



RED HERRING PROSPECTUS

Dated April 19, 2010

Please read Section 60B of the Companies Act, 1956
The Red Herring Prospectus will be updated upon RoC filing

100% Book Built Issue

TARA HEALTH FOODS LIMITED

Our Company was incorporated as Angora Wool Combers Private Limited vide Certificate of Incorporation dated February 28, 1977. Our name was changed to Ram Sahai Wool Combers Private Limited vide Certificate of Incorporation dated December 02, 1986. Subsequently, our name was changed to Tara Feeds Private Limited and a fresh Certificate of Incorporation dated September 02, 2004 for change of name was granted. Subsequently, we converted into a Public Limited Company and our name was changed to Tara Feed Limited vide fresh Certificate of Incorporation dated October 5, 2005. Subsequently our name was changed to Tara Olive India Limited and a fresh Certificate of Incorporation dated June 11, 2008 subsequent to change of name was granted. Subsequently our name was changed to Tara Health Foods Limited and a fresh Certificate of Incorporation dated November 24, 2008 subsequent to change of name was granted. For details of change in the name and registered office, please refer to 'History and Certain Corporate Matters' beginning on page 99

Registered Office: 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana – 141001, Punjab, India; Tel Fax: +91-0161-5019711

Corporate Office: Village Jitwal Kalan, Tehsil Malerkotla, District Sangrur, Pin Code - 148023, Punjab, India

Tel.: +91- 01675 – 274300, **Fax:** +91- 01675 - 273241

Company Secretary: Mr. Mohit Jindal; **Compliance Officer:** Mr. Jarnail Singh, **E-mail:** info@tarahealthfoods.com; **Website:** www.tarahealthfoods.com

PROMOTERS OF THE COMPANY: MR. BALWANT SINGH, MR. JASWANT SINGH, MR. KULWANT SINGH

PUBLIC ISSUE OF 10,000,000 EQUITY SHARES OF FACE VALUE OF Rs.10/- EACH OF TARA HEALTH FOODS LIMITED ('OUR COMPANY' OR THE 'ISSUER') FOR CASH AT A PRICE OF RS.[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS.[●] PER EQUITY SHARE) AGGREGATING TO RS.[●] MILLION (THE 'ISSUE'). THE ISSUE WOULD CONSTITUTE 33.28% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY

The Company may consider participation by Anchor Investor. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date

FACE VALUE OF EQUITY SHARES IS RS.10/- EACH.

THE PRICE BAND SHALL BE DISCLOSED ATLEAST TWO WORKING DAYS PRIOR TO BID/ISSUE OPENING DATE BY WAY OF ANNOUNCEMENT IN ALL THE NEWS PAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT WAS RELEASED BY OUR COMPANY AND/OR THE BRLM.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding / Issue Period not exceeding ten working days. Any revision in the Price Band, and the revised Bidding / Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE), by issuing a press release and also by indicating the change on the website of the Company, Book Running Lead Managers ("BRLM") and the terminals of the 'Syndicate member(s)'.
The Issue is being made through the 100% Book Building Process, wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB portion shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. **The face value of the Equity Shares is Rs.10/- each and the Issue Price of Rs.[●]- per share is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.** The Issue Price (as determined and justified by the BRLM and our Company on basis of assessment of market demand for the Equity Shares by way of Book Building as stated in 'Basis for Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ('SEBI'), nor does SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page i of this Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

This Issue has been graded by Fitch Ratings India Pvt Ltd and has been assigned the "IPO Grading 2/5", indicating below average fundamentals. The IPO Grading is assigned on a 5 point scale from 1 to 5 with a CRISIL IPO Grade 5/5 indicating strong fundamentals and a CRISIL IPO Grade of 1/5 indicating poor fundamentals. For further details please see the chapter titled "General Information" on page 10 and "Material Contracts and Documents for Inspection" on page 280 of this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Our Company has received the in-principle approval from BSE and NSE for the listing of the Equity Shares vide their letter dated January 05, 2010 and March 12, 2010. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

Atherstone

ATHERSTONE CAPITAL MARKETS LIMITED

SEBI Reg. No.: INM 000011245

122, 12th Floor, Mittal Court, 'A' Wing,
Nariman Point, Mumbai- 400 021.

Tel. No.: +91 22 3215 3271; Fax No.: +91 22 6615 2989

Email: ipo@atherstone.in, Website: www.atherstone.in

Contact Person: Mr. Rinav Manseta

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

SEBI Reg. No.: INR000001385

E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai – 400 072.

Tel.: +91 22 2847 0562

Fax: +91 22 2847 5207

E-mail: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Ashok Shetty

BID / ISSUE PROGRAMME

BID / ISSUE OPENS ON : WEDNESDAY, APRIL 28, 2010

BID / ISSUE CLOSING ON : FRIDAY, APRIL 30, 2010

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Terms	Description
“Tara Health Foods Limited” or “Tara” or “THFL” or “our Company” or “Issuer” or “Issuer Company” or “we” or “us” or “our”	Unless the context otherwise requires, refers to Tara Health Foods Limited, a public limited company incorporated under the Companies Act, 1956

COMPANY RELATED TERMS

Terms	Description
Article / Articles of Association	Articles of Association of our Company
Auditors	The statutory auditors of our Company, being M/s. Raj Kumar Jindal & Co., Chartered Accountants
Board of Directors/Board	The Board of Directors of our Company or a committee constituted thereof.
Corporate Office	The corporate office of the Company, located at Village Jitwal Kalan, Tehsil Malerkotla, District Sangrur, Pin Code - 148023, Punjab, India
Director(s)	Director(s) of the Company unless otherwise specified
MD	Managing Director
Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Promoters	Promoters of the Company, namely, Mr. Balwant Singh, Mr. Jaswant Singh, Mr. Kulwant Singh
Registered Office	The registered office of the Company, located at 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana - 141001, Punjab, India
RoC	Registrar of Companies, Punjab, Chandigarh & Himachal Pradesh, situated at Corporate Bhavan, Plot No 4 B, Sector 27 B, Madhya Marg, Chandigarh – 160019
WTD	Whole Time Director

ISSUE RELATED TERMS

Terms	Description
Allocation	Allocation of Equity Shares pursuant to this Issue
Allotment/ Allot / Allotted	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue
Allottee	A successful Bidder to whom the Equity Shares are allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, who has Bid for Equity Shares amounting to at least Rs. 100 million
Anchor Investor Margin Money	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	The portion of the Net Issue, being up to 1,500,000 Equity Shares
Anchor Investor Bid/Issue Period	The date one day prior to the Bid/Issue Opening Date on which bidding by Anchor Investors shall open and shall be completed



Application Supported by Blocked Amount / ASBA	Application supported by blocked amount (whether physical or electronic) used by a bidder (other than a QIB) to make a Bid authorizing the SCSB to block the Bid Amount in their specified bank account
ASBA Bidder/ ASBA Investor	An Investor who intends to apply through ASBA process in the Issue and is not a QIB, is applying through blocking of funds in a bank account with the SCSB
ASBA Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue / Escrow Collection Banks(s)	The banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Account will be opened and for the purpose of this Issue being HDFC Bank Limited, ICICI Bank Limited and State Bank of India
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 210
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, Bid means an indication to make an offer during the Bidding Period by any bidder (other than QIB) pursuant to the submission of an ASBA bid cum application form to subscribe to the Equity Shares of our Company
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue In case of ASBA Bidders the highest value of the optional Bids indicated in the ASBA Bid Cum Application Form.
Bid-cum-Application Form / Bid Form	The form used by a Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid / Issue Closing Date	The date after which the members of the Syndicate and SCSBs will not accept any Bids for the Issue, which shall be notified in one English national newspaper, one Hindi national newspaper and a regional language newspapers with wide circulation at the place where registered office of the Company is situated
Bid / Issue Opening Date	The date on which the members of the Syndicate and SCSBs shall start accepting Bids for the Issue, which shall be the date notified in one English national newspaper, one Hindi national newspaper and a regional language newspapers with wide circulation at the place where registered office of the Company is situated
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and includes an ASBA Bidder
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/Method	Book building mechanism/route as provided in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
BRLM/ Book Running Lead Manager	Book Running Lead Managers to the Issue, in this issue being Atherstone Capital Markets Limited
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated equity shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted



Controlling Branches	Such branches of the SCSBs which coordinates Bids under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Any price within the Price Band finalised by the Company in consultation with the BRLM. A Bid submitted at Cut-Off price by a Retail Individual Bidder or an ASBA Investor who has Bid for Amount less than or equal to Rs.100,000 and is a valid bid at all price levels within the Price Band
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Designated Branches	Such branches of the SCSBs which shall collect ASBA Bid cum Application Form from the ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account and from the accounts of ASBA investors to the Public Issue Account which may be before/after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
DP ID	Depository Participant Identity
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated October 14, 2009 issued in accordance with section 60B of the Companies Act and SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares are issued and the number of Equity Shares being offered in the Issue. It will become a Red Herring Prospectus issued in accordance with the provisions of Section 60B of the Companies Act after filing with the RoC at least three days before the opening of this Issue. It will become a Prospectus after filing with the RoC after the Pricing Date.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase Equity Shares offered herein
Equity Shares	Equity shares of our Company of Rs. 10/- each unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLM, the Syndicate Members, the Escrow Collection Bank(s) and the refund Bank for collection of the Bid Amounts and where applicable, remitting refunds (excluding ASBA Bidders) on the terms and conditions thereof
ESOS	Employees Stock Option Scheme
ESPS	Employees Stock Purchase Scheme
Financial Year / Fiscal / FY	Period of twelve months ended March 31 of that particular year, unless otherwise specified
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form, ASBA Form or ASBA revision form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
GIR Number	General Index Registry Number
Issue/Issue Size	Public issue of 10,000,000 equity shares of Rs.10/- each of the Company for cash at a price of Rs.[●] per equity share (including a share premium of Rs.[●] per equity share) aggregating to Rs.[●] million (the 'Issue')



Issue Price	The final price at which Equity Shares will be allotted in the Issue in terms of the Red Herring Prospectus. The Issue price will be decided by our Company in consultation with the BRLM, on the Pricing Date
Issue proceeds	The proceeds of the Issue that are available to the Company
Margin Amount	The amount paid by the Bidder, or blocked in the bank account of the ASBA Bidders, at the time of submission of the Bid, being 10% to 100% of the Bid Amount, as applicable
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the QIB Portion or 250,000 Equity Shares aggregating to Rs. [●] available for allocation to mutual funds only, out of the QIB Portion.
Members of the Syndicate	The BRLM and the Syndicate Members
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see “Objects of the Issue” on page 28
Non-Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have bid for an amount of more than Rs.100,000/-
Non-Institutional Portion	The portion of the Issue being up to 1,500,000 Equity Shares available for allocation to Non-Institutional Bidders.
Non Residents	A person who is not resident in India except NRI's and FII's
NRI / Non-Resident Indian	A non-resident is 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, as amended.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not permitted to subscribe in this Issue.
Pay-in-Date	Except with respect to ASBA Bidders, Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders as applicable and which shall with respect to Anchor Investor be a date not later than two days after the Bid Closing Date.
Pay-in-Period	<ul style="list-style-type: none"> (i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN (iii) With respect to Anchor Investor, the Anchor Investor Bid/Issue period and the last date specified in the CAN which shall not be later than two days after the bid close date
Person/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.
Price Band	Price band of a minimum price (Floor Price) of Rs. [●] per Equity Share and the maximum price (Cap Price) of Rs. [●] per Equity Share and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLM will finalize the Issue Price



Prospectus	The prospectus to be filed with the RoC after finalization of the Issue Price in accordance with Section 60 of the Companies Act and the SEBI Regulations, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the number of Equity Shares offered in the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies from the Escrow Account and accounts of ASBA investors for this Issue on the Designated Date
Qualified Institutional Buyers or QIBs	A mutual fund, venture capital fund and foreign venture capital investor registered with SEBI; a foreign institutional investor and sub-account (other than a sub-account which is foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority (IRDA); provident funds with minimum corpus of Rs. 2500 lacs; and pension funds with minimum corpus of Rs. 2500 lacs and National Investment Fund set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India and Insurance funds set up and managed by army, navy or air force of the Union of India, eligible to Bid in the Issue.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being at least 5,000,000 Equity Shares constituting 50% of the Issue (of which 5% of the QIB Portion or 250,000 Equity Shares shall be available to Mutual Funds) available for allocation to QIBs.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares are offered and the number of Equity Shares offered in the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened and maintained with Refund Bank(s) to which surplus money shall be transferred on the designated date and from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means funds through ECS, NEFT, Direct Credit or RTGS as applicable
Refund Banker	In this case being ICICI Bank Limited
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072
Resident Retail Individual Bidders	Retail Individual Bidder who is a person resident in India as defined under FEMA and who is eligible to apply in this Issue through the ASBA process
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs.100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Net Issue to the public being up to 35% of the Issue or 3,500,000 Equity Shares of Rs.10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous revision forms



RoC / Registrar of Companies	The Registrar of Companies, Punjab, Chandigarh & Himachal Pradesh, situated at Corporate Bhavan, Plot No 4 B, Sector 27 B, Madhya Marg, Chandigarh – 160019
Self Certified Syndicate Bank / SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and as notified by SEBI from time to time
SCSB Agreement	The agreement to be entered into between the SCSBs, the BRLM, the Registrar to the Issue and our Company only in relation to the collection of Bids from the ASBA Bidders
Stock Exchange(s)	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Syndicate or Members of the Syndicate	BRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	Antique Stock Broking Limited, Enam securities Private Limited, SPA Securities Limited, SMC Global Securities Limited
Transaction Registration Slip/TRS	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

TECHNICAL AND INDUSTRY TERMS

Terms	Description
CFTRI	Central Food Technological Research Institute
CSFDS	Centrally Sponsored Fodder Development Scheme
CSO	Central Statistical Organisation
DAHD	Department of Animal Husbandry, Dairy & Fisheries, Ministry of Agriculture, Government of India
DCS	Dairy Cooperative Societies
EU	European Union
FAO	Food and Agriculture Organisation
HDL	High-Density Lipoproteins
IOA	Indian Olive Association
LDL	Low-Density Lipoproteins
MSP	Minimum Support Price
NPCBB	National Project for cattle & Buffalo Breeding
OGI	Open General License
PFA	Prevention of Food Adulteration
RBD	Refined, Bleached, Deodorized
RBO	Rice Bran Oil
SIAs	State Implementing Agencies
SPF	Specific Pathogen Free Eggs
VLDL	Very Low-Density Lipoproteins
WHO	World Health Organisation
WTO	World Trade Organisation

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS:



Terms	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
BG/LC	Bank Guarantee / Letter of Credit
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
DP / Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FCNR Account	Foreign Currency Non Resident Account established in accordance with the FEMA
Financial Year / Fiscal Year / FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/Government	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
I.T. Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles of India
INR / Rs. / Rupees	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
MICR	Magnetic Ink Character Recognition
Mn / mn / Mln	Million
MoU	Memorandum of Understanding



NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR / Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PIO	Person of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
RoNW	Return on Net Worth
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Regulations / SEBI (ICDR) Regulations, 2009	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
UIN	Unique Identification Number
USD/ US\$	United States Dollars



CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Tara Health Foods Limited”, “Tara” or “THFL”, unless the context otherwise indicates or implies, refers to Tara Health Foods Limited.

For additional definitions used in this Red Herring Prospectus, see the section “Definitions and Abbreviations” beginning on page i. In the section titled “Main Provisions of Articles of Association of “Tara Health Foods Limited”, defined terms have the meaning given to such terms in the Articles of Association of the Company.

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements as of and for the years ended on March 31, 2005, 2006, 2007, 2008, 2009 and nine months period ended December 31, 2009 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Regulations, as stated in the report of our Statutory Auditors, M/s. Raj Kumar Jindal & Co, Chartered Accountants, included in this Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Currency of Presentation

In this Red Herring Prospectus, all reference to “Rs.” / “Rupees” / “INR” are to Indian Rupees, the official currency of the Republic of India, “\$” / “US\$” / “USD” are to U. S. Dollars, the official currency of the United States of America.

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

Throughout this Red Herring Prospectus, currency figures have been expressed in “million / Mln / mn / Millions” except those, which have been reproduced/ extracted from sources as specified at the respective places.

Market Data

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

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.



FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “contemplate”, “seek to”, “future”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to -

- General economic and business conditions in India;
- Our ability to successfully implement our growth strategy and expansion plans and to successfully achieve the objectives for which funds are being raised through this Issue;
- Prices of raw materials we consume and the products we produce.
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Any adverse outcome in the legal proceedings in which our Company is or may be involved; and
- The loss or shutdown of operations of our Company at any times due to strike or labour unrest or any other reason.

For further discussion of factors that could cause our actual results to differ, please refer to the “Risk Factors”, “Business Overview” and “Management’s Discussions and Analysis of Financial Conditions and Results of Operations” beginning from page i, 71, 164 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the members of issue management team nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Managers will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.



SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. The investor should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company. If any of the following risks actually occur, our business, results of operations and financial condition may suffer, the trading price of the Equity Shares of our Company may decline, and the investor may lose all or part of his investment.

To obtain, a complete understanding of our Company, the investor should read this section in conjunction with the sections titled “Business Overview” beginning on page 71 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 164, as well as, the financial and the other information contained in this Red Herring Prospectus.

These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or we currently consider immaterial to our operations.

Unless specified or quantified in the relevant risk factors discussed below, we are not in a position to quantify the financial or other implications of any of the Risks mentioned herein below.

Materiality

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

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

The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified.

A. INTERNAL RISK FACTORS

1. A classification of the legal proceedings instituted against our Company and the monetary amount involved in these cases is given in the following table

(Rs. in Million)

Type of Litigation	Number of Pending Cases	Amount Involved
Criminal Cases preferred against the Company	2	4.32
Criminal Cases preferred by the Company	12	2.5
Civil Suits preferred by the Company	2	0.28
Appeal filed against the order in favor of the Company	1	0.08

Two Criminal Cases have been filed against the company under the Motor Vehicles Act. The brief facts of the cases are as under:

Shiam Singh vs. Balwinder Singh (Driver) & Tara Feed Ltd.

On September 29, 2007, the claimant was going to attend his office at Nahar Fibers, Jitwal on his motorcycle and when he reached near the main gate of our factory, a Bolero Jeep coming out of the factory collided with the motorcycle and the claimant fell on the ground & sustained injuries. The Claimant has filed a petition under section 166 of the Motor Vehicles Act for the grant of Compensation of Rs 500,000/- on account of the alleged permanent disability caused due to injuries sustained in the aforesaid accident. The case has been fixed for claimant evidence. Next date of hearing is fixed for April 26, 2010.

Smarjeet Kaur & others vs. Driver Harpreet Singh & Tara Feed Ltd.

The Canter bearing no. PB 13 R 1065 driven by Harpreet Singh collided with Tata Ace bearing no. PB 3 R 9227 driven by Tavinder Singh, on February 27, 2009 at 9.30 p.m., near Village Gill Kalan. The accident caused death of Amandeep Singh, who was sitting next to the driver, besides, injuries to others.



The FIR no. 23 was registered on February 28, 2009 under section 304- A/ 427/ 279/337 of IPC. The claim petition under section 166 of the Motor Vehicles Act for grant of compensation of Rs.3.82 million was filed by Samarjeet Kaur, widow of Amandeep Singh, Kusham Sharma minor daughter of Amandeep Singh through her mother Samarjeet Kaur and Karamjit Kaur, mother of the deceased. The case has been fixed for argument. Next date of hearing is fixed for April 21, 2010.

2. Our Company is involved in certain legal proceedings and any adverse rulings in these cases may have a significant effect on our business and results of operations.

Our Company is involved in certain legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before the appropriate authorities. Should any new developments arise, such as a change in Indian law or rulings against us by appropriate authorities, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse decision may have effect on our financial results. Furthermore, if a claim is determined against us and we are required to pay all or a portion of the disputed amount, it may have a material adverse affect on our results and cash flows.

For particulars of outstanding legal proceedings involving the company, directors, promoters and associate/group companies refer to "Outstanding Litigations" on page 180 of this Red Herring Prospectus.

