRECTORS			
88		The management of the business shall have vested with the Director and the Directors may exercise all such powers and do all such acts and things	‘Management of business’

		as the Company is by its Memorandum of Association or otherwise authorized to exercise or done by the Company in general meeting but subject, nevertheless, to the provisions of the Act and to these presents and to any regulations from time to time made by the Company in general meeting not being inconsistent with the provisions of these presents, provided that no such regulations shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.	
89		The Directors may institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affair of the Company and also may compound, allow time for payment or satisfaction of any claims or demand by or against the Company and for the purpose of such legal proceedings may incur and pay all fees, cost and expenses as may be necessary to be done for the Company from time to time.	
90		Subject to the provisions of the Act, The Directors have the power for engagement and dismissal of the secretary, manager, canvassers, clerks and assistants and general directions, management and superintendence of the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the Company including the power to make such investments by loan or otherwise of the Company's funds upon such securities as they shall think fit and to make and sign all such contracts and to draw, accept endorse and negotiate on behalf of the Company, all such bills of exchange, promissory notes, hundies, cheques, drafts, Government promissory notes and another government paper and other instruments as shall be necessary, proper or expedient for the carrying on of the business of the Company and to exercise authorities and discretions of the Company except only such of them as by the Companies Act for the time being in force or by these presents are expressly directed to be exercised by the Shareholders in general meeting. All money belonging to the Company may be retained by the Directors or paid to such bankers as the Directors shall deem expedient and all receipt for money paid to the Company shall be signed by Directors or person authorized by the Directors whose receipts shall be an effectual discharges for the moneys there in stated to have been received. The Directors shall also have power to appoint any person to be attorney of the Company with such terms as they may deem expedient and which they will have a right to revoke pleasure.	
91		The Board of Directors shall have the power to delegate, any of the powers or authorities vested in them except such as are not hereby or by statute directed or required to be expressly by, exercised or done by the Directors in a Board Meeting to Managing Director(s), Director(s) in charge or any other person(s) as they think fit and proper.	'Delegation of power'
REMUNERATION TO DIRECTORS			
92	i.	Each Director shall receive for attending meetings of the Board or a Committee thereof such sum as fee as shall be determined from time to time by the Directors but not exceeding such sum as may be prescribed by the Central Government from time to time for every such meeting attended by him. The Directors shall also be paid any travelling and other expenses for attending and returning from meetings of the Board (including hotel	'Sitting fees and travelling expenses to be paid by the company'

		expenses) and any other expenses properly incurred by them in connection with the business of the Company.	
	ii.	The Directors may also subject to the provisions of the Act be paid such remuneration or commission as may be decided. Such remuneration or commission may be paid to all the Directors for the time being or to any one or more of them and in such proportion as the directors may by the resolution of the Board, decide. Such remuneration may be paid by fixed sum or by a percentage of profit or otherwise as may be determined by the Directors.	‘Remuneration of Directors’
93		If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company, the company may, subject to provisions of the Act, remunerate such Director by fixed sum or by a percentage of profits or otherwise, as may be determined by the directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.	‘Special remuneration of Director performing extra services’
94		Subject to the provisions of the Act, the quorum necessary for the transaction of the business of the Directors shall be one-third of its-total strength and (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher.	‘Quorum’
95		Regulations 73 to 81 of Table ‘A’ shall apply	‘Proceedings of Board meeting’

POWERS OF MANAGING DIRECTOR

96		The Directors may from time to time, subject to the provisions of the Act appoint one or more among themselves to the office of Managing Director (s) or Whole time Director (s) – in – charge of the Company for such period and on such terms and with such power and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) as they may think fit, and may remove or dismiss him or them from office and appoint others in his or their place or places.	‘Powers to appoint Managing Director’
97		Subject to the provisions of the Act and particularly to the prohibition and restriction contained in Section 292 thereof the Board may from time to time entrust to and confer upon any Managing Director/Director-in-charge for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such power for such time, and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as it thinks fit and it may confer such powers, either collaterally with or to the exclusion of and in submit for all or any of the powers of the Board in that behalf and from time to time revoke, withdraw, alter or vary all or any such powers.	‘Certain powers to be exercised by the Board only at meeting’
98		Subject to the hereinafter provided, a Managing Director or Whole time the Director shall not, while he continues, to hold that office, be subject to retirement by rotation but if he ceases to hold office of Director he shall, Ipso facto and immediately cease to be a Managing Director or Whole-time Director as the case may be provided that if any time the number of Managing Director or Whole-time Directors shall exceed one-third of the total number of Directors for time being then such, number of the Managing Director or Whole-time Director as shall be in excess of such one-third shall be liable to retirement by rotation. For the purpose of this provision, those of the Managing Directors or Whole-time Directors who	‘Special position of Managing Director’

