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VISHWARAJ SUGAR INDUSTRIES LIMITED

CIN: U85110KA1995PLC017730

Our Company was incorporated as a public limited company under the Companies Act, 1956 in the name of Vishwanath Sugars Limited vide Certificate of Incorporation dated May 02, 1995 with the Registrar of Companies, Bangalore bearing Registration Number - 017730. Our Company was granted the Certificate of Commencement of Business by the RoC, Bangalore on December 21, 1999. The name of our Company was subsequently changed to Vishwanath Sugar and Steel Limited and a Fresh Certificate of Incorporation dated December 28, 2010 was issued by the Registrar of Companies, Bangalore. The name of our Company was further changed to Vishwaraj Sugar Industries Limited vide Certificate of Incorporation dated November 29, 2012 granted by the Registrar of Companies, Bangalore. For details of change in registered address of the Company, please refer the chapter "History and Certain Corporate Matters" on page no. 166 of the Red Herring Prospectus.

Registered Office: Bellad Bagewadi, Taluka Hukkeri, District Belgaum – 591 305; **Tel No.:** +91 – 8333 – 251251 **Email:** info@vsil.co.in; **Website:** www.vsil.co.in; **Company Secretary and Compliance Officer**: Mrs. Sneha Patil

OUR PROMOTERS: MR. UMESH KATTI, MR. RAMESH KATTI, MRS. SHEELA KATTI, MRS. JAYSHREE KATTI, MR. NIKHIL KATTI, MR. LAVA KATTI, MR. KUSH KATTI AND MRS. SNEHA NITHIN DEV

INITIAL PUBLIC OFFER OF UPTO 1,00,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF VISHWARAJ SUGAR INDUSTRIES LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UP TO ₹ [•] LAKHS (THE "OFFER") COMPRISING OF A FRESH ISSUE OF UPTO 30,00,000 EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ [•] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 70,00,000 EQUITY SHARES BY THE PERSONS LISTED IN ANNEXURE A ON PAGE NO. 367 OF THE RED HERRING PROSPECTUS (COLLECTIVELY REFERRED TO AS THE SELLING SHAREHOLDERS") AGGREGATING TO ₹ [•] LAKHS ("OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE UPTO 26.63%, OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

PRICE BAND: ₹ 55/- TO ₹ 60/- PER EQUITY SHARE OF FACE VALUE ₹ 10 EACH.
THE FLOOR PRICE IS 5.50 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 6.00 TIMES OF THE FACE VALUE.
BIDS CAN BE MADE FOR A MINIMUM OF 240 EQUITY SHARES AND IN MULTIPLES OF 240 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS

(i) The Book Running Lead Manager associated with the Offer has handled 43 public issues in the past three years, out of which 8 issues closed below the Offer price on listing date.

(ii) We have incurred losses in the past and in particular for the financial year ended 2018-19, 2017-18 & 2014-15 and may incur losses in the future.

(iii) The Basic and Diluted EPS for the year ended March 31, 2019 and the Weighted average EPS for the year ended March 31, 2019 is negative, hence Price Earnings Ratio (P/E) in relation to the Price Band is not computable hence not comparable to the Industry P/E ratio.

(iv) The Weighted Average Return on Net Worth for the last three financial years is negative i.e. -4.35%.

(v) Average cost of acquisition per Equity Share by our Promoters, Mr. Umesh Katti is ₹ 11.71, Mr. Ramesh Katti is ₹ 9.30, Mr. Nikhil Katti is ₹ 12.55 and rest of other Promoters i.e. Mrs. Sheela Katti, Mrs. Jayashree Katti, Mr. Lava Katti, Mr. Kush Katti and Mrs. Sneha Nithin Dev is ₹ 10 each. Average cost of acquisition per Equity Share by our Selling Shareholders is in the range of ₹ 5.00 to ₹ 14.08 and the Offer Price at the upper end of the Price Band is significantly high at is ₹ 60/-.