3. Our Company has certain contingent liabilities not provided for amounting Rs.4.41 million as on December 31, 2009 which may adversely affect our financial condition

As of December 31, 2009, the Company has the following contingent liabilities:-

(Rs. in Million)

Particulars	As at March 31					As at
	2005	2006	2007	2008	2009	31.12.09
Bank Guarantee	-	-	-	-	0.09	0.09
Letter of Credit	-	-	-	-	45.80	-
Claims preferred against the Company	-	-	-	0.50	4.32	4.32
Total	-	-	-	0.50	50.21	4.41

4. The present expansion projects undertaken by our Company may not yield desired results.

Our Company is engaged in the business of manufacture of cattle/poultry feed; refining and blending of edible oil; and solvent extraction. At present our Company has a 120 TPD of Refining Capacity; 250 tpd of solvent extraction and 250 tpd of cattle/poultry feed manufacturing at Vill. Jitwal Kalan, Malerkotla and 250 tpd of cattle/poultry feed manufacturing at Sitarganj, Uttaranchal.

Through the proceeds of this Issue, we are planning to setup 300 tpd of refining capacity and 250 tpd of cattle/poultry feed manufacturing facilities at our existing facilities at Vill. Jitwal Kalan, Malerkotla. Our management has no past experience in setting-up of such major projects or managing such scale of business and operations. Our proposed projects would require additional management time, substantial financial and other resources and our inability to manage such scale of operations effectively or to ensure the continued adequacy of our current systems may have a material adverse effect on our overall business.

We are currently able to utilise our refining capacity to the extent of 86% from the refinery and 96% from the cattle/poultry feed manufacturing. However, due to the substantial increase in capacity we may not be able to utilise the proposed capacity due to various reasons including stabilisation of production processes on account of technical and operational problems or fluctuations in Indian and/or Global markets and market conditions due to inflation, recession and economic conditions which are beyond the control of management. In the year 2008-09 we could not optimally utilize our refining capacities as the rice mill owners in the region had gone on strike. This disrupted the flow of raw material and consequently the operations of our refining unit.



Our growth strategies involve risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditures or at all. If market conditions change or if operations do not generate sufficient funds or not remain viable or for any other reasons, we may decide to delay, modify or forego some of our growth strategies, which may adversely affect our financial position.

5. Our Promoters and/or Promoter Group may have a conflict of interest as some of our Promoter Group entities are in the same line of business.

We have two promoter group companies/entities viz, Tara Feed Factory and Tara Heart Care Products Limited, having objects similar to our company and/or is of conflicting nature. Similarly one of our Associate Company Tara Life Care Products Limited also has objects similar to our company and/or is of conflicting nature. We have entered into Non-Compete Agreements with these entities whereby they have agreed not to execute any of the services offered by us. For details on these Non-Compete Agreements, please see the chapter titled "History and Certain Corporate Matters" beginning on page 99 of this RHP.

6. Our Company has entered into certain related party transactions amounting to Rs.150.47 million as on December 31, 2009. If these transactions are not on arms length or commercial basis, it could adversely affect our results of operations.

We have entered into transactions with our promoters, group and associate companies. 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 favorable 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, see the section titled "Financial Information" beginning on page 135 of this DHRP.

7. Our business is dependant on the availability/supply and cost of raw materials. Any significant increase in the prices or decrease in the availability of these raw materials may adversely affect our results of operations.

Our main raw materials are namely oil seeds cakes i.e. soyabean, sunflower, rice bran, mustard, maize, molasses, rice bran, olive oil (crude), cotton seed etc. These raw materials constitute a significant part of our cost of production. As on date we do not have any long term tie up or agreements for supply of these raw materials. We rely on third-party suppliers for raw materials. Fluctuations in the price, availability and quality of the raw materials used by us in the manufacturing of our products could have a material adverse effect on our cost of sales or our ability to meet our customers' demands. The prices for such product depend largely on the market prices for the raw materials used to produce them. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including government's import policy. Any material shortage or interruption in the supply or decrease in the quality of these raw materials due to natural causes or other factors could result in increased production costs that we may not be able to pass on to our customers, which in turn would have a material adverse effect on our margins and results of operations.

Further, our suppliers of raw materials may allocate their resources to service other clients ahead of us. While we believe that we can find additional vendors to supply raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality.

Any decrease in the availability of these raw materials for whatever reason, including climatic change, could adversely affect our sales and profitability. Further, any price volatility of these raw materials and our inability to adjust to the same could adversely affect our results of operations and profitability.

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



Our Company neither has any long-term contract with any of dealers/retailers/distributors nor any marketing tie up for our products with any of retail chain operators etc. Any change in the buying pattern of our end users can adversely affect the business of our Company. Our inability to sell our existing products as well as products to be produced after our proposed expansion, may adversely affect our business and profitability in future.

9. Our business is not seasonal in nature, but the availability of raw material is seasonal in nature and hence we require substantial working capital.

Our Company is engaged in the production of cattle feed and refined edible oil. The availability of raw material for production of cattle feed and refined edible oil are seasonal in nature. Our Company has to buy and warehouse the raw material during the season to counter its non availability during the off season. Resultantly, we incur cost of carrying the inventories entailing substantial investment on working capital. Our inability to procure the raw material during the season and warehouse it and/or make adequate arrangement for obtaining finance to meet our enhanced working capital requirement at competitive prices could adversely affect our operations or increase our cost of production, thereby adversely affecting our profitability.

10. We have substantial indebtedness and will continue to have debt service obligations following the issue.

As of December 31, 2009, the Company had total indebtedness of Rs.1401.86 million, representing a debt to equity ratio of 1.49:1. The company's high degree of leverage could have significant consequences to our shareholders and its future financial results and business prospects, including:

- Increasing our vulnerability to a downturn in business in India and inflation;
- Limiting the company's ability to pursue its growth plans;
- Requiring us to dedicate a portion of cash flow from operations to service the debt, thereby reducing the availability of cash flow to fund capital expenditure, meet working capital requirements and dues for other general corporate purposes;
- Limiting our flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- Requiring us to meet additional financial covenants; and
- Limiting our ability to raise additional funds or refinance existing indebtedness.

We cannot assure you that our business will generate sufficient amount of cash to enable us to service our debt or fund other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. Recently, interest rates for borrowings have increased in India, which may increase the cost of our borrowing. We cannot assure you that the company will be able to refinance any of its debt on commercially reasonable terms, or at all. Company's promoters have given personal guarantees as collateral security for amounts borrowed under certain long term and short term loan agreements. We cannot assure you that these promoters will pay or be able to pay the entire amount called under such collateral security in the event that they are required to do so.

For more information regarding our indebtedness, see the section "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on page 164, 135 respectively.

11. Majority of the regulatory approvals/registrations with regards to the proposed expansion at the existing facilities are yet to be applied for and/or to be received. Any delay in making an allocation and/or non-receipt of such approvals may cause delay in the implementation of the said projects.

Majority of the regulatory approvals/registrations with regard to the manufacturing facilities being set up at the existing facilities at Malerkotla, Punjab are yet to be applied for and/or to be received. Any delay in applying and/or non-receipt of such approvals/registrations may cause delay in the implementation of the said projects and consequently may have an adverse effect on the profitability.

The applications for such licenses/approvals would be made to the respective authorities at various stages of project implementation. There can be no assurance that we will receive the approvals on a



timely basis, or at all. If we do not receive the requisite approvals or if such approvals are delayed, our operations and proposed expansion plans may be adversely affected.

For further details please refer to “Government/Statutory and Business Approvals” beginning on page 185.

12. Our Company is promoted by first generation entrepreneurs.

The promoters of our Company are first generation entrepreneurs and in spite of having a professional management team, our business may suffer due to various challenges and competition. Being a first generation entrepreneurs our promoters do not have prior experience of running and managing business of solvent extraction and refining unit prior to setting up the existing unit.

13. Our Company had negative cash flow from Operating and Investing activities for the FY2009, 2008, 2007 and nine months period ended December 2009. Any negative cash flows in the future could have an adverse effect on our results of operations.

There has been a negative cash flow from operations of our Company for the year ended March 31, 2009, 2008, 2007, 2006, 2005 and nine months period ended December 2009. The negative cash flows are on account of Operating and investing activities.

Particulars	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Cash Flow from Operating Activities	(2.93)	(33.18)	(65.19)	(191.24)	(308.54)	(183.16)
Cash Flow from Investing Activities	(6.53)	(15.82)	(77.60)	(267.37)	(85.62)	(173.99)
Cash Flow from Financing Activities	7.32	52.11	141.71	466.72	423.57	401.68

For further details, please refer to Annexure III – Cash Flow in chapter on ‘Financial Statements’ beginning on page 135.

14. Majority of the Trade Marks of our Company are not registered and in case we do not receive the new registrations or renewal of the existing registrations, we may not be able to protect our intellectual property rights. It may affect our business goodwill on account of possible misuse by any third party.

Applications have been filed for registration of trademarks/patents assigned in favour of our Company by Tara Gram Udyog Samiti (Regd.), a society. Further, we have filed applications for registration of trade marks/ copyrights of Tara Brand which are pending with the Registrar of Trademarks. Pursuant to such applications third parties can file opposition proceedings against these applications.

We have applied for registration of trademark(s) for our of the Cattle / Poultry Feed products (i.e. Tara Feed, Raath Gold, Raath No 1, Raath Panjari, Raath Feed, Tara MIN, etc.) being manufactured by us. Delay in receipt of the approval and/or non-application for registration of trademark(s) may adversely affect our Company’s ability to protect trademark against infringement.

In the event such opposition proceedings are successful, the Registrar of Trademarks will not grant a certificate of registration. Non-receipt of the new registration of trademark(s) applied for may adversely affect our Company’s ability to protect trademark against infringement. If our Company is unable to maintain the security of its intellectual properties, it could adversely affect our business and results of operations. Further, the Registration of Trade Mark is normally valid for 10 years from the date of the application and may be subsequently renewed. Non -renewal of Trademarks applied for by us may affect our business goodwill on account of possible misuse by any third party.

For further details, please refer to the section, Intellectual Property Right iunder chapter “Business Overview” starting on page no. 71 of this Red Herring Prospectus.



15. Our Company is dependant on our senior management team and the loss of team members may adversely affect our business or results of operations.

Our success depends on the continued services and performance of our key managerial employees who manage the operations and growth of our Company. Our ability to sustain our growth depends, in large part, on our ability to attract, train, motivate and retain skilled and unskilled personnel. Our inability to hire and retain experienced and qualified personnel will impair our ability to continue to expand our business. Any increase in the rate of attrition for our experienced employees, would adversely affect our growth strategy. Further, we do not maintain 'key man' life insurance for our management team or other key personnel. The loss of the services of our senior management or other key personnel could seriously impair our ability to continue to manage and expand our business, which may adversely affect our financial condition.

16. We do not have a track record for payment of dividend on Equity Shares.

We have not declared and hence paid any dividend on our Equity Shares since inception as we had been deliberately pursuing the policy of ploughing back our profits to fund our expansion plans. The future payment of dividends, if any, would be based on the then available distributable profits and the recommendations of our Board of Directors.

17. Our Company's inability to maintain distribution network can adversely affect our Revenues.

We sell our products with the help of distribution network of various dealers/retailers/distributors. The distribution network sells our products to end users. Our inability to maintain our existing distribution network or to expand it further as per the requirement of our proposed increased capacities, can adversely affect our Revenues. In case, if we are not able to market our manufactured products, it may affect our operations and profitability adversely.

18. Our Company currently enjoy certain benefits in terms of Tax exemptions, which may not be available to us in the future thereby affecting our profitability.

Our Company enjoys certain tax benefits being located in Sitarganj, Uttaranchal. Cattle / Poultry Feed manufactured by us is exempted from taxes. Owing tax exemption available to our Company, we have enjoyed the benefit of paying lower income tax amounting Rs.156.49 million upto year ended March 31, 2009. If there is any change in Government policies or removal of this benefit in the future, would result in our Company paying taxes on the entire profits earned by it, at the rates prevailing at that point of time resulting in a higher out go of cash towards payment of taxes thereby, adversely affecting our results of operations and cash flows.

19. Significant portion of our revenues are concentrated from Punjab, Haryana, Delhi, Himachal Pradesh, Uttaranchal, Jammu and Kashmir and Bihar within northern India, Our failure to successfully expand in other parts of the country may adversely affect our business and result of operations.

Most of our operations are concentrated mainly in the states of Punjab, Haryana, Delhi, Himachal Pradesh, Uttaranchal and Bihar, while our exposure to other states / union territories within the country has been negligible. There is a huge potential across India which is expected to grow as awareness increases. Our failure to successfully expand in other parts of the Country may adversely affect our business and operations.

20. Our Company faces stiff competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

Most of the end-users are price conscious. Pricing is one of the factors that play an important role in selection of these products. The market for our products is highly competitive on account of both the organized and unorganized players. 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. Growing competition may result in a decline in our market share and may affect our margins.



21. Our registered office and other premises from which we operate are not owned by us.

We do not own the premises on which we have our registered office and other facilities. We operate from rented and leased premises. The lease is valid for a period of five years and expires on July 20, 2012. The lease agreements for facilities are renewable on mutual consent upon payment of such rates as stated in these agreements. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business, financial condition and results of operations.

22. Our business requires high working capital. In case there are insufficient cash flows to meet our requirement or our inability to arrange the same from other sources, there may be an adverse impact on the results of our operations.

Our business demands substantial fund and non-fund based working capital facilities. In case there is insufficient cash flows to meet our working capital requirement or our inability to arrange the same from other sources or due to other factors including delay in disbursement of arranged funds, resulting in our inability to finance our working capital needs when needed or there is any increase in interest rate on our borrowings, it may adversely affect our performance.

23. Our Company's insurance coverage may not be adequate to protect us against all material hazards which may results in disruptions of operations/monetary loss on account of stoppage of work.

Our Company has covered itself against certain risks. In case of any casualty, there can be no assurance that any claim under the insurance policies obtained by our Company will be honoured fully/ in part on time. Further, our Company may not have obtained or may not timely renew insurance cover for any of our asset that does not expressly require us to maintain insurance. To the extent that if we suffer losses or damages not adequately covered, the same shall devolve on our Company resulting in operations and financial performance being adversely affected.

24. Our products are edible items and any dispute with consumers, regarding the quality of our products, may adversely affect the image and reputation of our Company.

Our operations of Refining of edible oil involve several complex processes like degumming, neutralizing, bleaching, and deodorizing. Occurrence of any accident and/ or negligence and/ or oversight in the process may lead to non-compliance of quality standards as applicable to our products. Similarly, cattle/poultry feed has to comply with the quality standards as applicable. Any of those non compliant products, if sold in the market, may be harmful to the health and well being of our end users. Occurrence of any such event may expose our Company to liabilities and claims which could adversely affect the brand image and reputation of our Company. Our future growth, operations and profitability may be adversely affected. However till date there have been no instances of any disputes with consumers.

25. The Company had in the past taken an Unsecured loans of Rs.37.98 millions from the Promoter and/or Promoter Group Companies.

We have from time to time in the last five years taken unsecured loan amounting to Rs.37.92 million in aggregate in past five years from our Promoter and/or promoter Group companies which are short term in nature and payable on Demand. The same has been repaid during the nine months period ended December 31, 2009. Going forward, the Company may continue taking such unsecured loan from the Promoter and/or Promoter Group companies which may be short term in nature and payable of demand. In the event of any demand, the cash outgo may affect the Company's operations and profitability.

26. Our inability to meet the quality norms prescribed by the Government could lead to ban and/or suspension of sales of our products.

The Quality of the products being manufactured by our Company are open to independent verification by Government agencies. Government agencies carry out surprise sample checking of our product for their contents. In case, the content in the sample are not in conformity with the quality norms prescribed by the Government, it could lead to issuance of show cause notices. Failure on our part to adhere to the quality



norms prescribed by the Government agencies could lead to suspension of sales of those batches and/or the products in that particular state or our products being banned for sales. In the event of such an order being passed by the Government agencies would bring adverse publicity about our Company and its products, thereby, adversely affecting the operations of the Company and consequently the profitability.

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

We monitor our inventory levels based on our own projections of future demand. Given the length of time necessary to produce commercial quantities of our products, we must make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/surplus of products. Unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. There may be more than one such inaccurate forecasts in one season. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

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

Dealers/retailers; distributors are generally situated close to the geographically dispersed customers, and far from our production facilities. We have to ensure that our products reach the end users exactly when they need them. Therefore, any interruption in our ability to reach our products to the distributors/dealers/end users, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition.

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

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

30. Technological obsolescence may result in our operation as unviable or may require capital investments which may have an adverse affect on our performance.

Any changes in technology may render our existing Plant & Machineries or even our proposed Plant & Machineries obsolete or we may have to incur substantial capital investment to upgrade our Plant & Machineries, which may adversely affect the performance of our Company.

31. Our reliance to a certain extent on contract labour for the performance of some of our operations may adversely affect our business.

We rely on certain labour contractors who provide us on-site labour for performance of some of our operations. We are employing contract labourers at Malerkotla, Punjab; and Sitarganj, Uttaranchal. There is a possibility that on an application from the contract labourers, the appropriate court / tribunal may direct that the such contract labourers are required to be regularized or absorbed, and / or may direct that our Company to pay certain compensation in this regard. In that event, it may result in an increase in our wage cost and consequently, may affect our profitability

32. Change in interest rates and banking policies

The Company is dependent on bank(s) and financial institution(s) for arranging the Company's Working Capital Requirements, Term Loans, etc. Accordingly, any change in the extant banking policies or increase in interest rates may have an adverse impact on the Company's profitability.



33. Availability of adequate labor, work stoppages and other labor problems could adversely affect our business.

We require skilled and unskilled labor for successful running of our existing, as well as, future operations. Any shortage of adequate labor and stoppage due to any labor related issues may affect smooth running of our operations.

34. Our proposed projects have not been appraised by any Banks or Financial Institutions. The cost of project is based on Management estimate and any escalation in the same may have adverse impact on operations and profitability of our Company

The objects for which the funds are being raised have not been appraised by any bank or financial institution. The company has an in-house expertise in this business. The requirement for working capital has been determined based on company's estimates in line with the past trends. The management has done an evaluation of the cost structures involved and has factored in any price escalations expected in the price quotes received. The management feels that any change or cost escalation can be effectively managed by the company at the time of implementation.

35. Our Company is yet to place orders for a part of Plant & Machineries constituting 14.87% of the total plant and machinery as specified in the Objects of the Issue. Any delay in procuring the said machineries and not adhering to the Schedule of Implementation may impact the business and profitability of our Company.

Our Company is yet to place orders for Rs.193.01 millions of Plant & Machineries for the proposed projects as on date. Any delay in placement of such orders and not adhering to the Schedule of Implementation may adversely affect the business and profitability of our company.

36. Our proposed expansion plans are financially dependent on the Issue proceeds any delay in the same may result in escalation of project cost thereby impacting the operations and financials of our Company.

Our proposed expansion plans are dependent on the proceeds of this Issue. We have not arranged for any alternate source of funding the project. Any delay in the proposed Issue may increase the project cost and also result in delay in project implementation. This may adversely affect our operations and profitability.

37. Our Company has not yet tied-up for debt component for enhanced working capital needs on account of proposed expansion; any delay in arranging the same may have an adverse impact on the results of our operations.

Our Company will approach banks and financial institutions to arrange for the enhanced working capital needs at the appropriate time. Any delay in arranging the same may adversely affect our operations and profitability.

38. Our business is not seasonal in nature, but the availability of raw material is seasonal in nature and hence we require substantial working capital.

The business in which our Company is engaged in not seasonal, however, the availability raw materials are seasonal in nature. Our Company has made adequate arrangement for warehousing the raw material. The warehousing of raw material to counter its non availability during off season entails substantial investment of our working capital in the inventories.

39. No Monitoring Agency has been appointed for monitoring the utilisation of Issue proceeds by our Company.

There is no requirement for a monitoring agency in terms of the SEBI Regulations. However, the Audit Committee of the Board would monitor the deployment of the issue proceeds. In terms of clause 49 of the listing agreement to be entered with the Exchanges where our shares are proposed to be listed, the Audit Committee shall deliberate on the uses/applications of funds by major category, on a quarterly basis as a part of their quarterly declaration of financial results. Further, on an annual basis the Company shall prepare a statement of funds utilized for purposes other than those stated in the Prospectus, if any, and



place the same before the Audit Committee. Such disclosures shall be made only till such time that the money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company. The Audit Committee shall make appropriate recommendations to the Board in such matters.

40. Our Company proposes to deploy part proceeds of the Issue for brand building in the domestic market and for working capital margin

One of the objects of the proposed issue is for incurring expenditure for brand building in the domestic market and for working capital margin. It will enable our Company to expand our revenues, further expand in the domestic market and improve our margin(s), however, the same will not lead to creation of any net tangible assets, like land and building or plant and machinery.

For more information please refer to section titled “Objects of the Issue” beginning on page 28.