		shall be liable to retire shall be such as shall have been the shortest time in office.	
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SEAL

99		The Board may subject to the provisions of the Act, make such arrangement as it may think fit for the management of the Company's affairs abroad or in any specified locality in India and for this purpose appoint local Boards, attorneys and agents and fix their remuneration and delegate to them such powers as the Board may deem requisite or expedient. The Company may exercise all the powers of Section 50 of the Act and the official seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Board shall from time to time by writing under the seal appoint. The Company may also exercise the powers of section 157 of the Act with reference to the keeping of Foreign Registers.	'Power for company to have official seal for use outside India'
100		Regulations 82 and 83 Table 'A' shall apply.	'Nature of Shares' & 'Numbering of Shares'
101	a.	The Board shall provide for the safe custody of the Seal.	'The Seal, its custody and use'
	b.	The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of Committee of the Board authorized by it in that behalf and except in the presence of a person as the Board may appoint for that purpose; and such person shall sign every instrument to which the seal of the Company is so affixed in this presence. This clause, however, shall always be subject to the provisions contained in the Companies (Issue of Share Certificates) Rules, 1960.	
	c.	The Directors shall provide Common Seal for the purpose of the Company and have power from time to time to destroy or alter the same and substitute a new Seal in lieu thereof.	

BOOKS & DOCUMENTS

102	.	Section 209 to 222 of the Act and Regulations 95 of Table 'A' shall apply.	'Books of account to be kept by company', 'Construction of references to documents annexed to accounts' & 'Notice to Registrar of consolidation of share capital, conversion of shares into stock, etc.'
103		Every Balance Sheet and Profit & Loss Accounts of the Company adopted	'Statements of

		by the Company at an Annual General Meeting shall be conclusive except as regards any error discovered therein within three months next after the adoption thereof. Whenever any such error is discovered within that period the Balance Sheet and Profit & Loss Account shall forthwith be corrected and henceforth shall be conclusive subject to the approval of the Company in General Meeting.	accounts to be furnished General Meeting'
CAPITALISATION			
104		Regulations 96 and 97 of Table 'A' shall apply.	'Capitalisation of profits'
DIVIDENDS			
105		The Company in Annual General Meeting may declare dividend but no dividend shall exceed the amount recommended by the Board.	'Declaration of Dividend'
106		The Board may from time to time pay to the members such interim dividend as appear to it be justified by the Profits of the Company.	'Interim Dividend'
107		No dividend shall carry interest against the Company	'No interest on dividend'
108		No forfeiture of unclaimed dividends before the claim becomes barred by law.	'Unclaimed Dividend'
RESERVES			
109		The Directors may from time to time before recommending any dividend carry to reserve out of the Profits of the Company such sums as they think proper. The Directors shall also have power to carry reserve any surplus realized on the sale of any fixed assets of the company or arising from a revaluation of the Company's properties or assets subject to the provisions of the Act. All sums standing to reserve may be applied in whole or in part from time to time in the discretion of the Directors for meeting depreciation or contingencies or for capitalization and distribution by way of bonus or for equalizing dividends or for repairing, improving, replacing or maintaining any of the property to the Company or for such other purposes as the Directors may in their absolute discretion think conducive to the objects of the Company or any of them and pending such application may at the like discretion either be employed in business of the company or to be invested in such investments (with power to dealt with and vary such investments) or be kept in deposit at any bank as the Directors think fit and may consolidate into one fund, any special or any parts of any special funds into which the reserve may have been divided as they fit. The income arising from any reserve funds shall be treated as part of the gross profit of the Company. The Directors may also without placing the same to reserve, carry over any profits which they may think fit not prudent to divide.	'Power of the director to carry profits or surplus to the reserve of the company'
INTEREST			
110		The Company shall always have power subject to the provisions of the Act to pay interest out of capital.	'Interest out of capital'
OTHER POWER OF DIRECTORS			
111		On any sale of undertaking of the Company, the Directors or the Liquidators on winding up may if authorized by resolution of the general	'Powers of the liquidator and