BASIS FOR OFFER PRICE

The Offer Price has been determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹10 and Offer Price is [•] per Equity Shares and is 5.50 times of the face value at the lower end of the Price Band and 6.00 times the face value at the higher end of the Price Band. Investors should read the following basis with the sections titled "Risk Factors" and "Financial Information" and the chapter titled "Our Business" beginning on page nos. 17, 202 and 130 respectively, of the Red Herring 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

We believe that the following strengths enable us to compete successfully in our industry:

• Experienced Promoters and strong Executive Team • Wide range of products • Integrated operations and economies of scale • Strong Technological Capabilities
• Strategic location of our manufacturing unit • Cordial and strong relationships with sugarcane farmers • Captive Power plant and exportable capacity

For further details regarding the qualitative factors, which form the basis for computing the Offer Price, please see "Business Overview – Competitive Strengths" on page no. 132 of the Red Herring Prospectus.

Quantitative Factors

The information presented in this section for the Fiscal Year March 31, 2019, March 31, 2018 and March 31, 2017 is derived from our Restated Financial Statements prepared in accordance with IND AS. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1) Earnings Per Share (EPS)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹)	Weights
2019	(5.10)	3
2018	(1.23)	2
2017	1.75	1
Weighted Average	**(2.67)**	

Notes:

a) Basic EPS has been calculated as per the following formula: Basic EPS (₹) = (Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period).

b) Diluted EPS (₹) = (Net profit/ (loss) as restated, attributable to Equity Shareholders)/(Diluted Weighted average number of Equity Shares outstanding during the year/period)

c) Basic and Diluted EPS calculations are in accordance with IND AS 33 - "Earnings per Share".

2) Price Earnings Ratio (P/E) in relation to the Price Band of ₹ 55 to ₹ 60 per share of ₹ 10 each

Particulars	P/E ratio at the Lower end of the price band	P/E ratio at the Upper end of the price band
P/E ratio based on basic and diluted EPS for the year ended March 31, 2019	N. A.	N. A.
P/E ratio based on weighted average basic and diluted EPS for the year ended March 31, 2019	N. A.	N. A.

Note: Since the Basic and Diluted EPS for the year ended March 31, 2019 and the Weighted average EPS for the year ended March 31, 2019 is negative, these figures are not computable.

Industry P/E[1]	
Highest - Bannari Amman Sugars Ltd.	20.0
Lowest - Dalmia Bharat Sugar and Industries Ltd.	3.6
Industry Average	6.0

[1] Source: Capital Market, Vol. XXXIV/14, Aug 26 – Sep 08, 2019; Segment: Sugar

3) Return on Networth (RoNW)

Year ended March 31,	RoNW (%)	Weight
2019	(8.33)%	3
2018	(1.86)%	2
2017	2.61%	1
Weighted Average	**(4.35)%**	

Note: Return on Net worth has been calculated as per the following formula: RoNW = (Net profit/(loss) after tax, as restated) / (Net worth excluding preference share capital and revaluation reserve)

4) Minimum Return on Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2019

Particulars	Minimum RoNW (%) at the Lower end of the price band	Minimum RoNW (%) at the Upper end of the price band
To maintain Pre-Offer basis & diluted EPS for the year ended March 31, 2019	N. A.	N. A.

Note: Since the Basic and Diluted EPS for the year ended March 31, 2019 is negative, these figures cannot be computed.

5) Net Asset Value (NAV)

Particulars	NAV (in ₹)
NAV as at March 31, 2019	61.20
NAV after Offer	
At Lower end of the price band	60.71
At Upper end of the price band	61.11

Note: Net Asset Value has been calculated as per the following formula: NAV = (Net worth excluding preference share capital and revaluation reserve)/(Outstanding number of Equity shares at the end of the year)