41. Allotment of Shares in Previous One year may be at a price lower than the Issue Price.

Our Company has made an allotment of 520,000 shares and 200,000 shares to Tara Heart Care Products Ltd at Rs. 70/- per share and at Rs. 200/- per share, respectively which may be lower than the Issue price. For further details, please refer to the section titled “Share Capital History of our Company” starting on page no. 19.

42. Our Company is dependent on third party transportation providers for the supply of raw materials and delivery of products.

Our Company uses services of third party transportation providers for supply of raw materials. For delivery of finished products to the customers from time to time we rely on our fleet of trucks. In the event of non availability of our own fleet of trucks, third party transportation services are required which may not be available due to strike or any other reason, hence, may have an adverse impact on the receipt of supplies of raw material and delivery of the finished products thereby adversely affecting our operations

43. Non-availability of peer group segment / companies

We operate and will continue operating in the manufacture of cattle/poultry feed and blending refined edible oil. There are no comparable companies having its presence in these two segments. Non-availability of peer group companies however, may not allow us to do our benchmarking vis-à-vis peer group companies.

We visualize our competency in operating in these segments, will enhance our standing in the industry and achieve cost competency for our company.

44. Change in technology

Technology plays a vital role in our plants. Our failure or inability to incorporate any change in technology might place our competitors at an advantage in terms of cost, efficiency and timely delivery of the products.

45. Breakdown of operations at any of our existing or proposed manufacturing facilities may have a material adverse effect on the business, financial condition and result of operations.

Our manufacturing facilities are subject to operating risks such as breakdown or failure of key equipment. The frequent occurrence of such breakdown or failure may affect our operation of plants.

46. Our Promoters along with Promoter Group will continue to retain majority control over our Company even after this Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

After completion of this Issue, our Promoters along with Promoter Group own 66.72% of the enhanced paid-up capital of our Company. As a result, our Promoters will be able to exercise a significant control on the outcome of any proposal that can be approved by a majority shareholder voting, including, the election of members to our board of directors. The interests of our Promoters may conflict with the interests of our other investors.



47. We may infringe on the intellectual property rights of others

We cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights, which may force us to alter our technologies, obtain licenses or significantly cease some portions of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. Regardless of whether such claims that we are infringing patents or other intellectual property rights have any merit, those claims could: (a) adversely affect our relationships with current or potential customers; (b) result in costly litigations; (c) divert management's attention and resources; and (d) subject us to significant liabilities

48. Our Company has availed credit facilities which have certain restrictive covenants that could limit our flexibility in managing the business.

There are restrictive covenants in agreements we have entered into with bank for borrowings. Further, we may have restrictive covenants in the loans/ facilities which we may avail in future. These restrictive covenants may require us to obtain the bank's consent to effect any changes in Company's capital structure, enter into any scheme of amalgamation/ reconstruction, implement any scheme of expansion or diversification or capital expenditure, effect any change in the constitution of the Company, enter into borrowing or non-borrowing arrangements either secured or unsecured with any other bank, financial institution etc., sell or dispose off or create security or encumbrances on the assets charged to bank, repay unsecured loans / deposits (if any) during the currency of bank finance, to declare dividend or pay dividend from profits which are not for current year, to invest by way of share capital or lend or advance funds or place deposit with or undertake guarantee obligation on behalf of any other concern.

49. Delay in launch of newer products in response to changing customer preferences and trends in the market for edible oils will significantly affect our Company.

Any change in customers' preferences and delay in responding to the same may affect our sales and profitability.

50. Other ventures promoted by the Promoters have incurred losses

Our following group entities incurred losses in last three years -

Name of Group Entity	FY 2007	FY 2008	FY 2009
M/s. Punjab Dairy House	(0.16)	(0.14)	(0.13)
M/s. Tara Gram Udyog Samiti	(0.10)	(0.09)	(0.08)



EXTERNAL RISK FACTORS

51. In our Country, where we operate, agricultural activities depend to a major extent on monsoon and weather conditions. Any abnormal monsoon may ruin crops and in turn affect our financial performance

Agricultural industry is largely dependent on monsoon and favourable weather conditions. Meteorologically, our country has diversified and different weather conditions prevail at different places. Sometimes, one region receives very heavy rainfall, whereas, other region receives scant rainfall. There is also unevenness in the Irrigated Area. Though, the Irrigated area has increased substantially over a period of years and particularly after the Green Revolution of 1972, the agricultural industry is still dependent upon monsoon. We have presence across the northern parts of the country which may diversify risk to us due to less rainfall in any particular region. However, any vagaries of weather and abnormal monsoon across the regions may ruin crops and will also affect our business.

52. Factors beyond the management's control like Natural calamities and acts of violence involving Indian and other countries.

Political, Economical and Social unrest, terrorist attacks, civil disturbances and regional conflicts in the country could adversely affect our business. Natural calamities and adverse weather conditions could have a negative impact on our business. Floods, earthquakes, terrorist attacks and other acts of violence or war/destruction involving India and other countries could adversely affect our business and consequently affect our financial results.

53. There may be changes in the regulatory framework governing the edible oil & the cattle/poultry feed industry that may adversely affect our business.

The edible oil industry is a substantially regulated sector, which has stringent means of consumer protection and ensuring various compliances in this regard. Any change in the statutory and regulatory framework for edible oil as well as the cattle/poultry feed industry, in the future, may have an adverse impact on our business, results of operations and financial condition. For details regarding various statutory and regulatory rules or laws applicable to our business, please refer to the section titled 'Key Regulations and Policies' beginning on page no. 92.

54. Any downgrading of India's debt rating by an international rating agency could negatively impact the Company's business.

Normally, change in debt rating for India is a result of multiple factors across the nation including the country's socio-economic and political policies. Any downward revision of India's credit rating for domestic and international debt by Rating Agencies may adversely impact our ability to raise additional financing as also the cost of the same.

55. Depreciation of the Rupee against foreign currencies may have an adverse effect on the Company's results of operations.

We import some of the raw materials. The exchange rate between the rupee and US Dollar (to which other currencies are linked) has changed substantially in recent years and may continue to fluctuate in future. We cannot assure that we will be able to mitigate fully the adverse impact of the fluctuations in exchange rates in terms of our cost of import and return on investment.

56. Any change in the policies by the countries, in terms of tariff and non-tariff barriers, from which the Company imports or intends importing raw materials will have an impact on the Company's profitability.

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

The prices of the Company's Equity Shares on the Indian stock exchanges may fluctuate after this Issue due to several factors, including:

(a) Volatility in the Indian and global securities market



- (b) Results of operations and performance of the Company
- (c) Performance of the competitors, edible oil & cattle/poultry feed industry and the perception in the market about investments in the Agriculture sector
- (d) Adverse media reports on us or the Industry segments in which the company operates
- (e) Changes in the estimates of the Company's performance or recommendations by financial analysts
- (f) Significant developments in India's economic liberalisation and deregulation policies
- (g) Significant developments in India's fiscal and environmental regulations

There has been no public market for our Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or sustain after this Issue, or that the prices at which the Equity Shares are initially issued will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

58. A slowdown in economic growth in India could cause the Company's business to suffer

The Indian economy had in the recent past shown sustained growth in the last few years with GDP growing at around 9%. The slowdown and subsequently the recession thereafter globally has had an impact on the Indian economy with consequent impact on the disposable income which adversely affect our business. Though the economy has shown recovery but slowdown in economic growth could cause our business to suffer.

59. Our performance is linked to the stability in policies and political situation in India

The role of the Indian Central and State Governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for Company's shares. We cannot assure that these liberalization policies will continue. Protests against privatisation could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting company's foreign investment, currency exchange rates and other matters affecting investment in Company's securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect Company's business.

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

For details, please refer to section entitled "Statement of Tax Benefits" on page 42 of the RHP.



Prominent Notes:

1. The Networth of our Company as per the financial statements of the Company before the Issue as on March 31, 2009 is Rs.540.10 million and as on December 31, 2009 is Rs.948.83 million and the size of this Issue is Rs. [●] million.
2. The average cost of acquisition of Equity shares of our Promoters Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh is Rs.11.37, Rs.11.06 and Rs.11.74 respectively per Equity Share.
3. The Book value per share as on March 31, 2009 is Rs.59.88 per Equity Share and as on December 31, 2009 is Rs.63.63 per equity share.
4. This Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
5. Public Issue of 10,000,000 Equity Shares of Rs 10/- each at Issue Price of Rs.[●] per Equity Share (including share premium of Rs. [●] Per Equity Share), aggregating Rs. [●] million (The "Issue").
6. For interest of our Promoters/Directors/Key Managerial Personnel and other ventures promoted by Promoters, please refer to section titled "Risk Factors", "Our Promoters", "Our Promoter Group Companies", "Our Management", Annexure of 'Related Party Transactions' in "Financial Statements of the Company" beginning on page i,118,120,105, & 135 respectively. See 'Related Party Transaction' beginning on page 135 for details of transactions by the Issuer with Group entities during the last year, the nature of transactions and the cumulative value of transactions.

Summary table of balances outstanding for related party transactions entered into by us are as under:

(Rs. in million)

PARTICULARS	As at 31 st March					As at 31.12.09
	2005	2006	2007	2008	2009	
Tara Feed Factory	2.47	0.00	(18.07)	0.00	0.00	0.99
Tara Heart Care Products Limited	0.00	0.00	0.00	0.00	0.00	(0.41)
Tara Life Care Products Limited	0.00	0.00	0.00	0.00	0.00	1.39
Tara Gram Udyog Samiti (Regd)	0.00	0.60	0.00	0.00	0.00	0.00
Pioneer Public School	0.00	0.00	(0.02)	0.00	0.00	0.00

7. No loans and advances have been made to any person(s) / Companies in which the Director(s) of our Company are interested except as stated in the Auditors Report. For details of loans and advances, please refer to Annexure in of Auditors Report under section titled "Financial Statements" beginning on page 135.
8. Our Company was incorporated as Angora Wool Combers Private Limited vide Certificate of Incorporation dated February 28, 1977. Our name was then changed to Ram Sahai Wool Combers Private Limited vide Certificate of Incorporation dated December 02, 1986. Subsequently, our name was changed to Tara Feeds Private Limited and a fresh Certificate of Incorporation dated September 02, 2004 was issued. Thereafter, we converted our Company into a Public Limited Company and our name was changed to Tara Feed Limited vide Certificate of Incorporation dated October 5, 2005. Subsequently our name was again changed to Tara Olive India Limited and a fresh Certificate of Incorporation dated June 11, 2008 was issued pursuant to change of name. Thereafter, we again changed our name to Tara Health Foods Limited and a fresh Certificate of Incorporation dated November 24, 2008 was granted.
9. The main objects of our company were altered at the time of change in name from Tara Feed Limited to Tara Olive India Limited – as it was dealing in Olive Oil and its products. However, in November 2008, it was decided to change the name of the Company to Tara Health Foods Limited as the existing name only signified one activity. Thereafter, the object clause of the Company was altered by adding a new clause



so as to provide for health foods and other food items as the Company proposed to engage itself in various health foods including olive oil.

10. Any clarification or information relating to the Issue shall be made available by the BRLM, our Company and our Compliance Officer to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. *Investor may contact the BRLM for any complaint pertaining to the Issue.*
11. The Investors are advised to refer to the Para on “Basis for Issue Price” on page 40 before making any investment in this Issue.
12. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
13. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Companies.
14. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For, more information, please refer section titled “Basis of Allocation” on page 210.
15. There are no material events occurring after the Balance Sheet date, which have an impact on the financial statements as on December 31, 2009; except as stated under the head ‘Management Discussion and Analysis beginning on page 164.
16. Our Company and the Lead Managers will keep the investors informed of any material change/development and all information shall be made available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.
17. There are no financing arrangements whereby the promoter group, our Directors or their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of business of the financing entity during the period of six months immediately preceeding the date of filing the Red Herring Prospectus.



SECTION III - INTRODUCTION

SUMMARY OF THE INDUSTRY

MACRO ECONOMIC OVERVIEW: INDIA

Having over \$ 4 Trillion (value in terms of Purchasing Power Parity) of GDP, India is one of world's fastest growing economies. Over the last four years, India's GDP has grown at a CAGR of around 9%. Despite the ongoing global recession, India's GDP for FY2010 is expected to grow over 6.5%. Both the manufacturing and services sectors are expected to contribute to this strong growth.

India's population is currently estimated at 1.15 billion; and is growing at 1.8% a year. Out of the 192 million families (average family size is around 6 persons / family); an estimated 55-60 million families belong to the middle class. India's population is relatively young as around 52% of the population is under the age of 25. One third of the country's total work force is employed in the Manufacturing and Services sectors. With robust growth of these two sectors, incomes in the hands of this one third of the population have been rising by 10-12% per annum. With higher disposable income, there is tremendous propensity to consume a large variety of goods and services.

It is important to note that India is the third largest producer of food in the world. The existing per capita food consumption is low; and every rise in income, naturally, translates to higher demand for food products first, particularly in the middle income group.

(Source: www.seaofindia.com/bvm_articleBVM_paper_MPOSE_2008.pdf/)

Edible Oil Industry: India

India is the third largest consumer and importer of edible oil in the world, next only to China and the US. India's annual consumption of edible oil stands at around 12 million tonnes compared to China's 14.5 million tonnes. Since 1995, Indian share in world production of oilseeds has been around 8-10%. India's per-capita consumption of edible oil stands at 11 kgs/ year compared to China's 18 kgs/ year and US's 34 kgs/ year. India's per-capita consumption is considerably lower compared to the world average, which is pegged at 20 kgs/ year. Demand for oilseeds is driven by increase in human consumption and rise in use of animal feed and other ancillary applications such as soaps, detergents, etc. In India, production of oilseeds has been rising steadily, while on a global level it has been declining; particularly in the US where there is a significant diversion towards corn production is being witnessed.

(Source: FAO)

Demand and Supply Drivers: India

Edible oil constitutes an important component of Indian households' expenditure on food. A large population and steady economic growth are important contributors to India's increasing consumption and imports of Edible Oils. Considering population growth rate of 1.8% (around 20 million additions every year) and income increases through economic growth (assuming an average of 8.5% a year), consumption demand for vegetable oil is set to expand on an average by 6-7% over the next five years. This translates to roughly 700,000 to 800,000 tons of additional demand every year. By 2010, India's total vegetable oil consumption demand at 4% growth rate is slated to reach 15.6 million tons and further to 20.8 million tons by 2015; and at 6% growth rate, it will be 17 million tons by 2010 and about 25 million tons by 2015.

OLIVE OIL

India is only a consumer and not a producer of olive oil. India presently imports its olive oil requirement from countries largely forming part of EU. As per the Indian Olive Association (IOA), India presently consumes 4,500 tonnes of Olive oil per year. The consumption has grown by 73% in the last two years. Further, IOA forecasts that the consumption of Olive oil in India is expected to grow to 42,218 tons by 2012, translating a whopping 75% CAGR growth over the next four years. Olive oil has generated immense interest amongst the higher income group in India (around 35 million) as it has been proven that it works very well in lowering cardiac diseases substantially.



Olive Oil Consumption & Growth Estimates

In MT	2006	2007	CAGR (06-07)	2010 (E)	CAGR (07-10)	2012 (E)	CAGR (E) (10-12)	CAGR (E) (07-12)
Edible	750	1,410	88%	24,000	157%	40,000	29%	95%
Non-edible	750	890	19%	1,540	20%	2,218	20%	20%
Total	1,500	2,300	53%	25,540	123%	42,218	29%	79%

(Source: <http://www.indolive.org/growth.htm>)

Rice Bran Oil

India is the second largest producer of rice in the world next only to China, having potential to produce about one million ton of RBO per annum. Currently, the industry is processing about 3.5 million tons of Rice Bran producing about 600,000 tons of RBO per annum, of which 480,000 tons is of edible grade and the balance 120,000 tons is of non edible grade.

In India, due to nine National Seminars organized by The Solvent Extractors' Association of India in last nine years, good amount of consumer awareness has been created among the Indian consumers in major cities and metros about the benefits of using healthy oils. Still much more is needed to be done so that the 'Health Oil' occupies a pride place in every kitchen.

RBO is extensively used in Japan, Korea, China, Taiwan and Thailand as a 'Premium Edible Oil'. In Japan, RBO is more popularly known as a 'Heart Oil'. In Western countries RBO has acquired the status of a 'Health Food'. In U.S.A. & Japan, by-products such as soaps, gels, vitamin tablets etc. are prepared from Rice Bran Oil to promote cosmetic use of this oil as 'Beauty Aids'. In U.S.A. research institutes are working on this oil to promote it as 'Massage Oil' which will give beautiful, wrinkle free skin to the actors.

Highly comprehensive research work carried out on RBO by National Institute of Nutrition, Hyderabad, Central Food Technological Research Institute, Mysore and Council of Scientific & Industrial Research, New Delhi certifies RBO as a miracle product obtained from the outer brown layer of rice.

Livestock Industry Overview: India

The livestock and fisheries sector's contribution to the total GDP during 2006-07 was 5.26%. As per the Central Statistical Organization (CSO), the value of output from livestock and fisheries sectors put together was around Rs. 2,507.6 billion (at current prices) during 2006-07 (Rs. 2,106.3 billion for livestock sector and Rs. 401.3 billion for fisheries). This constitutes to about 31.7% of the value of output of Rs. 7,909.8 billion from Agriculture & allied sector, in total.

Animal Husbandry sector provides large self-employment opportunities. According to the National Sample Survey Organization's latest survey (July 2004-June 2005 NSS 61st round), the estimate of employment in animal husbandry sector was 11.4 million in principal status and 11.0 million in subsidiary status, which is 5.5% of the total working population of the country. Out of the 22.45 million engaged in animal husbandry sector, 16.8 million are females.



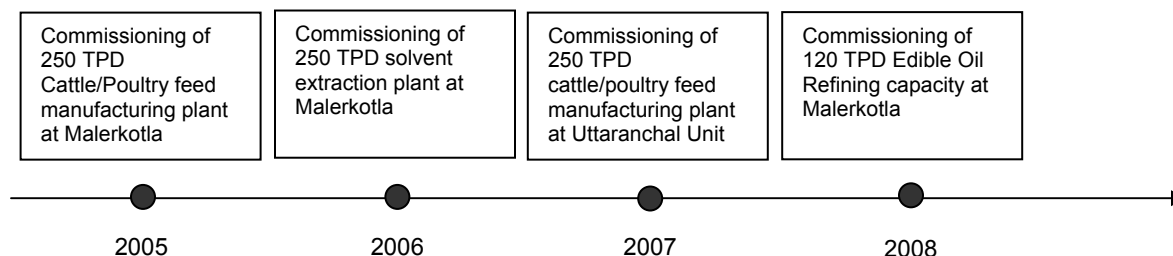
SUMMARY OF THE BUSINESS

We are amongst few organized players of the oil and animal nutrition industry in India, catering to the needs of both human and animal nutrition through our products. Our offerings to customers can be divided broadly in to edible oil and cattle/poultry feed. We not only produce these products but also market them in the northern part of the country as on date through different points of sale set up in the state(s) of Punjab, Delhi, Haryana, Uttaranchal, Bihar and Jammu & Kashmir that we have developed over a short period of time.

By the virtue of being an active participant in the market and our constant interaction with the retailers/distributors we are better placed to understand the needs of the customer and we endeavor to meet their expectation through constant innovation in our products achieved through research and development in our processes. Our capacity expansions and increase in revenue over a period of four years (Sales increased from Rs.69.92 million in Fiscal 2006 to Rs.314 million in fiscal 2007 to Rs.1012.17 million in fiscal 2008 to Rs.1,951.75 million in Fiscal 2009) is a reflection of our growth story which is direct result of our products acceptability in the market .

Our company was incorporated on February 28, 1977 as Angoora Wool Combers Private Limited, with the objective of setting up of a wool combing unit. Subsequently, in the year 1986 the name was changed to Ram Sahai Wool Combers Private Limited. In the year 2004, the present management, namely, Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh took over the management of the Company from erstwhile promoters (Mr. Dharm Pal, Mr. Ashok Kumar, Mr. Nagesh Kumar, Mr. Narinder Kumar, Mr. Rajiv Mehra, Ms. Vidya Prakash) with a view to undertake the cattle feed manufacturing activities in a corporate structure as against scaling up the existing cattle feed activity being carried out in partnership firm namely, Tara Feeds Factory (TFF) since the year 2001 by them i.e. Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh. The firm has been engaged in the manufacture of cattle feed at Vill. Gajjan Majra, Malerkotla, Punjab with a capacity of 20 tons per day (TPD). Having been able to create a market for its products it was thought prudent by them to set up and thereafter scale up operations in an organized set up which would enable them achieve economies of scale, besides, increasing reach.