		meeting accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not either than existing or to be formed for the purchase in whole or in part of the property of the Company and Directors if the profits of the Company permit or the Liquidators (in winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees for the, and resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property otherwise then in accordance with the strict, legal rights of the members or contributors of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act, as are incapable of being varied are excluded by these presents.	director to accept shares, debentures or securities on any sale of undertaking'
112		Every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, in so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in the matters relating thereto and shall be such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting of the Board or by any General Meeting of Company or by a Court of law and except so far as may be necessary in order to comply with any other provision in these presents contained.	'Signing a declaration for pledging before entering upon duties'
113		No members so far other person, save permissible under the provisions of the Act shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Directors of the company for the time being or to require discovery of any information respecting any detail or the Company's trading or any matter which is or may be nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be in expedient in the interest of the members of the Company to communicate.	'No Shareholder to enter premises of the company or inspect book without permission'
114		Regulation 99 of Table 'A' shall apply.	'Indemnity'
115		Subject to the provisions of Section 101 of the Act and so far as such provisions permit no Director, Auditor or other officer of the Company shall be liable for acts, receipts or defaults of any other Director or officer or for joining in any receipt or other act for conformity, or for any loss of expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage caused by any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any of judgment, commission default or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own	'Application to Tribunal for confirming order, objections by creditors, and settlement of list of objecting creditors'

		dishonesty.	
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WINDING UP

116		<p>If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as early as may the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up the assets available for distribution among the members be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst the holders of the equity shares of the Company in proportion to the Capital at the commencement of the winding up paid up or which ought to have been paid up on the equity shares hold by them respectively. But this Article is to be without prejudice to the rights of the holders if and when issued upon special terms and conditions.</p>	‘Distribution of assets on winding up’
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SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated January 06, 2014 between our Company and the Lead Manager.
2. Memorandum of Understanding dated August 19, 2013 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated February 04, 2014 between our Company, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.
4. Market Making Agreement dated January 15, 2014 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated January 16, 2014 between our Company and the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated November 5, 2013.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated October 14, 2013.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certification of Incorporation of Karnimata Cold Storage Limited.
3. Resolution of the Board of Directors meeting dated August 17, 2013, authorizing the Issue.
4. Shareholders' resolution passed at the Annual General Meeting dated September 26, 2013 authorizing the Issue.
5. Consent from the Auditors for inclusion of their reports on the restated accounts in this Prospectus.
6. Auditor's report for Restated Financials dated November 25, 2013 included in this Prospectus.
7. The Statement of Tax Benefits dated November 25, 2013 from our Statutory Auditors.
8. Consent of our Directors, Company Secretary and Compliance Officer, LM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriters, Escrow Collection Bank(s) and Refund Bank as referred to in their specific capacities.
9. Due Diligence Certificate(s) dated February 11, 2014 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.

10. Copy of resolution passed at the meeting of Board of Directors held on February 12, 2014 for approving this Prospectus
11. Approval from BSE vide letter dated February 05, 2014 to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Pradip Lodha
(Managing Director)

Mrs. Sushila Lodha
(Non-Executive Promoter Director)

Mrs. Asha Ladia
(Non-Executive Promoter Director)

Mrs. Kalpana Agrawal
(Non-Executive Independent Director)

Mrs. Venus Kedia
(Non-Executive Independent Director)

Mr. Jay Prakash Heerwal
(Non-Executive Independent Director)

Mr. Subrat Kumar Nayak
(Company Secretary & Compliance Officer)

Date: February 12, 2014
Place: Paschim Medinipur