6) Comparison with Industry Peers

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates i.e. Sugar, whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Name of the Company	EPS	Face Value (₹)	P/E Ratio[2]	RoNW[3][4] (%)	NAV Per Share[5] (₹)
Peer Group[1]					
Ugar Sugar Works Ltd.	0.39	1.00	33.08	8.50%	4.54
Dwarikesh Sugar Industries Ltd	5.05	1.00	4.45	20.51%	24.62
Balrampur Chini Mills Ltd	24.98	1.00	5.67	27.40%	91.19
Dhampur Sugar Mill Ltd	38.40	10.00	4.17	20.51%	187.07
Source: Financial Results / Annual Report of the Company filed with the Stock Exchanges					
The Company					
Vishwaraj Sugar Industries Limited	(5.10)	10.00	N. A.[#]	(8.33)%	61.20
Source: Restated Financials of the Company as disclosed in the Red Herring Prospectus.					

[#] Since the Basic and Diluted EPS for the year ended March 31, 2019 is negative, this figures are not computable.

Note:

1) *The peer group figures based on audited standalone financials as on and for the year ended March 31, 2019.*

2) *P/E figures for the peer is computed based on closing market price as on July 31, 2019, of relevant peer companies as available at BSE (available at www.bseindia.com) divided by Basic EPS for FY 19 reported in the filings made with stock exchanges.*

3) *Net Worth = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss + Reserves created out of profits but does not include revaluation reserve.*

4) *Return on net worth (%) = Net profit after tax * 100 / Net worth at the end of the year*

5) *Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year*

7) The Offer Price of ₹ [•] times of the face value of the Equity Shares

The Offer Price of ₹ [•] has been determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager on the basis of the assessment of market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. Investor should read the above mentioned information along with the section titled "Risk Factors" on page no. 17 and the financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Statements" on page no. 202 of the Red Herring Prospectus.

For further details, please see the section entitled "Basis for Offer Price" beginning on page 108 of the Red Herring Prospectus.

BID / OFFER PROGRAMME

OPENS ON: MONDAY, SEPTEMBER 30, 2019
CLOSES ON: FRIDAY, OCTOBER 04, 2019

ASBA* **Simple, Safe, Smart way of Application !!!**

***Application Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account.**

Mandatory in Public Issues. No Cheque will be accepted.

UPI – UNIFIED PAYMENTS INTERFACE

UPI – NOW MANDATORY IN ASBA FOR RETAIL INVESTORS APPLYING THROUGH REGISTERED BROKERS, DPS AND RTAS. RETAIL INVESTORS ALSO HAVE THE OPTION TO SUBMIT THE APPLICATION DIRECTLY TO THE ASBA BANK (SCSBS) OR TO USE THE FACILITY OF LINKED ONLINE TRADING, DEMAT AND BANK ACCOUNT

In case of revision in the Price Band, the Bid / Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid / Offer Period not exceeding 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager ("BRLM"), and at the terminals of the members of the Syndicate and by intimation to Self-Certified Syndicate Banks, the Sponsor Bank, the Registered Brokers and Share Transfer Agents and Collecting Depository Participants.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended **("SCRR").** The Offer is being made through the Book Building Process in accordance with Regulation 26 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **"SEBI ICDR Regulations")**, where in not more than 10% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 40% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 50% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. All potential investors, are required to mandatorily use the Application Supported by Blocked Amount ("ASBA") process providing details of the respective bank accounts and UPI ID, in case of RIIs, as applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). For details see "Offer Procedure" on page no. 330 of the Red Herring Prospectus.

Bidders / Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

Contents of the Memorandum of Association of the Company as regards its objects: For information on the main objects and other objects of our Company, see "History and Certain Corporate Matters" on page 166 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see the section "Material Contracts and Documents for Inspection" on page 363 of the Red Herring Prospectus.

Liability of Members of the Company: Limited by shares.

Amount of share capital of the Company and Capital Structure: The authorised share capital of the Company is ₹ 60,00,00,000 divided into 6,00,00,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company before the Offer is ₹ 34,55,60,000 divided into 3,45,56,000 Equity Shares of ₹ 10 each. For details of the Capital Structure, see "Capital Structure" on the page 69 of the Red Herring Prospectus.