Capacity Buildup



Rationale behind Capacity Expansion

2005

- Promoters have comprehensive understanding of the intricacies of the industry
- They could see the feed market on a growth curve
- This growth was a direct effect of government incentives
- These factors inspired the promoters to set up cattle/poultry feed manufacturing facility at Jitwal Kalan, Sangrur, Punjab
- Installed capacity of 250 tonnes per day (tpd).

2006

Backward integration would entail:-



- Raw material security (De-Oiled Cakes)
- Better control over supply chain
- Better Quality

In turn would lead to

- Higher Productivity
- Better Margins

was the precise reason of integrating backward with solvent extraction capacity of 250 TPD in October 2006,

This expansion gave us a new product in the form of crude oil. This product initially was marketed by us in open mandis in bulk and opened new avenues of growth in future.

2007

We established our 250 tpd cattle/poultry feed manufacturing facility in February 2007 at Uttranchal as a step towards increasing our footprint and to

- Capture a new market which was, the north Indian cow belt more effectively
- Rationalise Logistics Cost to these regions
- Reducing costs with the incentives and concessions offered by the state government
- Unhindered availability of raw material

This plant currently caters to the states of Uttar Pradesh, Bihar & Uttaranchal. We have also been extensively exploring various options in field of supply chain management at this plant. We are currently giving retailers/dealers/distributors an option to take the delivery of cattle/poultry feed on the factory gate.

2008

- Our strive to increase our penetration in value chain.
- Produce products with wider market
- Get into products that have higher margin
- Products that are synergistic with the existing set up

All these factors paved way for us to integrate forward in 2008. We commissioned an oil refinery of 120 tpd capacity at our existing plant at Jitwal Kalan, Sangrur, Punjab.

As on date we have installed capacities to produce Cattle & Poultry Feed, Oil refinery, Solvent Extraction within a span of around four years through ploughing back our profits, bank borrowings and promoters equity. Considering the fact that our promoters are first generation entrepreneurs our company has been growing over these years and been able to carve a place for itself in the market place.



SUMMARY OF FINANCIAL INFORMATION

The following summary of financial data, have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and restated as described in the Auditor's Report of our statutory auditor's, M/s. Raj Kumar Jindal & Co, Chartered Accountants dated April 10, 2010 in the section titled 'Financial Information'. You should read this financial data in conjunction with our financial statements for each of year ended March 31, 2005, 2006, 2007, 2008 and 2009 and nine months period ended December 31, 2009 including the Notes thereto and the Reports thereon, which appears under the paragraph on 'Financial Information' in this Red Herring Prospectus, and 'Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements' beginning on page 135 and 164 respectively.

STATEMENT OF RESTATED ASSETS AND LIABILITIES

(Rs. in Million)

PARTICULARS	As at 31 st March				As at	
	2005	2006	2007	2008	2009	31.12.09
(A) Fixed assets						
(i) Gross block	7.01	22.83	100.43	367.80	453.42	627.41
Less : Accumulated depreciation	0.12	1.05	4.24	13.30	40.40	64.10
Net block	6.89	21.78	96.19	354.50	413.02	563.31
(ii) Capital work in progress	0.00	0.00	0.00	0.00	0.00	0.00
Net block after adjustment	6.89	21.78	96.19	354.50	413.02	563.31
(B) Investments	0.00	0.00	0.00	0.00	0.00	0.00
(C) Current assets, loans and advances						
(i) Inventories	0.37	31.03	100.63	261.50	910.75	1,293.46
(ii) Accounts Receivable	0.00	14.21	60.83	210.06	223.78	666.76
(iii) Cash and bank balances	0.13	3.24	2.16	10.28	39.70	84.24
(iv) Loans and advances/Advances	8.40	5.90	7.23	56.43	24.50	123.87
Total Current Assets	8.90	54.38	170.85	538.28	1198.73	2,168.33
(D) Less : Liabilities and provisions						
Secured loans	4.67	39.65	147.90	482.25	945.79	1,401.86
Unsecured loans	0.00	0.00	0.06	0.06	0.06	0.00
Net deferred tax liabilities	(0.04)	0.65	2.22	11.82	20.55	32.68
Current liabilities	1.35	5.56	26.83	43.71	75.98	268.85
Provisions	1.65	1.10	7.65	22.22	29.27	79.42
Total Current Liabilities	7.62	46.96	184.66	560.06	1071.65	1,782.81
Net Worth (A+B+C-D)	8.17	29.20	82.38	332.72	540.10	948.83
Represented by						
(i) Share capital	1.80	15.00	65.00	85.00	90.20	200.44
Share Application Money	2.64	8.50	0.00	0.00	0.00	0.00
(ii) Reserve and surplus	3.73	5.70	17.38	247.72	449.90	748.39



Net Reserves and surplus	3.73	5.70	17.38	247.72	449.90	748.39
Less:						
Net Worth	8.17	29.20	82.38	332.72	540.10	948.83

Note:

- Cash and Bank balance: The increase in cash and bank balance from Rs.39.70 millions in March 31, 2009 to Rs.84.24 millions in December 31, 2009 includes cheques in hand received by the Company amounting to Rs.55 million. The said cheques have been duly encashed post December 31, 2009..
- Loans and Advances balance: The amount of loans and advances has increased from Rs.24.50 millions to Rs.123.87 millions as on December 31, 2009. The said amount includes a sum of Rs.70 million paid by the Company as advance towards purchase of Plant and Machinery. .
- Secured Loan: The company had approached its consortium of Bankers i.e. State Bank of India, Punjab National Bank, State Bank of Patiala, Punjab & Sind Bank, Central Bank, Allahabad bank, Bank of India for enhancing its working capital facilities. The limits were enhanced by the Bankers and a sum of Rs.1401.86 millions has been availed by the Company to meet its increased requirements of funds.
- Unsecured Loan: The Company had during the period April 1, 2009 to December 31, 2009 had taken unsecured loans of Rs.37.92 millions from the Promoter Group entities to enable meet its temporary financial needs. The same has since been repaid.



STATEMENT OF RESTATED PROFIT AND LOSS ACCOUNT

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Income						
Sales – Manufactured	0.00	69.92	314.00	1012.17	1951.75	2311.02
Traded	0.01	0.00	0.00	0.00	0.00	0.00
Total Sales (Net of Returns)	0.01	69.92	314.00	1012.17	1951.75	2311.02
Other income	0.01	0.00	0.00	0.44	0.46	9.59
Increase/ (decrease) in stock	0.00	1.29	24.47	48.47	30.20	111.57
Total Income	0.02	71.21	338.47	1061.08	1982.41	2432.18
Expenditure						
Raw materials consumed	0.01	57.18	277.11	838.86	1589.71	1753.09
Staff costs	0.03	0.67	2.83	5.10	8.94	15.21
Manufacturing expenses	0.06	3.43	14.93	31.48	41.59	50.06
Administration expenses	0.13	1.16	4.01	8.59	12.01	16.84
Selling and distribution expenses	0.00	2.87	13.54	25.00	25.63	29.80
Total Expenses	0.23	65.31	312.42	909.03	1677.88	1865.00
Profit before Interest Tax & Depreciation	(0.21)	5.90	26.05	152.05	304.53	567.18
Interest & Financial Expenses	0.18	1.93	8.10	27.63	76.37	94.33
Total Expenditure	0.41	67.24	320.52	936.66	1754.25	1959.33
Less : Cost capitalized	0.38	0.00	0.00	0.00	0.00	0.00
Total operating expenses	0.03	67.24	320.52	936.66	1754.25	1959.33
Profit before depreciation & Tax	(0.01)	3.97	17.95	124.42	228.16	472.85
Depreciation	0.00	3.01	3.10	9.06	27.10	23.70
Net adjusted profit/ (loss) before extraordinary items	(0.01)	0.96	14.85	115.36	201.06	449.15
Net profit/(loss) after extraordinary items	(0.01)	0.96	14.85	115.36	201.06	449.15
Less: Provision for current tax	(0.06)	0.33	0.67	14.09	22.42	73.84
Less: Provision for deferred tax (net)	0.00	0.00	0.00	11.13	8.67	12.40
Effect of adjustments on tax						
- Current tax	0.00	0.00	0.00	0.00	0.00	0.00
- Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
Net profit/(loss) after taxation and adjustments	0.05	0.63	14.18	90.14	169.97	362.91

**Adjustment on account of Prior Period items**

Gratuity already provided in accounts	0.00	0.00	0.00	0.21	0.13	0.14
Leave with Wages provided in accounts	0.00	0.00	0.00	0.12	0.14	0.29
Gratuity as per Actuarial certificate	0.00	(0.01)	(0.04)	(0.08)	(0.12)	(0.21)
Leave with Wages as per certificate	0.00	(0.01)	(0.04)	(0.09)	(0.14)	(0.25)
Difference in valuation of inventory	0.00	0.00	0.00	(0.87)	(0.38)	1.25

Income Tax

Adjustment for earlier years	(0.06)	0.00	0.02	0.80	1.42	4.33
Adjustment for this year years	0.00	(0.02)	(0.80)	(1.42)	0.00	0.00
Adjustment in deferred Tax this year	0.04	(0.69)	(1.57)	1.53	(0.05)	0.26
Adjustment in deferred Tax earlier yr.	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	(0.12)	2.07	(0.09)	0.00	0.00	0.00
Total	(0.14)	1.34	(2.52)	0.20	1.00	5.81
Profit after Tax as Restated	(0.09)	1.97	11.66	90.34	170.97	368.72



BRIEF DETAILS OF THE ISSUE	
Equity Shares Offered Fresh Issue by our Company	10,000,000 Equity Shares of face value Rs.10/- each
Issue Price	Rs. [•] per equity share
Of Which:	
1. Qualified Institutional Buyers Portion ⁽¹⁾	5,000,000 Equity Shares of face value Rs.10/- each (Allocation on proportionate basis) Of the above 5,000,000 Equity Shares, 250,000 Equity Shares shall be available for allocation to Mutual Funds The Balance 4,750,000 Equity Shares shall be available to all QIBs, including Mutual Funds
2. Non Institutional Portion	1,500,000 Equity Shares of face value Rs.10/- each (Allocation on proportionate basis)
3. Retail Portion	3,500,000 Equity Shares of face value Rs.10/- each (Allocation on proportionate basis)
Equity Shares Outstanding prior to the Issue	20,044,000 Equity Shares of face value Rs.10/- each
Equity Shares Outstanding after the Issue	30,044,000 Equity Shares of face value Rs.10/- each

Note:

⁽¹⁾ The Company may consider participation by Anchor Investors for upto 1,500,000 Equity Shares in accordance with applicable SEBI Regulations

Under-subscription, if any, in the non institutional and retail section would be allowed to be met with spillover from the other categories, at the sole discretion of our Company and the BRLM.

In case of under subscription in the QIB Portion (i.e. subscription less than 50% mandatory of Issue), the same shall not be available to other categories and full subscription monies shall be refunded.



GENERAL INFORMATION

Incorporation

Our Company was incorporated as Angora Wool Combers Private Limited vide Certificate of Incorporation dated February 28, 1977. Our name was then changed to Ram Sahai Wool Combers Private Limited vide Certificate of Incorporation dated December 02, 1986. Subsequently, our name was changed to Tara Feeds Private Limited and a fresh Certificate of Incorporation subsequent to change of name was granted, dated September 02, 2004. Subsequently, we converted into a Public Limited Company and our name was changed to Tara Feed Limited vide fresh Certificate of Incorporation dated October 5, 2005. Subsequently our name was changed to Tara Olive India Limited and a fresh Certificate of Incorporation subsequent to change of name was granted, dated June 11, 2008. And subsequently our name was changed to Tara Health Foods Limited and a fresh Certificate of Incorporation subsequent to change of name was granted, dated November 24, 2008.

Our Corporate Identity Number is U17292PB1986PLC003723

Registered Office of our Company

Tara Health Foods Limited

3rd Floor, Mall Plaza,
Fountain Chowk, The Mall,
Ludhiana – 141001
Punjab, India
Tel Fax: +91-0161-5019711
Email: info@tarahealthfoods.com
URL: www.tarahealthfoods.com

Corporate Office of our Company

Tara Health Foods Limited

Village Jitwal Kalan,
Tehsil Malerkotla,
District Sangrur,
Pin Code - 148023,
Punjab, India
Tel.: +91- 01675 - 274300
Fax: +91- 01675 - 273241
Email: info@tarahealthfoods.com
URL: www.tarahealthfoods.com

The registered office of the Company was shifted from 1016 17 Akashpuri Civil Lines, Ludhiana, Punjab to 3rd Floor, First Mall, The Mall, Ludhiana, Punjab – 141001 on August 16, 2007 to the present address 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana – 141001, Punjab, India with effect from November 01, 2007.

Address of the Registrar of Companies

Punjab, Himachal Pradesh and Chandigarh

Registrar of Companies

Dr. Raj Singh

Corporate Bhavan, Plot No. 4B,
Sector 27 B, Madhya Marg,
Chandigarh – 160019
Tel.: +91 – 0172 – 2639415
Fax.: +91 – 0172 – 2639416
Email: roc.chandigarh@mca.gov.in



Board of Directors of Our Company

Name of Director	Designation	Nature of Directorship
Mr. Jaswant Singh	Chairman	Non Independent – Non Executive
Mr. Balwant Singh	Managing Director	Executive Director
Mr. Tejinder Singh	Whole Time Director	Executive Director
Dr. Jaspinder Singh Kolhar	Independent Director	Non Executive Director
Mr. Parshotam Bansal	Independent Director	Non Executive Director
Mr. Rajneesh Kumar	Independent Director	Non Executive Director

For details on 'Our Directors', please refer to the Chapter titles 'Our Management' beginning on page 105.

Company Secretary

Mr. Mohit Jindal
Village Jitwal Kalan,
Tehsil Malerkotla,
District Sangrur,
Pin Code - 148023,
Punjab, India
Tel.: +91-01675-274300
Fax: +91-01675-273241
Email: cs@tarahealthfoods.com
URL: www.tarahealthfoods.com

Compliance Officer

Mr. Jarnail Singh
Village Jitwal Kalan,
Tehsil Malerkotla,
District Sangrur,
Pin Code - 148023,
Punjab, India
Tel.: +91-01675-274300
Fax: +91-01675-273241
Email: complianceofficer@tarahealthfoods.com
URL: www.tarahealthfoods.com

Investors can contact the Compliance Officer or the Registrar to the Issue, Bigshare Services Private Limited in case of any pre-issue or post-issue related problems such as non-receipt of the letters of allotment, credit for allotted Equity Shares in the respective beneficiary account or refund orders.

Book Running Lead Manager

Atherstone Capital Markets Limited

SEBI Reg. No.: **INM000011245**

122, 12th Floor, Mittal Court, 'A' Wing,
Nariman Point, Mumbai- 400 021

Tel.: +91 22- 3215 3271;

Fax +91 22 – 6615 2989

Contact Person: Mr. Rinav Manseta

Email: ipo@atherstone.in

Website: www.atherstone.in



Syndicate Members**Antique Stock Broking Limited**

2nd Floor, Nirmal Building
Nariman Point, Mumbai 400 021, India
Tel.: +91 22 4031 3300
Fax.: +91 22 4031 3400
Contact Person: Vrajesh Shah
Email: vrajesh@antiquelimited.com
Website: www.antiquelimited.com

Enam Securities Pvt. Ltd.

Khatau Building, 2nd Floor,
44, Bank Street, Fort, Mumbai - 400001
Tel: +91 22 2267 7901
Fax.: +91 22 2266 5631
Contact Person: Ajay Sheth / Vinay Ketkar
Email: ajays@enam.com / vinay@enam.com
Website: www.enam.com

SMC Global Securities Limited

11/6B, Shanti Chamber,
Pusa Road,
New Delhi – 110 005, India
Tel: +91 11 3011 1000
Fax: +91 11 2575 4365
Contact Person: Mr. Rakesh Gupta
E-mail: rakesh@smcindiaonline.com
Website: www.smcindiaonline.com

SPA Securities Limited

101 - A, 10th Floor, Mittal Court
Nariman Point, Mumbai - 400 021, India
Tel. +91 22 2280 1240-49
Fax +91 22 2284 1192
Contact Person : Mr. Rajesh Gandhi
Email: tara.ipo@spasecurities.com
Website: www.spasecurities.com

Legal Advisor to the Issue**JurisPrudent Consulting Partners**

1st Floor, Paramount Tower,
C – 17, Community Centre,
Janak Puri, New Delhi – 110 058
Tel.: +91-11-4158 8441
Fax: +91-11-25537779
Contact Person: Mr. Ajay Jain
Email: corporate@jurisprudentconsulting.in

Registrar to the Issue**Bigshare Services Private Limited**

SEBI Reg. No.: INR000001385
E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E),
Mumbai – 400 072
Tel.: +91 22 2847 0562; 4043 0200
Fax: +91 22 2847 5207
Contact Person: Mr. Ashok Shetty
E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com

Statutory Auditors to the Company**M/s Raj Kumar Jindal & Co,**

Chartered Accountants
Membership No.: 88062
Phander Colony, Opp. Civil Lines,
Thandi Sarak, Malerkotla – 148023
Punjab, India.
Tel: +91-01675-255340
Contact Person: Mr. Raj Kumar Jindal
Email: rkjindal2005@yahoo.com



Bankers to our Company

State Bank of India
Main Branch
Malerkotla, Dist. Sangrur,
Punjab, India
Pin Code – 148023
Tel.: +91-01675-258354
Fax: +91-01675-253254
Contact Person: Mr.Hardial Singh
Email : sbi.1762@sbi.co.in
URL : www.statebankofindia.com

State Bank of Patiala
Main Branch
Malerkotla,
Punjab, India
Pin Code – 148023
Tel. : +91-01675-253005
Fax : +91-01675-253981
Contact Person : Mr.Baldev Raj
URL: www.sbp.co.in

Punjab National Bank
Moti Bazar,
Malerkotla
Punjab, India
Pin Code – 148023
Tel.: +91-01675-263862
Fax: +91-01675-263861
Contact Person: Mr.Rakesh Kaushal
Email : bo3476@pnb.co.in
URL : www.pnbindia.com

Punjab & Sind Bank
Khalsa College for Womens,
Ludhiana
Punjab, India
Pin Code – 141001
Tel. : +91-0161-5068073
Fax : +91-0161-2406016
Contact Person : Mr.S.S.Bhatia
Email : L0692@psb.org.in
URL : www.psbindia.com

Canara bank
Delhi Gate,
Malerkotla, Dist. Sangrur
Punjab, India
Pin Code – 148023
Tel. : +91-01675-254223
Fax : +91-01675-252662
Contact Person : Dr.S C Gaur
Email : chd2112@canbank.co.in
URL : www.canarabank.in

Allahabad Bank
IIFB, Cheema Chowk,
Ludhiana
Punjab, India
Pin Code – 141001
Tel.: +91-0161-5028065
Fax: +91-0161-2227117
Contact Person: Mr.Prem Singh Azad
Email: br0iifbludhiana@allahabadbank.in
URL : www.allahabadbank.com

Bank of India
Model Town Branch,
579 – R, Model Town,
Ludhiana – 141002
Tel.: +91-0161-2410170
Fax.: +91-0161-2405323
Contact Person: Mr.Bhushan Lal Malik
Email: blmalik@hotmail.com
URL: www.bankofindia.com

Bankers to the Issue and Escrow Collection Bank(s)

HDFC Bank Limited
FIG-OPS Department
Lodha-I Think Techno Campus
O-3 Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai - 400 042
Tel.: +91 22 3075 2928
Fax: +91 22 2579 9801
Email: Deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane

ICICI Bank Limited
Capital Market Group
30, Mumbai Samachar Marg
Raja Bahadur Mension, Fort
Mumbai - 400 001
Tel.: +91 22 2262 7600
Fax: +91 22 2261 1138
Email: sidhartha.routray@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Sidhartha Sankar Routray



State Bank of India

Capital Market Branch,
Ground Floor, Mumbai Main Branch Building,
Mumbai Samachar Branch,
Fort, Mumbai – 400023
Tel.: +91 22 2269561 / 22662133
Fax.: +91 22 22670745 / 22664959
Email.: vidya.krishnan@sbi.co.in
Website: www.statebankofindia.com
Contact Person: Ms. Vidya Krishnan

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at <http://www.sebi.gov.in/pmd/scsb.pdf>

Refund Banker to the Issue

ICICI Bank Limited
Capital Market Group
30, Mumbai Samachar Marg
Raja Bahadur Mension, Fort
Mumbai - 400 001
Tel.: +91 22 2262 7600
Fax: +91 22 2261 1138
Email: sidhartha.routray@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Sidhartha Sankar Routray

Brokers to the Issue

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

Monitoring Agency

There is no requirement for a monitoring agency in terms of the SEBI Regulations as the Issue size is less than Rs.5,000 million. The Audit Committee appointed by our Board of Directors will monitor the utilization of the Issue proceeds.

Credit Rating

As this is an issue of Equity Shares there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by Fitch Ratings India Private Limited and has been assigned IPO Grading of 2/5 indicating below average fundamentals. The IPO grading is assigned on a 5 point scale from 1 to 5 with a IPO Grade 5/5 indicating strong fundamentals. For details in relation to report of grading agency, please refer to “Annexure” on page 283 of this Red Herring Prospectus, pursuant to the SEBI Regulations. The rationale furnished by the grading agency for its grading, will be available for inspection and will be provided to the Designated Stock Exchange and updated at the time of filing of the Red Herring Prospectus with the RoC.

Experts

Except the report of Fitch Ratings India Private Limited in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Red Herring Prospectus, the Company has not obtained any expert opinions.

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.



Project Appraisal

The proposed project has not been appraised by any agency and the Project Cost and Means of Finance are based on estimates made by our Management.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. Book Running Lead Manager;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLM;
4. Registrar to the Issue
5. Escrow Collection Banks; and
6. Self Certified Syndicate Banks

The Issue is being made through the 100% Book Building Process, wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB portion shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than to 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay 10% margin amount upon submission of their Bid and allocation to QIBs shall be on a proportionate basis. For further details refer to the section entitled 'Terms of the Issue' beginning on page 203.

Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares Allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/ Issue Closing Date.

Our Company shall comply with SEBI Regulations and other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed ACML as the BRLM to manage the Issue and to procure subscription to the Issue.

The process of bidding through ASBA process by ASBA Investors under the SEBI circulars and press releases may be subject to change from time to time which may either be clarificatory in nature or otherwise and ASBA Investors are advised to make their own judgements about investment through this process prior to submitting a ASBA Bid cum Application Form to SCSB.

While the process of Book Building under the SEBI Regulations is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or application in this Issue

Illustration of Book Building and Price Discovery Process *(Investors may note that this illustration is solely for the purpose of understanding and is not specific to the Issue)*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs. 24 per Equity Share, Issue size of 3,000 Equity Shares and receipt of five Bids from the bidders, details of which are shown in a table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the Bidding/Issue Period. The illustrative book as set forth below



shows the demand for the Equity Shares of the Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	4,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.22 in the above example. Our Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below Rs.22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

Steps to be taken for bidding

1. Check eligibility for making a Bid (see section titled "Issue Procedure- Who Can Bid" beginning on page 210).
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
3. Ensure that you have mentioned PAN No (see section titled "Issue Procedure- Permanent Account Number" beginning on page 223)
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs will only have to be submitted to the BRLM / syndicate member(s); and
6. Bids by ASBA Bidders will only have to be submitted to the SCSB. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid cum Application Form is not rejected.

For further details relating to the Issue procedure, please refer to "Issue Procedure" on page 210.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime including after the Bid/Issue Closing Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for within 7 working days of finalisation of basis of Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON:	April 28, 2010
BID/ISSUE CLOSING ON:	April 30, 2010

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid Closing Date, Bids (excluding ASBA Bidders) shall be accepted only between 10 a.m. and 3 p.m. and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs.100,000 and (ii) until 5.00 pm or such time as permitted by



the BSE and the NSE, in case of Bids by Retail Individual Bidders (including ASBA Bidders) where the Bid Amount is up to Rs.100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not be uploaded due to lack of sufficient time to upload; such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, the BRLM and the Syndicate Members shall not be responsible. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE. Bids will be accepted only on working days, i.e. Monday to Friday (excluding any public holidays).

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges for uploading the Bids received taking into account the total number of Bids received upto the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations. The Cap on the Price Band shall not be more than 20% of the floor of the price band. Subject to compliance with the immediate preceding sentence, the floor of the price band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision of the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue, except for ASBA Bids. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations, save and except for underwriting obligations resulting from ASBA Bids. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to certain conditions to closing, as specified therein. The Underwriting Agreement is dated [•] and has been approved by our Company's Board of Directors.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount Underwritten (Amount in million)
Atherstone Capital Markets Limited 122, 12 th Floor, Mittal Court, 'A' Wing, Nariman Point, Mumbai- 400 021, India Tel.: +91 22- 3215 3271; Fax +91 22 – 6615 2989 Contact Person: Mr. Rinav Manseta Email: ipo@atherstone.in Website: www.atherstone.in	[•]	[•]



Antique Stock Broking Limited 2nd Floor, Nirmal Building Nariman Point, Mumbai 400 021, India Tel.: +91 22 4031 3300 Fax.: +91 22 4031 3400 Contact Person: Vrajesh Shah Email: vrajesh@antiquelimited.com Website: www.antiquelimited.com	[•]	[•]
Enam Securities Pvt. Ltd. Khatau Building, 2 nd Floor, 44, Bank Street, Fort, Mumbai - 400001 Tel: +91 22 2267 7901 Fax.: +91 22 2266 5631 Contact Person: Ajay Sheth / Vinay Ketkar Email: ajays@enam.com/vinay@enam.com Website: www.enam.com	[•]	[•]
SMC Global Securities Limited 11/6B, Shanti Chamber, Pusa Road, New Delhi – 110 005, India Tel: +91 11 3011 1000 Fax: +91 11 2575 4365 Contact Person: Mr. Rakesh Gupta E-mail: rakesh@smcindiaonline.com Website: www.smcindiaonline.com	[•]	[•]
SPA Securities Limited 101 - A, 10th Floor, Mittal Court Nariman Point, Mumbai - 400 021, India Tel. +91 22 2280 1240-49 Fax +91 22 2284 1192 Contact Person : Mr. Rajesh Gandhi Email: taraipo@spasecurities.com Website: www.spasecurities.com	[•]	[•]
TOTAL	[•]	[•]

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

The above mentioned is indicative underwriting and this would be finalized after the pricing and actual allocation. The above underwriting agreement is dated [•]

In the opinion of our Board of Directors (based on certificates given by the Underwriters), the resources of the 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 brokers with the Stock Exchanges. Our Board of Directors, at its meeting held on [•], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to equity shares to the extent of the defaulted amount.



CAPITAL STRUCTURE

The Equity Share Capital of our Company as on the date of filing of this Red Herring Prospectus with SEBI is set forth below:

<i>(Rs. in million)</i>		
Particulars	Aggregate Value at Nominal Price (Rs.)	Aggregate Value at Issue Price (Rs.)
A. Authorised Share Capital		
35,000,000 Equity Shares of Rs.10/- each	350.00	
B. Issued, Subscribed & Paid-up Share Capital before the Issue		
20,044,000 Equity Shares of Rs10/-each fully paid- up	200.44	
C. Present issue in terms of this Red Herring Prospectus		
10,000,000 Equity Shares of Rs.10/- each, at an issue price of [●]- each for cash	100.00	[●]
D. Issued, Subscribed & Paid-up Share Capital after the Issue		
30,044,000 Equity Shares of Rs.10/-each fully paid- up	300.44	[●]
E. Share Premium Account		
Share Premium Account before the Issue	209.20	[●]
Share Premium Account after the Issue [#]	[●]	[●]

Note:

[#] The Share Premium Account shall be determined after the Book Building Process

The fresh issue of 10,000,000 equity shares in terms of this Red Herring Prospectus has been authorised pursuant to a resolution of our Board at the meeting held on July 01, 2009 and a special resolution passed under section 81 (1A) of the Companies Act, 1956 at the Annual General Meeting held on August 6, 2009.

Notes to the Capital Structure:

(i) Details of increase in Authorised Share Capital since incorporation:

Date of Meeting	Nature of increase / change	Increased from	Increased to	No. of Equity Shares	Face Value (Rs.)	Cumulative Authorized Share Capital (Rs. Mln)
February 28, 1977	On Incorporation	0	24,000	24,000	100	2,400,000
March 23, 2006	Increase	24,000	150,000	126,000	100	15,000,000
May 25, 2006	Increase	150,000	240,000	90,000	100	24,000,000
March 31, 2007	Increase	240,000	650,000	410,000	100	65,000,000
October 22, 2007	Increase	650,000	850,000	200,000	100	85,000,000
October 14, 2008	Subdivision	-	8,500,000	-	10	85,000,000



October 14, 2008	Increase	8,500,000	9,500,000	1,000,000	10	95,000,000
August 06, 2009	Increase	9,500,000	35,000,000	25,500,000	10	350,000,000

(ii) Share Capital History of our Company:

Our Company has made allotments of Equity Shares from time to time. Our Company has not made any allotment of preference shares. The following is the equity share capital history of our Company:

(Rs. in million)

Date of Allotment	No of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Consideration	Reasons for Allotment	Cumulative share premium	Cumulative number of shares	Cumulative paid up share capital
February 28, 1977	400	100	100	Fresh	Cash	Subscription to MoA	-	400	0.04
June 30, 1978	4,850	100	100	Fresh	Cash	Fresh Allotment	-	5,250	0.53
November 15, 1978	4,100	100	100	Fresh	Cash	Fresh Allotment	-	9,350	0.94
September 26, 1980	500	100	100	Fresh	Cash	Fresh Allotment	-	9,850	0.99
December 26.12, 1980	8,100	100	100	Fresh	Cash	Fresh Allotment	-	17,950	1.80
March 25, 2006	132,050	100	100	Fresh	Cash	Fresh Allotment	-	150,000	15.00
March 25, 2007	375,000	100	100	Fresh	Cash	Fresh Allotment	-	525,000	52.50
March 31, 2007	125,000	100	100	Fresh	Cash	Fresh Allotment	-	650,000	65.00
October 05, 2007	70,100	100	800	Fresh	Cash	Fresh Allotment	49.07	720,100	72.01
October 12, 2007	32,175	100	800	Fresh	Cash	Fresh Allotment	71.59	752,275	75.23
October 19, 2007	6,625	100	800	Fresh	Cash	Fresh Allotment	76.23	758,900	75.89
February 15, 2008	91,100	100	800	Fresh	Cash	Fresh Allotment	140.00	850,000	85.00
October 14, 2008	-	-	-	-	-	Subdivision	-	8,500,000	85.00
October 15, 2008	520,000	10	70	Fresh	Cash	Fresh Allotment	171.20	9,020,000	90.20
August 07, 2009 @	10,824,000	10	-	Fresh	-	Bonus (12:10)	171.20	19,844,000	198.44
August 08, 2009	200,000	10	200	Fresh	Cash	Fresh Allotment	209.20	20,044,000	200.44

Note:



® Our Company issued bonus shares on August 07, 2009 to its eligible members in the ratio of Twelve Equity Shares for every Ten Equity Shares held by members and such new shares were fully paid and shall rank pari passu with the existing equity shares. A total of 10,824,000 equity shares were issued, by utilizing Rs.108.24 million out of free reserves.

(iii) Promoters Contribution and Lock-In:

a. History and Share Capital Build-up of the Promoters:

Date of Allotment/ Transfer	Nature of Transaction	No. of Equity Shares	Face Value (in Rs.)	Issue / Transfer / Acquisition Price (in Rs.)	Nature of Consideration	Cumulative No of Shares
Mr.Kulwant Singh						
August 26, 2004	Transfer	5,950	100	250	Cash	5,950
September 1, 2005	Transfer	(50)	100	250	Cash	5,900
March 25, 2006	Fresh Allotment	5,000	100	100	Cash	10,900
March 25, 2007	Fresh Allotment	15,000	100	100	Cash	25,900
April 30, 2007	Transfer	137,750	100	100	Cash	163,650
February 25, 2008	Transfer	53,600	100	725	Cash	217,250
October 14, 2008	Subdivision	2,172,500	10	-	NA	2,172,500
August 7, 2009	Bonus	2,607,000	10	-	Other than Cash	4,779,500
Mr.Balwant Singh						
August 26, 2004	Transfer	5,950	100	250	Cash	5,950
September 1, 2005	Transfer	(50)	100	250	Cash	5,900
March 25, 2006	Fresh Allotment	5,000	100	100	Cash	10,900
March 25, 2007	Fresh Allotment	15,000	100	100	Cash	25,900
April 30, 2007	Transfer	169,550	100	100	Cash	195,450
February 25, 2008	Transfer	60,000	100	725	Cash	255,450
October 14, 2008	Subdivision	2,554,500	10	-	NA	2,554,500
August 7, 2009	Bonus	3,065,400	10	-	Other than Cash	5,619,900
Mr.Jaswant Singh						
August 26, 2004	Transfer	5,950	100	250	Cash	5,950
September 1, 2005	Transfer	(50)	100	250	Cash	5,900
March 25, 2006	Fresh Allotment	5,000	100	100	Cash	10,900
March 25, 2007	Fresh Allotment	15,000	100	100	Cash	25,900
April 30, 2007	Transfer	165,500	100	100	Cash	191,400
February 25, 2008	Transfer	55,150	100	725	Cash	246,550
October 14, 2008	Subdivision	2,465,500	10	-	NA	2,465,500
August 7, 2009	Bonus	2,958,600	10	-	Other than Cash	5,424,100

Note: The details of the shares transferred from/to the Promoters are mentioned in the table above. Further we confirm that no shares have been transferred from/to the Promoters within the last six months preceeding the date of filing of this Red Herring Prospectus.



b. Details of Promoters Contribution Locked in for 3 Years

Pursuant to the SEBI Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital of our Company shall be locked up by our Promoters for a period of three years from the date of allotment in this Issue. The details of the promoters' Equity Shares locked-in for a period of three years are as follows:

Date of Allotment/ Transfer	Nature of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue / Transfer / Acquisition Price (in Rs.)	Percentage of Post Issue Paid up Capital
Mr.Kulwant Singh					
August 7, 2009	Bonus	2,000,000	10	-	6.66
Mr.Balwant Singh					
August 7, 2009	Bonus	2,050,000	10	-	6.82
Mr. Jaswant Singh					
August 7, 2009	Bonus	2,000,000	10	-	6.66
TOTAL		6,050,000			20.14

The above Equity Shares are eligible for computation of Promoter's contribution and lock-in in terms of the Regulation 33 of the SEBI (ICDR) Regulations, 2009. Our Promoters have vide their letter dated September 30, 2009 given their consent for lock in of shares as stated above. Equity Shares issued last shall be locked in first. The lock-in shall start from the date of allotment in the public issue and the last date of the lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the issue, whichever is later. The balance pre-issue shareholding of the Promoter (9,773,500 equity shares), other than the Promoter's contribution, as above, which is locked in for three years, shall be locked in for a period of one year from the date of allotment.

As per clause (a) of Regulation 36 of the SEBI Regulations, eligible equity shares locked in for a period of three (3) years by the promoters are not pledged to any bank/financial institution/body corporate.

c. Details of Shares locked-in for one year:

- In terms of Regulation 37 of SEBI (ICDR) Regulations, 2009, in addition to the lock in of 20% of Post-Issue Equity Share Capital of our Company held by the Promoters for three years, as specified above, the entire Pre-Issue Equity Share Capital shall be locked in for a period of one (1) year from the date of allotment in this Issue. The balance Pre-Issue Equity Share capital other than that locked in as promoters' contribution for three years i.e. 13,994,000 equity shares which have been computed as 46.58% of the Post-Issue Equity Share Capital shall be locked in for a period of 1 year from the date of allotment in the present Issue.
- In terms of the Regulation 39 of SEBI (ICDR) Regulations, 2009, locked in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.
Provided that securities are locked in as minimum promoters' contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or financial institution for the purpose of financing one or more of the objects of the issue.
- In terms of Regulation 40 of SEBI (ICDR) Regulations, 2009, Equity Shares held by Promoters may be transferred to and amongst the Promoters / Promoter Group or to a new promoter or persons in control of the Company subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable. Locked in Equity held by shareholders other than the Promoters may be transferred to any other person holding equity shares which are locked-in as per Regulation 37 of SEBI (ICDR) Regulations, 2009, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover Regulations), 1997 as applicable.



- The Equity Shares forming part of promoter's contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary. Further, shares considered for promoter's contribution have not been acquired for consideration other than cash and revaluation of assets or resulting from bonus issue out of revaluation reserves or reserves created without accrual of cash resources or against shares which are other wise ineligible for promoter's contribution. Also, promoter's contribution does not include any shares acquired during last one year at a price lower than the Issue price.

Our Shareholding Pattern:

Set forth below is the shareholding pattern of our Company before and after the proposed issue:

Name of Shareholder	Pre-Issue		Post-Issue	
	Number of shares	%age Holding	Number of shares	%age Holding
<u>(A) PROMOTER AND PROMOTER GROUP</u>				
<u>(1) INDIAN</u>				
<u>Individuals/Hindu Undivided Family</u>				
Balwant Singh	5,619,900	28.04	5,619,900	18.71
Jaswant Singh	5,424,100	27.06	5,424,100	18.05
Kulwant Singh	4,779,500	23.85	4,779,500	15.91
Tejinder Singh	187,000	0.93	187,000	0.62
Rajvir Kaur	132,000	0.66	132,000	0.44
Parminder Kaur	132,000	0.66	132,000	0.44
Ranjit Kaur	132,000	0.66	132,000	0.44
Balwant Singh HUF	297,000	1.48	297,000	0.99
Jaswant Singh HUF	297,000	1.48	297,000	0.99
Kulwant Singh HUF	297,000	1.48	297,000	0.99
Gurmukh Singh	550,000	2.74	550,000	1.83
Gurwinder Kaur	165,000	0.82	165,000	0.55
<u>Central Government / State Government(s)</u>	-	-	-	-
<u>Bodies Corporate</u>				
Tara Heart Care Care Products Limited	2,031,500	10.14	2,031,500	6.76
Financial Institution / Banks	-	-	-	-
Any Other (specify)	-	-	-	-
SUB TOTAL (A)(1)	20,044,000	100.00	20,044,000	66.72
<u>(2) FOREIGN</u>				
Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-
Bodies Corporate	-	-	-	-
Institutions	-	-	-	-
Any Other (specify)	-	-	-	-
SUB TOTAL (A)(2)	-	-	-	-
Total Promoter and Promoter Group(A): (A)(1) + (A)(2)	20,044,000	100.00	20,044,000	66.72
<u>(B) PUBLIC SHAREHOLDING</u>				
Public Issue	-	-	10,000,000	33.28
Total Public Shareholding (B)	-	-	10,000,000	33.28
TOTAL (A+B)	20,044,000	100.00	30,044,000	100.00



(iv) 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 date of filing the Red Herring Prospectus with SEBI:

Sr. No.	Shareholder	No of Equity Shares	Percentage Holding
1	Balwant Singh	5,619,900	28.04
2	Jaswant Singh	5,424,100	27.06
3	Kulwant Singh	4,779,500	23.85
4	Tara Health Care Products	2,031,500	10.14
5	Gurmukh Singh	550,000	2.74
6	Balwant Singh and Sons HUF	297,000	1.48
7	Jaswant Singh and Sons HUF	297,000	1.48
8	Kulwant Singh and Sons HUF	297,000	1.48
9	Tejinder Singh	187,000	0.93
10	Gurwinder Kaur	165,000	0.82
Total		19,648,000	98.02

b) The top ten shareholders of our Company ten days prior to the date of filing of the Red Herring Prospectus with SEBI:

Sr. No.	Shareholder	No of Equity Shares	Percentage Holding
1	Balwant Singh	5,619,900	28.04
2	Jaswant Singh	5,424,100	27.06
3	Kulwant Singh	4,779,500	23.85
4	Tara Health Care Products	2,031,500	10.14
5	Gurmukh Singh	550,000	2.74
6	Balwant Singh and Sons HUF	297,000	1.48
7	Jaswant Singh and Sons HUF	297,000	1.48
8	Kulwant Singh and Sons HUF	297,000	1.48
9	Tejinder Singh	187,000	0.93
10	Gurwinder Kaur	165,000	0.82
Total		19,648,000	98.02

c) The top ten shareholders of our Company two years prior to filing of the Red Herring Prospectus:

Sr. No.	Shareholder	No of Equity Shares	Percentage Holding
1	Balwant Singh	255,450	30.05
2	Jaswant Singh	246,550	29.01
3	Kulwant Singh	217,250	25.56
4	Tara Heart Care Products Limited	31,250	3.68
5	Gurmukh Singh	25,000	2.94
6	Balwant Singh and Sons HUF	13,500	1.59
7	Jaswant Singh and Sons HUF	13,500	1.59
8	Kulwant Singh and Sons HUF	13,500	1.59
9	Tejinder Singh	8,500	1.00
10	Gurvinder Kaur	7,500	0.88
Total		832,000	97.88



(v) None of our Directors or Key Managerial Personnel hold Equity Shares in the Company, except as follows as on date of filing of this Red Herring Prospectus with SEBI:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Shareholding (%)
1.	Mr. Balwant Singh	5,619,900	28.04
2.	Mr. Jaswant Singh	5,424,100	27.06
3.	Mr. Tejinder Singh	187,000	0.93

(vi) Our Promoters, Directors and our Promoter Group have not purchased / sold Equity Shares within the last six months preceding the date of filing of this Red Herring Prospectus

(vii) Pledge of Shares

None of our Promoter(s), Promoter Group and Directors have pledged any equity shares held by them as on the date of the filing this Red Herring prospectus with SEBI

(viii) As on the date of filing of this Red Herring Prospectus with SEBI, the issued capital of our Company is fully paid up. As the entire issue price per share is being called up on application, all the successful allottees will be allotted fully paid up shares.