Names of the signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company: Umesh Katti – 5, Babu Dhammangi – 5, Gurusiddappa Patil – 5, Basavenappa Katti – 5, Basavaraj Kappalguddhi – 5, Shripalappa Munavalli - 5 and Ramappa Khemlalpure – 5, aggregating to 35 Equity Shares of ₹ 1000/- each. For details of the current share capital and capital structure of the Company see "Capital Structure" on page 69 of the Red Herring Prospectus.

LISTING: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated January 12, 2018 and January 10, 2018, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE Limited.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 312 of the Red Herring Prospectus for the full text of the Disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF THE BSE (THE DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by BSE Limited ("BSE") should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 317 of the Red Herring Prospectus for the full text of the Disclaimer clause of the BSE.

DISCLAIMER CLAUSE OF NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the offer document. The investors are advised to refer to page 318 of the Red Herring Prospectus for the full text of the Disclaimer clause of NSE.

GENERAL RISK: Investments 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Company and this Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 17 of the Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
ARYAMAN FINANCIAL SERVICES LTD **ARYAMAN FINANCIAL SERVICES LIMITED** 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001. **Tel:** +91 – 22 – 6216 6999; **Fax:** +91 – 22 – 2263 0434; **Email:** info@afsl.co.in; **Investor Grievance Email:** feedback@afsl.co.in; **Website:** www.afsl.co.in **SEBI Registration No.:** INM000011344 **Contact Person:** Mr. Pranav Nagar	**BIGSHARE SERVICES PRIVATE LIMITED** 1st Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai –400 059, Maharashtra, India. **Tel No.:** +91 – 22 – 62638200; **Fax No.:** +91 – 22 – 62638299; **Email:** ipo@bigshareonline.com; **Investor Grievance Email:** investor@bigshareonline.com **Website:** www.bigshareonline.com **SEBI Registration No.:** INR000001385 **Contact Person:** Mr. Ashish Bhope	**MRS. SNEHA PATIL** Bellad Bagewadi, Taluka Hukkeri, District Belgaum - 591305 **Tel No. :** +91 – 8333 – 251251; **E-mail:** cs@vsil.co.in; **Website:** www.vsil.co.in Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of Allotment Advice or credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and in the Risk Factors contained therein before applying in the Offer. Full copy of the Red Herring Prospectus is available on the website of the SEBI at www.sebi.gov.in, website of the Company at www.vsil.co.in, the website of the BRLM to the Offer at www.afsl.co.in and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Vishwaraj Sugar Industries Limited, BRLM: Aryaman Financial Services Limited and the Syndicate Members: Aryaman Financial Services Limited and Aryaman Capital Markets Limited and at the select locations of the Sub-Syndicate Members, Registered Brokers, CRTAs and CDPs participating in the Offer. Bid-cum-application Forms will also be available on the websites of BSE, NSE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

Escrow Bank, Refund Bank, Public Offer Account Bank and Sponsor Bank – ICICI Bank Limited

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

For Vishwaraj Sugar Industries Limited
On Behalf of the Board of Directors
Sd/-
Company Secretary and Compliance Officer

Place: Bellad Bagewadi
Date: September 23, 2019

Vishwaraj Sugar Industries Limited, is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make a Public Offer of its Equity Shares and has filed the Red Herring Prospectus with Registrar of Companies, Karnataka at Bengaluru. The Red Herring Prospectus shall be available on the website of the SEBI at www.sebi.gov.in, website of the Company at www.vsil.co.in, the website of the BRLM to the Offer at www.afsl.co.in and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively. Bidders should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the Red Herring Prospectus, including, the section titled "Risk Factors" beginning on page 17 of the Red Herring Prospectus.

This document is not an Issue of securities for sale in the United States or elsewhere. This document has been prepared for publication in India and is not for publication or distribution, directly, or indirectly, in or into the United States. The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended ("U.S. Securities Act"), or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States. Accordingly, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering of the Equity Shares in the Unites States.

Sunjeet Comm.