(ix) As per the RBI regulations, OCBs are not permitted to participate in the Issue.

(x) As on the date of filing of the Red Herring Prospectus, there are no outstanding warrants, options or debentures or other financial instruments issued by our Company, which would entitle our Promoter or shareholders of our Company or any other person an option to receive Equity Shares of our Company. Further, there are no loans which are convertible into Equity Shares of our Company

(xi) Our Company, Directors, Promoter, Promoter Group, and BRLM have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of our Company from any person.

(xii) The members of our Promoter Group / Directors of our Company have not entered into any financial arrangements to finance purchase of securities of our Company during a period of six months preceeding the date of filing this RHP with SEBI

(xiii) Our Company has not raised any bridge loan against the proceeds of this Issue.

(xiv) Under subscription, if any, Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLM. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders. For details kindly refer paragraph on 'Issue Procedure - Basis of Allotment' beginning on page 210.

(xv) 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 being equal to [●] Equity Shares, 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 Promoter 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. For details kindly refer para on 'Issue Procedure - Basis of Allotment' on page 210.



- (xvi) The Equity Shares allotted in the Anchor Investor portion shall be lock-in for a period of 30 days from the date of allotment in the Issue.
- (xvii) The securities which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the stock exchange, where the shares are to be listed, before the listing of the securities.
- (xviii) Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when options are granted to our employees under any ESPS, our Company shall comply with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Regulations 1999.
- (xix) An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- (xx) At any given point of time, there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- (xxi) Our Company has not made any public issue since incorporation.
- (xxii) Our Company has not revalued its assets since incorporation.
- (xxiii) Our Promoters and members of the Promoter Group will not participate in this Issue.
- (xxiv) Our Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash except for bonus issue made out of free reserves.
- (xxv) **Restrictive Covenants of Lenders**
The covenants in borrowings from banks, among other things, require us to obtain the bank's consent to effect any changes in Company's capital structure, enter into any scheme of amalgamation/reconstruction, implement any scheme of expansion or diversification or capital expenditure, effect any change in the constitution of the Company, enter into borrowing or non-borrowing arrangements either secured or unsecured with any other bank, financial institution etc., sell or dispose off or create security or encumbrances on the assets charged to bank, repay unsecured loans / deposits (if any) during the currency of bank finance, to declare dividend or pay dividend from profits which are not for current year, to invest by way of share capital or lend or advance funds or place deposit with or undertake guarantee obligation on behalf of any other concern.
Pursuant to the above we have taken prior written approval from our Bankers namely State Bank of India, State Bank of Patiala, Punjab National bank, Punjab and Sind Bank, Canara Bank, Allahbad Bank, Bank of India.
- (xxvi) There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing the Red Herring Prospectus with SEBI until the Equity Shares offered pursuant to the Issue have been listed.
- (xxvii) We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s) or make investments, we may consider raising



additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.

(xxviii) No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our promoters to the persons who receive allotments, if any, in this issue.

(xxix) We have 13 members in our Company as on the date of filing this Red Herring Prospectus.



OBJECTS OF THE ISSUE

The objects of the issue are as follows:

- Setting up a new Edible Oil Refining Plant at existing location at Village Jitwal Kalan, Malerkotla, Punjab;
- Expansion of Cattle Feed Plant at existing location at Village Jitwal Kalan, Malerkotla, Punjab;
- Augmenting long term working capital requirement of the Company;
- General Corporate Purposes; and
- Achieve the benefits of listing on the Stock Exchanges.

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirements and intended use of net proceeds as described herein are based on management estimates and various quotations received by us from different suppliers. In view of the competitive nature of the industry in which we operate, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects 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 fund requirement is proposed to be raised mainly through Initial Public Offering and the proceeds from the Initial Public Offering would be crystallized on finalization of the Issue Price on conclusion of the Book Building Process. Any shortfall in meeting the objects of the issues on determination of issue price on conclusion of the Book Building Process would be met from internal accruals. Further, the amount that is in excess of the funds required for the objects proposed project and Issue expenses will be utilized for general corporate purposes, which would be in accordance with the policies of our Board made from time to time.

FUNDS REQUIREMENT

The Estimated Fund Requirement of the Company is as follows:

		(Rs. in million)
Sr. No.	Particulars	Amount
1	Setting up a new edible oil refining plant at existing location at Village Jitwal Kalan, Malerkotla, Punjab	1253.18
2	Expansion of cattle feed plant at existing location at Village Jitwal Kalan, Malerkotla, Punjab	45.20
3	Augmenting Long Term Working Capital Requirement	389.60
4	General Corporate Purposes *	[•]
5	Issue Expenses *	[•]
TOTAL		[•]

Note:

* will be incorporated after finalisation of the Issue Price

MEANS OF FINANCE

The above Cost of Project is proposed to be financed as under:

		(Rs. in million)
Sr. No.	Means of Finance	Amount
1	Proceeds of the Initial Public Offering *	[•]
2	Internal Accruals *	[•]
Total		[•]

Note:



* will be incorporated after finalisation of the Issue Price

We propose to meet our expenditure towards objects of the issue entirely out of the proceeds of the issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, ICDR which require firm arrangement of finance through verifiable means for 75% of the stated means of finance excluding the amount to be raised through the proposed issue does not apply.

Incase the funds raised in the Issue are lower than the total requirement, we intend to finance the shortfall, if any through internal accruals. The net proceeds of the Issue would be used to meet all or any of the uses of the funds described above. The amount of free reserves of our Company as on December 31, 2009 stood at Rs.748.39 million. The Company has adequate reserves to meet the shortfall, if any, that may arise.

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

Our manufacturing unit in Punjab is located at Village Jitwal Kalan, Malerkotla, District Sangrur, Punjab on land owned by us and admeasuring 111,288.375 sq. mtrs. The proposed capital expenditure for setting up a new edible oil refining plant and cattle/poultry feed plant is set to come up on this very land.

Setting up a new edible oil refining plant at existing location at Village Jitwal Kalan, Malerkotla, Punjab with a capacity of 300 TPD

1. Product Description : Civil work, Foundation, Roofing, Wall of Plant
- Name of the Supplier : Vivek Consultants
- Address : H No 1224, Sector 34B,
Chandigarh
- Quotation No : VC/THFL/10821-A1
- Quotation Date : August 24, 2009
- Quotation Validity : NA

(Rs. in Million)

Particulars	Area (Sq. Ft.)	Amount	Total Amount
Packing Area - F F Shed	19,800	8.415	
Storage Tank Foundation		2.500	
Office Expansion	10,000	6.500	
Canteen	1,500	0.825	
Main Shed	25,796	7.739	
Boiler Shed	3,320	1.079	27.06
Total Cost		27.06	27.06

2. Product Description : Plant and Machinery
- Name of the Supplier : Muez-Hest India Pvt Ltd
- Address : 231, Blue Rose Industrial Estate,
Near Cable Corporation,
W.E. Highway, Borivli(E),
Mumbai- 400066
- Quotation No : MHIPL/MKTG/SG/JH/-545 Rev 2
- Quotation Date : August 20, 2009
- Quotation Validity : August 19, 2010

(Rs. in Million)

Particulars	Amount	Amount
Enzymatic De-gumming	50.00	
Industrial Lecithin Plant	60.00	
Pre Bleaching with PLF	30.00	



Dewaxing	45.00	
Post Bleaching with PLF	20.00	
Physical refining and deodorization	50.00	
3rd Bleaching with PLF	20.00	
High pressure steam boiler for deodorizer (95 bar)	10.00	
Deodorization	50.00	
Winterization	50.00	
Cooling Tower & Water Pumping	50.00	
Open Steel Structure	60.00	
Bulf Storage Tanks	100.00	
Nitrogen Blanketing	10.00	
High pressure steam boilerfor power plant (45 bar)	30.00	
Thermal power plant	200.00	
Air compressor and accessories	5.00	
Hot and Cold insulation	10.00	
General Accessories	100.00	950.00
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.		155.37
Total Cost		1105.37

3. Product Description : Acid Oil Plant
Name of the Supplier : Supertech Engineers
Address : Somsons Colony,
Malerkotla - 148023
Punjab, India
Quotation No : ST/TARA/01/09
Quotation Date : August 21, 2009
Quotation Validity : NA

(Rs. in Million)

Particulars	Amount	Amount
Reaction vessel - 10 MT	0.450	
Setting Tank - 10 MT	0.450	
Acid oil storage tank	0.200	
Acid tank	0.100	
Acid Dozing System, complete with pressure tank	0.050	
Acid oil pump	0.050	
Soap/gums pump	0.050	
Transfer pump	0.050	
Pipeline and valves	0.200	
Electricals	0.100	
Structure	0.300	2.00
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.		0.28
Total Cost		2.28

4. Product Description : Blending, Packing and Filling Section
Name of the Supplier : Supertech Engineers
Address : Somsons Colony,
Malerkotla - 148023
Punjab, India
Quotation No : ST/TARA/02/09



Quotation Date : August 21, 2009
 Quotation Validity : NA

(Rs. in Million)

Particulars	Amount	Amount
Blender cum filling vessel (churns) - 5 MT	1.60	
Tin filling machines	0.20	
Air Compressor	0.02	
Pouch filling machine	2.00	
Weighing scale	0.10	
Date and batch marker	0.38	
Conveyors	0.20	
Pipeline and valves	0.20	
Electricals	0.10	
Structure	0.20	5.00
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.		0.66
Total Cost		5.66

5. Product Description : Lab Equipments
 Name of the Supplier : Suket Enterprises
 Address : 3054, Gurdev Nagar,
 Ludhiana - 141001
 Punjab, India
 Quotation No : NA
 Quotation Date : August 21, 2009
 Quotation Validity : NA

(Rs. in Million)

Particulars	Quantity	Amount (Rs mln /pc)	Amount
Lovibond Tintometer digital Model PFX880	1	0.602	0.602
Lovibond Tintometer digital Model F	2	0.263	0.526
Tintometer Cell 1/4"	4	0.002	0.009
Tintometer Cell 1/2"	4	0.002	0.009
Tintometer Cell 1"	4	0.002	0.010
Tintometer Cell 5 1/4"	2	0.006	0.011
Electronic Digital Balance	2	0.081	0.163
Moisture Analysis Digital	2	0.110	0.220
UV-VIS Spectrophotometer double beam Korea	1	0.368	0.368
UV-VIS Spectrophotometer double beam with monitoe Korea	1	0.510	0.510
LC 100s HPLC USA	1	0.690	0.690
Oxidation Analyzer Rancimade Model 743	1	1.324	1.324
Magnetic Stirrer Make – REMI	4	0.006	0.023
Centrifugal Machine Make – REMI	4	0.004	0.016
Abbe Refractometer Model R-4 ARI	2	0.023	0.046
Waterbath with constant temprature control	4	0.017	0.066
Hot air oven with digital temperature control 18*18*18	4	0.022	0.087
Distillation set with Borosil Glass	3	0.005	0.014
Hot Plate Digital Control	6	0.004	0.021
Flash Point Apparatus PONSKEY'S	2	0.007	0.013



Muffle Furnace 4*4*9	2	0.017	0.034
Humidity Analyzer Digital	1	0.034	0.034
Compression Strength Testing Machine	1	0.192	0.192
Brusting Machine	1	0.042	0.042
Melting Point Apparatus Digital	1	0.039	0.039
ViscosityApparatus USA	1	0.234	0.234
Infrared Thermometer	2	0.009	0.017
BOD Incubator 6 cu ft S.S	1	0.066	0.066
Gross Total			5.39
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.			0.67
Total Cost			6.06

6. Product Description : Lab Equipments
Name of the Supplier : Thames Chemicals
Address : Gokal Road,
Ludhiana - 141008
Punjab, India
Quotation No : TCL/158Q
Quotation Date : August 24, 2009
Quotation Validity : NA

(Rs. in Million)

Particulars	Amount
Glassware	0.40
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.	0.07
Total Cost	0.47

7. Product Description : Lab Equipments
Name of the Supplier : Thames Chemicals
Address : Gokal Road,
Ludhiana - 141008
Punjab, India
Quotation No : TCL/159Q
Quotation Date : August 25, 2009
Quotation Validity : NA

(Rs. in Million)

Particulars	Amount
Chemicals	0.25
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.	0.01
Total Cost	0.26

8. Product Description : Lab Equipments
Name of the Supplier : Thames Chemicals
Address : Gokal Road,
Ludhiana - 141008
Punjab, India
Quotation No : TCL/160Q
Quotation Date : August 25, 2009
Quotation Validity : NA

(Rs. in Million)



Particulars	Amount
Glass Apparatus	0.10
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.	0.01
Total Cost	0.12

9. Product Description : Fire Fighting System
Name of the Supplier : National Fire Service & Motor Parts
Address : Sant Nagar, Mehlan Road,
Sangrur - 148001
Punjab, India
Quotation No : Spl No 1
Quotation Date : August 26, 2009
Quotation Validity : NA

(Rs. in Million)

Particulars	Amount	Amount
FIRE EXTINGUISHER & ACCESSORIES		
Pipeline, Hydrant Valve, etc.	1.50	
Fire Extinguisher & Accessories	1.00	2.50
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.		0.31
Total Cost		2.82

10. Product Description : Tank Weighing System
Name of the Supplier : Avery India Limited
Address : Sant Nagar, Mehlan Road,
Sangrur - 148001,
Punjab, India
Quotation No : NA
Quotation Date : August 25, 2009
Quotation Validity : May 04, 2010

(Rs. in Million)

Particulars	Amount
Tank Weighing System – capacity 35000 kg x 20 kg	0.34
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.	0.06
Total Cost	0.40

11. Product Description : Electronic Weighbridge
Name of the Supplier : Avery India Limited
Address : Sant Nagar, Mehlan Road,
Sangrur - 148001,
Punjab, India
Quotation No : TV/JAL/THP/01
Quotation Date : August 24, 2009
Quotation Validity : NA

(Rs. in Million)

Particulars	Amount
Electronic Weighbridge– capacity 100 MT	1.12
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.	0.24
Total Cost	1.35



12. Product Description : Effluent Treatment Plant
 Name of the Supplier : Paras Hydrotech (P) Ltd
 Address : Ouite Office No 5., 2nd Floor,
 Cabin No.12, Sector 35-A,
 Chandigarh - 160035
 Quotation No : PHPL/3409/09-10
 Quotation Date : August 29, 2009
 Quotation Validity : NA

(Rs. in Million)

Particulars	Amount
Effluent Treatment Plant – capacity 300 m ³ /day	8.00
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.	0.18
Total Cost	8.18

13. Product Description : Erection and Commissioning
 Name of the Supplier : Supertech Engineers
 Address : Somsons Colony,
 Malerkotla - 148023
 Punjab, India
 Quotation No : ST/TARA/03/09
 Quotation Date : August 21, 2009
 Quotation Validity : NA

(Rs. in Million)

Particulars	Amount	Amount
Welding rod and consumable for installation and fabrication	15.00	
Crane on renatl basis capacity 60T boom height 125 feet and hydraulic crane 12 ton capacity boom height 40 feet for erection, shifting and installation	5.00	
Fabrication, cutting and welding of pipeline work of refinery plant including oil, water, steam, chilled water, and all other work related to pipelining as fixing of valves, bends, reducers, etc.	5.00	
Erection, shifting and installation including tanks, pumps, motors, equipments, etc.	5.00	30.00
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, etc.		3.09
Total Cost		33.09

14. Product Description : Insurance Policy
 Name of the Supplier : National Insurance Company Ltd
 Address : Pili Kothi, Thandi Sarak,
 Malerkotla - 148023,
 Punjab, India
 Quotation No : 404202
 Quotation Date : September 01, 2009
 Quotation Validity : NA

(Rs. in Million)

Particulars	Amount
Insurance for New Machinery for Refinery from Various Places in India to your factory premises at Village Jitwal for Road risk for Rs.125 crores	0.38
Add: Duties and taxes; packaging and forwarding, transportation, erection and	0.05



commissioning, etc.

Total Cost **0.41**

Expansion of existing cattle feed plant at existing location at Village Jitwal Kalan, Malerkotla, Punjab with a capacity of 250 TPD

15. Product Description : Civil work, Foundation, Roofing, Wall of Plant
 Name of the Supplier : Vivek Consultants
 Address : H No. 1224, Sector 43-B,
 Chandigarh
 Punjab, India
 Quotation No : VC/THFL/10824-A1
 Quotation Date : August 24, 2009
 Quotation Validity : NA

(Rs. in Million)

Particulars	Amount
Industrial Shed measuring 50,000 square feet M.S shed frame structure with M.S Trusses with Pre coated sheets; RCC Foundation, 9" thickness plastered brickwork; CC Flooring and M.S. Joinery	20.00
Total Cost	20.00

16. Product Description : Plant & Machinery
 Name of the Supplier : B. K. Engineers
 Address : Bullepur Road,
 Near Golden Grain Club,
 Khanna, Punjab, India
 Quotation No : NA
 Quotation Date : August 12, 2009
 Quotation Validity : June 03, 2010

(Rs. in Million)

Particulars	Amount (Rs.)	Amount (Rs.)
Intake Section	1.186	
Grinding Section	2.111	
Mixing Section	0.882	
Mollases Section	0.488	
Pelleting Section	2.374	
Cooling Section	1.632	
Bagging Section	0.830	
Electric Control Pannel	1.505	
Compressed Air System	0.520	
Structural Material	6.080	
Dust Collectors	0.545	
Erection & Commissioning	0.850	19.00
Add: Duties and taxes; packaging and forwarding, transportation, erection and commissioning, other spares, etc.		4.05
Total Cost		23.05



Summary list of projected expenditure

Edible Oil Refining Plant with a capacity of 300 TPD

(Rs. in million)

Product Description	Supplier	Cost	Others *	Total Cost
Civil work, Foundation, Roofing, Wall of Plant	Vivek Consultants	27.06	-	27.06
Plant and Machinery	Muez-Hest India Pvt Ltd	950.00	155.37	1,105.37
Acid Oil Plant	Super Tech Engineers	2.00	0.28	2.28
Blending, Packing and Filling Section	Super Tech Engineers	5.00	0.66	5.66
Lab Equipments	Suket Enterprises	5.38	0.67	6.06
Lab Equipments – Glassware	Thames Chemicals	0.41	0.07	0.47
Lab Equipments – Chemicals	Thames Chemicals	0.25	0.01	0.26
Lab Equipments - Glass Apparatus	Thames Chemicals	0.10	0.01	0.12
Fire Fighting System	National Fire Service & Motor Parts	2.50	0.31	2.82
Tank Weighing System	Avery India Ltd	0.34	0.06	0.40
Electronic Weighbridge	Avery India Ltd	1.12	0.24	1.35
Effluent Treatment Plant	Paras Hydrotech (P) Ltd	8.00	0.18	8.18
Erection and Commissioning	Super Tech Engineers	30.00	3.09	33.09
Gross Total				1,193.12
Add: Contingencies				59.66
Add: Insurance				0.41
TOTAL				1,253.18

* includes duties and taxes, packaging and forwarding, transportation, insurance, erection and commissioning, etc.

Cattle Feed Plant with a capacity of 250 TPD

(Rs. in million)

Product Description	Supplier	Cost	Others *	Total Cost
Civil work, Foundation, Roofing, Wall of Plant	Vivek Consultants	20.00	-	20.00
Plant and Machinery	B. K. Engineers	19.00	4.05	23.05
Gross Total				43.05
Add: Contingencies				2.15
TOTAL				45.20

* includes duties and taxes, packaging and forwarding, transportation, insurance, erection and commissioning, etc.

Note:

- The proposed plant(s) are to be set-up at the existing location of our factories at Village Jitwal Kalan, Malerkotla, Dist. Sangrur, Punjab and no new procurement of land is required for the same;
- We have not awarded any contract for construction of plant at the proposed site;
- We have placed order with Muez-Hest India Pvt Ltd for supply of plant and machinery; no other order has been placed for plant & machinery;



- As regards to transportation, erection and commissioning expenses we have relied upon our own judgment in estimation of the costs based on our past experience and we have not obtained any quotations for the same;
- We have relied on the quotations received from various suppliers. We are also negotiating with several suppliers and the actual supplier may vary from the one mentioned above;
- Further we have not bought nor do we propose to buy any second hand machinery out of the proceeds of the issue.

Augmenting Long Term working Capital Requirement

Presently, our Company enjoys working capital credit limits as stated in the section “Financial Information” beginning on page 135. These limits and our internal accruals are adequate to meet our existing working capital requirements. However, our Company will utilise a part of the net proceeds of the Issue to meet long-term working capital requirements for expansion which has been estimated as under:

(Rs. in millions)		
Particulars	F.Y. 2008-09 (Audited)	F.Y. 2010-2011 (Expected)
Raw Materials	801.6	1481.3
Work in Process	19.2	61.5
Finished Goods	85.2	258.1
Stores & Spares	6.0	8.0
Total Inventories	912.0	1808.9
Receivables	223.8	629.1
Advance and deposits	20.6	35.0
Total receivables	244.4	664.1
Other current assets	39.6	617.6
Total current assets	1196.0	3090.5
Less : Creditors	75.6	401.4
Other current liabilities	77.9	82.2
Total current liabilities	153.5	483.7
Net working capital requirement	1042.5	2606.9
Funding Pattern		
Internal Accruals	321.1	437.3
Estimated Bank Finance available	721.4	1780.0
Proposed to be funded from Public Issue	-	389.6
Total	1042.5	2606.9

The above working capital estimates are based on the following assumptions:

Particulars	Period (No of Days)
Raw Materials	142.2
Work in Progress	5.7
Finished Goods	24.6
Receivables	46.2
Advances and Deposits	3.3



Sundry Creditors

33.0

- The net working capital for 2008-09 is based on the position of the current assets and current liabilities as per the audited financial position of our Company for the financial year ended March 31, 2009.
- The projected levels of holding periods of various items of current assets and current liabilities are shown in the above table.

On the basis of estimated holding period for the FY 2010-2011, we have projected the bank borrowings for the year 2010-2011 at the level of Rs.1780 millions against the net working capital requirement of Rs.2606.9 millions, out of which Rs.437.3 millions would be met from internal accruals and the balance of Rs.389.6 million for 2009-10 is proposed to meet through public issue proceeds.

General Corporate Purposes

We are continuously looking for opportunities to grow. While, we have not identified any specific projects at present, the management is continuously identifying and evaluating opportunities. We intend to use part of net proceeds towards such growth plans and opportunities. We intend to deploy the proceeds of this Issue aggregating to [•] for General Corporate Purposes including but not limited to strategic initiatives, brand building exercise, strengthening of the market capabilities, partnerships, joint venture, future projects and meeting exigencies which the Company in the ordinary course may not foresee, etc.

The 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 the funding requirements and deployment of funds may also change. The Company's management in accordance with policies set out by the Board will have flexibility in applying the balance proceeds of this issue, for general corporate purposes.

As of the date of this Red Herring Prospectus, the Company has not entered into or issued any letter of intent or any other commitment for any such acquisition/investments or definitive commitment for any strategic initiatives. The Board of Directors of the Company will review various opportunities from time to time.

Meeting Issue Expenses

The estimated issue related expenses are as follows:

(Rs. in million)			
Activity	Amount *	Percentage of Issue Expenses	Percentage of Issue Size
Lead Management Fees, Underwriting and Selling Commission	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
IPO Grading Expenses	[•]	[•]	[•]
Printing and stationery expenses	[•]	[•]	[•]
Others (Registrar fees, Legal fees, Listing fees, Book Building software, Stamp Duty, etc.)	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]

* shall be incorporated after finalization of the Issue Price

APPRAISAL

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



SCHEDULE OF IMPLEMENTATION

Sr. No.	Particulars	Expected date of Commencement	Expected date of Completion
1	Setting up a new edible oil refining plant at existing location	Q1 FY 2011	Q4 FY 2011
2	Expansion of cattle feed plant at existing location	Q1 FY 2011	Q3 FY 2011
3	Augmenting Long Term Working Capital Requirement	Q4 FY 2010	Q2 FY 2011
4	Meeting General Corporate Purposes	Q4 FY 2010	Q4 FY 2011
5	Meeting Issue Expenses	Q4 FY 2010	Q1 FY 2011

ESTIMATED SCHEDULE OF DEPLOYMENT OF FUNDS

(Rs. in million)

(Rs. in million)										
Sr No	Particulars	Funds Already Deployed	FY 10	FY 11					FY 12	Total
			Q4	Q1	Q2	Q3	Q4	Q1		
1	Setting up a new edible oil refining plant at existing location	70.00	-	345.27	30.22	385.80	421.89	-	1,253.18	
2	Expansion of cattle feed plant at existing location	-	-	14.22	16.08	14.91	-	-	45.20	
3	Augmenting Long Term Working Capital Requirement	-	[•]	[•]	[•]	-	-	-	[•]	
4	Meeting General Corporate Purposes	-	[•]	[•]	[•]	-	-	-	[•]	
5	Meeting Issue Expenses	9.64	[•]	[•]	-	-	-	-	[•]	
	TOTAL	79.64	[•]	[•]	[•]	[•]	[•]	[•]	[•]	

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

We have incurred Rs.79.64 Million as advance for purchase of machinery and public issue expenses up to March 31, 2010 towards 'Objects of the Issue' as per certificate dated April 10, 2010 issued by our statutory auditor M/s Raj Kumar Jindal & Co., Chartered Accountants. The same has been financed through internal accruals.

INTERIM USE OF FUNDS

The Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds of the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks. Such investments would be in accordance with the Investment Policies prescribed by the Board from time to time. The Company confirms that pending utilization of the Issue proceeds; it shall not use the funds for any investments in the Equity markets.

MONITORING OF UTILIZATION OF FUNDS

The Company has not appointed any Monitoring Agency. However, the Audit Committee of the Company has been authorized with the responsibilities of monitoring the utilization of the proceeds of the Issue. We will disclose the utilization of net proceeds of the Issue under a separate head in our audited financial statements, clearly specifying the purpose for which such proceeds have been utilized and also indicating investments, if any, of such unutilized proceeds of the Issue.

No part of the proceeds from the Proposed Issue will be paid by us as consideration to our Promoter, our Directors, Promoter Group Entities or Key Management Personnel, except in the normal course of our business.



BASIS OF ISSUE PRICE

The Price Band shall be disclosed atleast two working days prior to Bid/Issue Opening Date by way of announcement in all the news papers in which the pre-issue advertisement was released by our Company and/or the BRLM. The Issue Price will be determined by the Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of the Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The EPS and NAV presented in this section are based on the Face Value of Rs.10 per equity share.

QUALITATIVE FACTORS

- Benefits of *Synergy* in products manufactured and sold by the Company
- Integrated Plant at Jitwal Kalan
- Benefits of backward and forward integration of plant
- Experienced Management Team
- Location advantage for sourcing raw material and distribution set-up
- Well established logistics and supply chain management system
- Growing Market size and Awareness

For a detailed discussion on the qualitative factors which form the basis for computing the price, see the sections "Business Overview" and "Risk Factors" beginning on pages 71 and i respectively.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated, financial statements prepared in accordance with Indian GAAP. The quantitative factors, which form the basis for computing the price, are as follows:

1 Weighted average Earning Per Share

(Amount in Rs.)

Period	Basic EPS	Diluted EPS	Weight
Year ended Mar 2007	7.41	3.37	1
Year ended Mar 2008	12.66	5.76	2
Year ended Mar 2009	19.56	8.89	3
Period ended December 31, 2009 *	24.73	18.48	
Weighted Average EPS	15.24	6.93	

The earnings per share has been computed by dividing net profit as restated attributed to equity shareholders by restated weighted average number of equity shares outstanding during the year. Restated weighted average number of equity shares have been computed as per AS 20.

Diluted earnings per share has been computed by dividing net profit as restated attributed to equity shareholders by restated weighted average number of equity shares after accounting for the equity shares issued consequent to capitalization of free reserves in each of the previous years.

The face value of each equity share is Rs.10/-.

2 Price Earning (P/E) ratio in relation to Issue Price of Rs. [●] per share of Rs. 10 each.

	At the lower Band of Rs. [●]	At the upper Band of Rs. [●]
a) Based on weighted average (EPS)	[●]	[●]
b) Based on EPS as on March 31, 2009	[●]	[●]
c) Based on EPS as on December 31, 2009	[●]	[●]
d) Industry PE Multiple:		
Highest		40.1
Lowest		4.6



Average

17.2

Source: Capital Market Vol. XXV/03 dated April 05 – April 18, 2010; Industry: Solvent Extraction

For industry P/E companies in the solvent extraction segment have been considered as most peer companies form part of this segment. However, as there are no listed companies engaged solely in similar business as our, the multiples are strictly not comparable.

3 Return on Net Worth as per restated financial statement is as follows:

Year	RONW %	Weight
Year ended March 31, 2007	14.18	1
Year ended March 31, 2008	27.15	2
Year ended March 31, 2009	31.66	3
Period ended December 31, 2009	38.86	
Weighted Average	27.24	

Return on network has been calculated by dividing net profit after tax as restated by the net worth as restated at the end of the year.

4 Minimum Return on total Net Worth after issue needed to maintain pre-issue EPS is [•]

5 Net Asset Value per Equity Share

Particulars	NAV (Rs.)
As on March 31, 2009	60.02
As on December 31, 2009	63.63
After the Issue	[•]
Issue Price	[•]

NAV per equity share has been calculated as network divided by weighted average number of equity shares. Weighted average number of equity shares has been computed as per AS 20.

6 The accounting ratios of selected companies in the Industry Group is as under:

There are no strict comparables for cattle/poultry feed manufacturing, we have taken comparison with other Solvent extraction plants; we extract oil from Rice Bran, Olive, etc.

There are no strict comparables of the products and industry in which our Company operates based on the product line. Still for comparison purposes, we have tried to draw up a peer-set based on broader sectoral definition.

Name of company	Face Value (Rs.)	EPS (Rs.)	P/E	RONW%	NAV (Rs.)
Agro Tech Foods	10	8.5	22.8	17.3	53.3
Anik Industries	10	3.7	16.5	5.6	70.9
Murli Industries	2	8.9	9.4	18.9	51.6
Sawaria Agro	1	2.1	40.1	41.4	6.2
<i>Tara Health Foods Limited</i>	<i>10</i>	<i>8.91</i>	<i>[•]</i>	<i>31.7</i>	<i>60.0</i>

Source: Capital Market Vol. XXV/03 dated April 05 – April 18, 2010; Industry: Solvent Extraction

The Issue Price is [•] times of the face value of the Equity Shares.

The issue price of Rs.[•] per Equity Share has been determined by us, in consultation with the BRLM, on the basis of assessment of market demand for the offered securities by way of Book building process and is justified based on the above qualitative and quantitative factors. For details, see “Risk Factors” on page i and the audited financial statements of our Company, as set out in the Auditors Report stated on page 135 to have a more informed view.



STATEMENT OF TAX BENEFIT

To,
The Board of Directors
Tara Health Foods Limited
3rd Floor, Mall Plaza, Fountain Chowk,
The Mall, Ludhiana - 141001,
Punjab, India

Statement of Possible Direct Tax Benefits

Dear Sirs,

We hereby report that the enclosed annexure states the possible direct tax benefits available to 'Tara Health Foods Limited' ('Company') and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed below 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. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of his or her participation in the issue.

The Draft Direct Tax Code, Bill 2009 ('DTC') has been released by the Ministry of Finance on 12 August 2009 for Public comments. The Draft DTC, which is expected to change the tax structure, is open for discussion and after which it will take the form of law. The DTC is expected to be implemented from 1 April 2011 and would replace existing Act. Any proposal in DTC may alter the tax benefits discussed in the said enclosed statement. However, since DTC is yet to be introduced, the impact of provisions contained in the DTC has not been discussed in this statement of Tax benefits.

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

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

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

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Tara Health Foods Limited. We shall not be liable to Tara Health Foods Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Thanking you,

Yours faithfully,
For **Raj Kumar Jindal & Co**
Chartered Accountants
Firm registration No. 009596N

R. K. Jindal
Proprietor
Membership No. 088062
Place: Malerkotla
Date: April 10, 2010



STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO TARA HEALTH FOODS LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. TO THE COMPANY

I. SPECIAL TAX BENEFITS

The following benefits are available to the company for the products manufactured.

- Cattle/Poultry Feed is exempted from Excise Duty and Value Added Tax

The Company is entitled to avail capital subsidy of Rs.5 million from the Ministry of Food Processing Industry, Government of India for manufacture of Refined Edible Oil

The following benefits are available to the company for its plant situated in state of Uttaranchal.

- 100% Excise exemption for 10 years
- 100% income tax exemption for first five years and 30% tax deduction from income tax liability for next five years under sec - 80 – IC
- Capital investment subsidy @15% subject to maximum of Rs.3 million
- Exemption from entry tax on plant & machinery
- Reimbursement of 75% of expenditure subject to Rs.0.2 lacs maximum incurred for obtaining approved quality marks e.g ISO

II. GENERAL TAX BENEFITS

These benefits are available to all companies or to the shareholders of any Company, after fulfilling certain conditions as required in the respective Acts.

1. As per Section 10(34) of the Act, income earned by the Company by way of dividend income from another domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(35) of the Acts, the following income will be exempt from tax in the hands of the Company:
 - (i) Income received in respect of the units of a Mutual Fund specified under section 10(23D); or
 - (ii) Income received in respect of units from the Administrator of the specified undertaking; or
 - (iii) Income received in respect of units from the specified company:
3. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the Company.
4. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
5. Under section 35D of the Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, including expenditure incurred on present issue, such as underwriting commission, brokerage and other charges, as specified in the provision, by way of amortisation over a period of 5 successive years, beginning with the previous year in which the business commences or after the commencement of its business in connection with the extension of its industrial undertaking or in connection with setting up a new industrial unit, subject to the stipulated limits.



6. As per section 54EC of the Act and subject to the conditions and to the extent specified herein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a “long term specified asset” within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.
7. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
8. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, will be taxed at the rate of 15% where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
9. Under section 115 JB (2A) of the Act, tax credit shall be allowed in respect of any tax paid (MAT) under section 115 JB of the Act for any Assessment year commencing on or after 1st April 2006. Credit eligible for carry forward is the difference between MAT paid and tax computed as per normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years immediately succeeding the year in which MAT credit initially arose,

B. TO THE MEMBERS

I. GENERAL TAX BENEFITS

(a) Resident Members

1. As per section 10(34) of the Act, income earned by the resident member by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising to the resident member from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members.
3. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of: -
 - 20% of the capital gains as computed after indexation of the cost; or
 - 10% of the capital gains as computed without indexation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a “long term specified asset” within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.



6. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

(b) Non-Resident Indian Members

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of: -
 - 20% of the capital gains as computed after indexation of the cost; or
 - 10% of the capital gains as computed without indexation.
5. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.
7. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.
8. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20%. Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10%.
9. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gain 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.

10. 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.
11. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provision 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.
12. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
13. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

(c) Foreign Institutional Investors (FII's)

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30

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

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



the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a “long term specified asset” within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

(d) Mutual Funds

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

(e) Venture Capital Companies / Funds

As per section 10(23FB) of the Act, all Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, under section 115U of the Act, income received by a person out of investment made in a venture capital company or in a venture capital fund will be chargeable to tax in the hands of such person.

UNDER THE WEALTH TAX ACT, 1957

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

NOTES:

- (i) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.
- (ii) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- (iii) All the above benefits are as per the current tax laws (including amendments made by the Finance Bill 2010), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.
- (iv) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.
- (v) This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.
- (vi) The provisions of The Finance Bill of 2010 wherever applicable have been considered even though the same has not yet become the Act.

SECTION IV - ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

MACRO ECONOMIC OVERVIEW: INDIA

Having over \$ 4 Trillion (value in terms of Purchasing Power Parity) of GDP, India is one of world's fastest growing economies. Over the last four years, India's GDP has grown at a CAGR of around 9%. Despite the ongoing global recession, India's GDP for FY2010 is expected to grow over 6.5%. Both the manufacturing and services sectors are expected to contribute to this strong growth.

India's population is currently estimated at 1.15 billion; and is growing at 1.8% a year. Out of the 192 million families (average family size is around 6 persons / family); an estimated 55-60 million families belong to the middle class. India's population is relatively young as around 52% of the population is under the age of 25. One third of the country's total work force is employed in the Manufacturing and Services sectors. With robust growth of these two sectors, incomes in the hands of this one third of the population have been rising by 10-12% per annum. With higher disposable income, there is tremendous propensity to consume a large variety of goods and services.

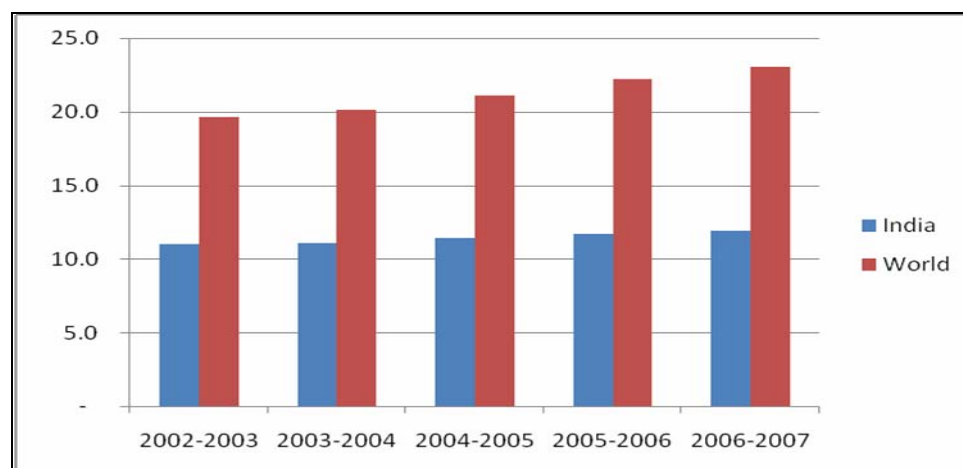
It is important to note that India is the third largest producer of food in the world. The existing per capita food consumption is low; and every rise in income, naturally, translates to higher demand for food products first, particularly in the middle income group.

(Source: http://www.seaofindia.com/bvm_article/BVM_paper_MPOSE_2008.pdf)

Edible Oil Industry: India

India is the third largest consumer and importer of edible oil in the world, next only to China and the US. India's annual consumption of edible oil stands at around 12 million tonnes compared to China's 14.5 million tonnes. Since 1995, Indian share in world production of oilseeds has been around 8-10%. India's per-capita consumption of edible oil stands at 11 kgs/ year compared to China's 18 kgs/ year and US's 34 kgs/ year. India's per-capita consumption is considerably lower compared to the world average, which is pegged at 20 kgs/ year. Demand for oilseeds is driven by increase in human consumption and rise in use of animal feed and other ancillary applications such as soaps, detergents, etc. In India, production of oilseeds has been rising steadily, while on a global level it has been declining; particularly in the US where there is a significant diversion towards corn production is being witnessed.

(Source: FAO)



(Source: Oil World: 2007, Per capita edible oil consumption in kgs/annum)



Different types of Oils, Major Producers and their uses

Type of Oil	Major Producers	Uses
Rice Bran Oil	China, India, Indonesia	Cooking, oil meal, industrial
Olive Oil	EU	Cooking, oil meal, medical
Palm Oil	Malaysia, Indonesia	Cooking, oil meal, soaps, bio-fuels
Soybean Oil	US, Brazil, Argentina	Cooking, oil meal, bio-fuels
Mustard / Rapeseed Oil	China, Canada, India	Cooking, oil meal, bio-fuels
Peanut Oil	China, India	Cooking, oil meal
Cottonseed	China, India	Cooking, oil meal, industrial food Processing
Sunflower Oil	Russia, Argentina, Ukraine	Cooking, oil meal, bio-fuels

(Source: FAO)

Demand and Supply Drivers: India

Edible oil constitutes an important component of Indian households' expenditure on food. A large population and steady economic growth are important contributors to India's increasing consumption and imports of Edible Oils. Considering population growth rate of 1.8% (around 20 million additions every year) and income increases through economic growth (assuming an average of 8.5% a year), consumption demand for vegetable oil is set to expand on an average by 6-7% over the next five years. This translates to roughly 700,000 to 800,000 tons of additional demand every year. By 2010, India's total vegetable oil consumption demand at 4% growth rate is slated to reach 15.6 million tons and further to 20.8 million tons by 2015; and at 6% growth rate, it will be 17 million tons by 2010 and about 25 million tons by 2015.

Year	Population (in Billions) @1.8% growth	Vegetable Oil Consumption					
		4% growth		5% growth		6% growth	
		Per Capita Kgs	Mnt.	Per Capita Kgs	Mnt.	Per Capita Kgs	Mnt.
2007	1.15	11.4	13.2	11.6	13.3	11.7	13.4
2008	1.17	11.9	13.9	12.1	14.2	12.4	14.5
2009	1.19	12.4	14.8	12.7	15.2	13.1	15.6
2010	1.21	12.9	15.6	13.4	16.2	13.9	16.9
2011	1.24	13.4	16.5	14.0	17.3	14.7	18.2
2012	1.26	13.9	17.5	14.7	18.5	15.6	19.6
2013	1.28	14.5	18.5	15.5	19.8	16.5	21.2
2014	1.30	15.1	19.6	16.3	21.2	17.5	22.8
2015	1.33	15.7	20.8	17.1	22.6	18.6	24.7

(Source: www.seaofindia.com - The Indian Oils and Fats Sector Dynamics and Prospects by B.V. Mehta, Executive Director, The Solvent Extractors' Association of India, May 2008)

Edible Oil Demand Projection in India

Parameter	2010	2015
Total Demand (Million Tonnes)	15.6	21.3
Total Area under Oilseeds (Million Hectares)	28	32
Yield (Tonnes/hectare)	1.2	1.4
Production of Oilseeds (Million tonnes)	33.6	44.8
Domestic supply of edible oils (Million tonnes)	10.1	13.4
Total edible oil imports - (Million tonnes)	5.9	8.3



Imports as share of total demand	38%	39%
----------------------------------	-----	-----

(Source: www.seaofindia.com – Article by B.V.Mehta, Executive Director of seaofindia dated 29th May, 2008)

Structure of the Industry

The Indian edible oil Industry is highly fragmented with a large number of small scale producers. Edible oil processing consists of three basic operations

1. Crushing and expelling: These facilities take oil seeds as their raw materials and separate the oil content from its solid form.
2. Solvent extraction: These facilities use oilcake as their raw material and produce the oil through a chemical process. In short it can be said that they chemically remove residual oil from the oilcake.
3. Oil refining: These facilities remove impurities from oil through various processes like de-waxing, degumming etc. to produce refined oil that can be used as an edible oil by the consumers directly.

In many countries, the above three said processing operations are conducted in a single vertically integrated plant. In India, however, only a small share of oilseed production undergoes solvent extraction and oil refining. Instead, India's oilseeds processing sector is made up of the following groups

- Ghanis: Largely cottage industry crushers serving rural villages
- Small scale expellers: More modern facilities with a daily production of up to 10 ton
- Solvent Extractors: Crushing and processing "hard" oilseeds with low oil content
- Oil refiners
- Vanaspati manufacturers

(Source: www.seaofindia.com - Article by B.V.Mehta, Executive Director of seaofindia dated 29th May, 2008)

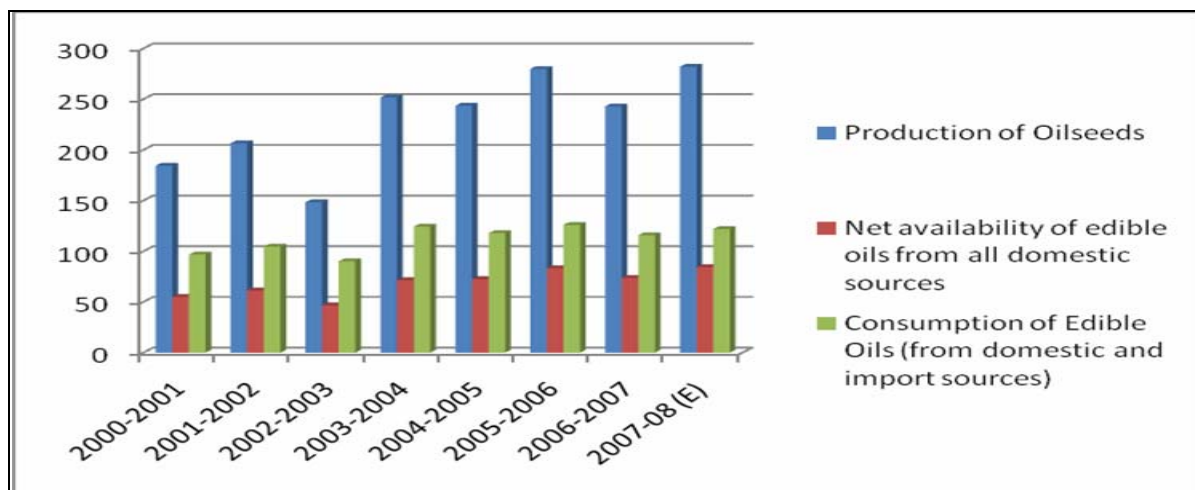
Status of the Vegetable Oil Industry (As on April 2008)

Type of Vegetable Oil Industry	Units	Annual Capacity (Lacs MT)	Average Capacity Utilization (%)
Oilseed Crushing Units	150,000 (Approx)	425 (In terms of Seeds)	10-30
Solvent Extraction Units	779	419 (In terms of Oil-bearing Material)	33
Refineries attached with Vanaspati Units	127	51 (in terms of oil)	45
Refineries attached with Solvent Units	225	37 (in terms of oil)	29
Independent Refineries	585	35 (in terms of oil)	36
Total Refineries	937	123 (in terms of oil)	37
Vanaspati Units	268	58 (in terms of Vanaspati, Bakery Shortening & Margarine)	19

(Source: <http://facmin.nic.in/dfcl/EventDetails.asp?EventId=562&Section=Edible+Oil&ParentID>)

Types of Oils Commonly Used In India

Groundnut, mustard/rapeseed, sesame, safflower, linseed, niger seed/castor are the major traditionally cultivated oilseeds. Soybean and sunflower have also assumed importance in recent years. Coconut is most important amongst the plantation crops. Efforts are being made to grow palm oil in Andhra Pradesh, Karnataka, Tamil Nadu in addition to Kerala and Andaman & Nicobar Islands. Among the non-conventional oils, RBO and cottonseed oil are the most important. In addition, oilseeds of tree and forest origin, which grow mostly in tribal inhabited areas, are also a significant source of oils. Figures pertaining to estimated production of major cultivated oilseeds, availability of edible oils from all domestic sources and consumption of edible oils (from Domestic and Import Sources) during the last eight years are as under:



(Period is Nov-Oct (Oil Year), Figures in Lakh Tonnes, Source: (i) Production of oilseeds: Ministry of Agriculture (ii) Net availability of edible oils: Directorate of Vanaspati, Vegetable Oils & Fat; <http://facmin.nic.in/dfcl/EventDetails.asp?EventId=561&Section=Edible+Oil&ParentID>)

Government Policies

The Government has made many progressive changes in the import policy of edible oils during the past few years. Edible Oil was first de-canalized partially in April, 1994 when import of edible vegetable palmolein was placed under open general license (OGL) subject to 65% of basic custom duty. Subsequently, import of other edible oils was also placed under OGL, except Coconut Oil. The Government has adopted the following ideologies in order to boost the growth of the Edible Oil Industry

- Frequently freezing the minimum support price (MSP) for wheat and rice while increasing the MSP for oil seeds, thereby prompting a diversification from wheat-rice to oil seeds. This is intended to improve the supply of oil seeds.
- Free imports since 1994, have further lowered the entry barrier to the industry as crude or refined oil can be imported, packed and distributed doing away with the need of having manufacturing facility in the domestic market.
- Adopted a modified customs tariff for agricultural products in March 2000. The tariff bindings, subsequent to revision in 1996 and renegotiations within the WTO in 1999, retain the overall structure notified after the Uruguay Round: 100% for commodities, 150% for processed products, and 300% for edible oils. India's bound rates for edible oil are as high as 300% ad valorem, except for 45% on soybean oil, and 75% for rapeseed oil. On all other oils, the Gol can raise the level of customs duty up to 300%.

The major changes that have taken place in the recent years are given in the table below:

Period	Development / Change
August, 2006	Special additional duty of customs not applicable on Vanaspati imported from Nepal. Import duty on Crude Palm oil/ Crude Palmolein reduced from 80% to 70% and import duty on refined Palm Oil/ RBD Palmolein reduced from 90% to 80%.
January, 2007	Import duty on Crude Palm Oil/ Crude Palmolein reduced from 70% to 60%, import duty on refined Palm Oil/ RBD Palmolein reduced from 80% to 67.5%, import duty on Crude Sunflower oil reduced from 75% to 65% and import duty on refined Sunflower oil reduced from 85 % to 75%.
2007-08 (Budget)	Import duty on Crude Sunflower Oil has been reduced from 65% to 50% and import duty on refined Sunflower Oil and other Oils has been reduced from 75% to 60%. Further edible oils (except Soybean oil, rapeseed oil and mustard oil) will attract education cess of 3% of the aggregate of customs duty. Further, all edible oils will not attract Special Additional Duty of customs @ 4%.



April, 2007	Import duty on Crude Palm Oil /Crude Palmolein has been reduced from 60% to 50% and import duty on refined Palm Oil / RBD Palmolein has been reduced from 67.5% to 57.5%
April, 2008	Customs duty on crude and refined forms of Palm Oil, Palmolen, Palm Kernel Oil, Soyaben Oil, Rapessed/Mustard Oil, Sunflower Oil, Safflower Oil, Groundnut Oil, Coconut Oil and some other Vegetable Oils has been reduced to 0% and 7.5% respectively.

(Source: <http://facmin.nic.in/dfpd/EventDetails.asp?EventId=563&Section=Edible%20Oil&ParentID=0&Parent=1&check=0>)

Rice Bran Oil

India is the second largest producer of rice in the world next only to China, having potential to produce about one million ton of RBO per annum. Currently, the industry is processing about 3.5 million tons of Rice Bran producing about 600,000 tons of RBO per annum, of which 480,000 tons is of edible grade and the balance 120,000 tons is of non edible grade.

In India, due to nine National Seminars organized by The Solvent Extractors' Association of India in last nine years, good amount of consumer awareness has been created among the Indian consumers in major cities and metros about the benefits of using healthy oils. Still much more is needed to be done so that the 'Health Oil' occupies a pride place in every kitchen.

RBO is extensively used in Japan, Korea, China, Taiwan and Thailand as a 'Premium Edible Oil'. In Japan, RBO is more popularly known as a 'Heart Oil'. In Western countries RBO has acquired the status of a 'Health Food'. In U.S.A. & Japan, by-products such as soaps, gels, vitamin tablets etc. are prepared from Rice Bran Oil to promote cosmetic use of this oil as 'Beauty Aids'. In U.S.A. research institutes are working on this oil to promote it as 'Massage Oil' which will give beautiful, wrinkle free skin to the actors.

Highly comprehensive research work carried out on RBO by National Institute of Nutrition, Hyderabad, Central Food Technological Research Institute, Mysore and Council of Scientific & Industrial Research, New Delhi certifies RBO as a miracle product obtained from the outer brown layer of rice.

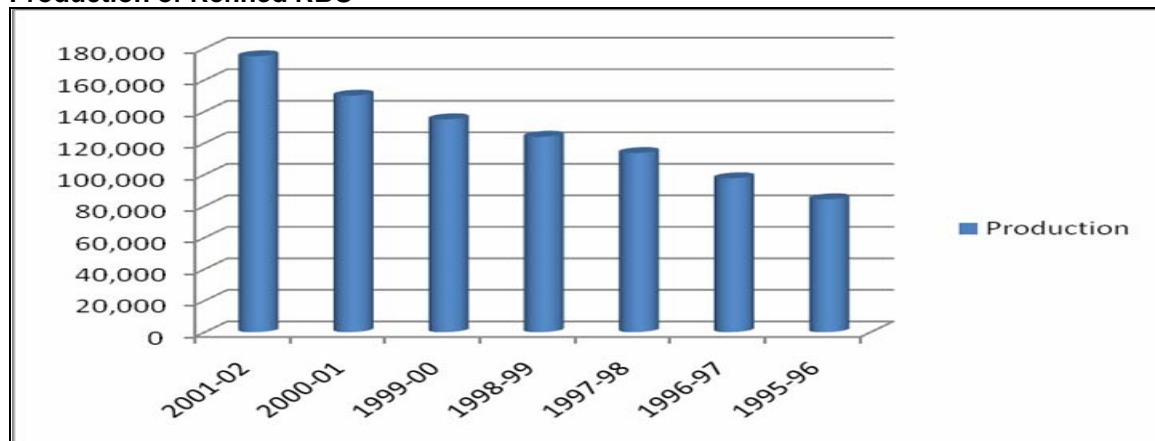
Rice Bran Oil Potential & Actual Exploitation: India (FY2000 – FY2004)

(Million MT)	2003-04	2002-03	2001-02	2000-01	1999-00
Paddy Production	129.6	109.1	139.9	127.5	135.1
Rice Production	86.4	72.7	93.3	85	89.7
Total Rice Bran Potential, (7.5% of Rice)	6.5	5.5	7	6.4	6.7
(Lakh MT)					
RBO Potential, (15% Recovery)	9.7	8.2	10.5	9.6	10.1
Actual Rice Bran Processing	40	38	36	33	33.1
Edible RBO Production	6	5.5	4.3	3.8	3.7
Non-Edible RBO	0.5	0.5	1.2	1.2	1.3
Total RBO production	6.5	6	5.5	5	5
Untapped Potential RBO	3.2	2.5	4.7	4.8	4.2
% of Exploitation	67%	69%	55%	50%	54%

(Source: <http://seaofindia.com/ricebran1.html>)



Production of Refined RBO



(Source: <http://seaofindia.com/ricebran1.html> , Production figures in Million Tonnes)

Saturated/Unsaturated Fatty Acids Profile of RBO

Oil	Fatty Acid % wt.		
	Saturated Fat (SFA)	Monounsaturated Fat (MUFA)	Polyunsaturated Fat (PUFA)
Mustard/Rapessed	6	67	27
Cottonseed	28	22	50
Sunflower	12	21	67
Safflower	10	15	75
Soybean	16	24	60
Palm	51	39	10
Olive	14	77	9
Canola	6	58	36
Corn	13	20	62
Coconut	92	6	2
Palm Kernel	86	12	2
Groundnut	20	50	30
Rice Bran	18	45	37
Recommended (WHO)	28.6	42.8	28.6

(Source: <http://seaofindia.com/Report of WHO-NIN Workshop on Dietary Fats & Non-Communicable Diseases>)

Hypocholesterolemic Activity of Various Edible Oils

Edible Oil	Linoleic acid %	Cholesterol level
Safflower	77.1	-16
Sunflower	61.4	-12
Cottonseed	58	0
Soybean	50.2	3
Sesame	45.9	2
Corn	43	-15
Rice Bran	36	-17
Groundnut	35	5

(Source: <http://seaofindia.com/Report of WHO-NIN Workshop on Dietary Fats & Non-Communicable Diseases>)



Micro-nutrient Profile of Rice Bran Oil

Micro-nutrient	Amount %	Advantage
Tocopherol	0.02-0.08	Antioxidant, Free radical scavenger, Reduce risk of cardiovascular diseases, Arthritis, Cancer, Cataract, Antitumour activities.
Tocotrienol	0.025- 0.17	Cholesterol reduction, Reversing Atherosclerosis, Anticancer (breast, liver), tumour suppression, Antioxidant.
Oryzanol	1.2 - 1.7	Increase good (HDL) Cholesterol, Decreases bad (LDL) Cholesterol, Treats nerve imbalance & Menopause disorder, Retards aging effects, Antidandruff and anti-itching agent.
Squalene	0.3-0.4 (Physically refined RBO)	Antioxidant

(Source: <http://seaofindia.com/Report of WHO-NIN Workshop on Dietary Fats & Non-Communicable Diseases>)

Fat Composition of Some of the Common Edible Oils

	Fatty Acids % by Weight			Natural Anti-oxidants	Remarks
	SFA	PUFA	MUFA		
Recommended	27-33	27-33	33-40		
Butter Fat (Desi Ghee)	67	3	30	-	Very High SFA
Hydrogenated Fat* (Vanaspathi Ghee)	60	-	40	-	Contains Undesirable Trans-Fatty Acids
Palm Oil	50	10	40	Tocopherols Tocotrienols	High SFA.
Safflower Oil (Kardi Oil)	9	78	13	Tocopherols	Very High PUFA.
Sunflower Oil	12	69	19	Tocopherols	Very High PUFA.
Soyabean Oil	15	61	24	Tocopherols	High PUFA.
Corn Oil	13	59	28	Tocopherols	High PUFA.
Cottonseed Oil	26	55	19	Tocopherols	High PUFA.
Mustard Oil	4	29	67	Tocopherols	Contains undesirable Erucic-Acid
Canola Oil	6	32	62	Tocopherols	Closer to the Recommendations
Groundnut Oil (Peanut Oil)	20	32	48	Tocopherols	Closer to the Recommendations
Olive Oil	16	9	75	Tocopherols	Closer to the Recommendations
RBO	22	35	43	Tocopherols Tocotrienols Oryzanol	Closest to the Recommendations

(Source: <http://seaofindia.com/Report of WHO-NIN Workshop on Dietary Fats & Non-Communicable Diseases>.)

Recent Developments

All forms of edible oils and vegetable oils are a potential source of alternative energy. The world has realized the fact that the increasing energy needs would be sufficed by the blending of vegetable oil into petroleum. Also, there has been a growing per-capita consumption of all edible oils during the past. Owing to the above facts the entire Vegetable Oil Industry is performing vibrantly at present all over the world. The whole industry is eager to get into the bio-diesel bandwagon because biodiesel is made from Vegetable Oil. It also happens to be a green or pollution free fuel. Recently, some of the countries in Europe have made it compulsory to mix



some percentage of bio-diesel with petroleum. This percentage is being increased every year. For example Germany has increased its usage from 2% to 5% in last two years. Similarly, in India, the Government is formulating a bio-diesel policy. There are some reservations in formulating a bio-diesel policy because vegetable oil is deficit in India and is being imported in huge quantities. The import bill of vegetable oil in India is second only to petroleum. However, most of the State Governments have taken-up the plantation of Jatropha, as its seed is oil bearing and ideal for bio-diesel. In case Jatropha oil will also be extracted by Vegetable Oil Industry.

As about 50% of country's need of edible oil is met through imports, the Government and the Industry Associations are trying its best to increase the domestic crop so as to reduce dependence on imports. As the crop increases, the availability of raw material will increase resulting in better capacity utilization thereby improving profitability.

Some of the scientifically proven facts about RBO based on research and studies conducted from time to time are enumerated below:

- Human trials conducted in the National Institute of Nutrition, Hyderabad, have confirmed significant reduction in total cholesterol particularly the triglyceride levels by using RBO as compared to other conventional cooking oils.
- Studies conducted in the Central Food Technological Research Institute (CFTRI), Mysore, a premier research institute of the Government of India, had shown significant reduction of bad cholesterols (LDL + VLDL) and increase in good cholesterols (HDL) in rats fed with refined RBO for 11 weeks as compared to rats fed with Groundnut Oil although the fat composition of both the oils is similar. The study has attributed the better cholesterol lowering ability of RBO to its unique "Oryzanol" and some other micro nutrients present in it.
- Studies conducted in Japan have shown that RBO has better cholesterol lowering power than Sunflower Oil, Corn Oil and Safflower Oil.
- Studies conducted by Reputed Scientists of Tufts University, Boston and University of Massachusetts Lowell, U.S.A.; have demonstrated greater reduction in bad cholesterol by feeding physically refined Rice Bran Oil to hamsters (animals) as compared to Canola Oil (a low erucic acid variety of Rape/Mustard Oil) and Coconut Oil.
- Studies conducted in the University of Lowell, U.S., have revealed that RBO has significantly better cholesterol lowering properties than popular Olive Oil.
- Studies conducted in Taipei Medical University, Taiwan, have shown that RBO is effective in increasing insulin sensitivity in case of Type 2 Diabetes. Thus RBO also helps to control Diabetes.

(Source: http://seaofindia.com/articles_arsharma-RB%20Oil%20a%20Unique%20Health%20Oil.html)

Based on the research carried out it is being accepted that RBO has beneficial effects as mentioned below:

- Contains Oryzanol that increases HDL (good Cholesterol) and lowers LDL (bad Cholesterol) and triglycerides
- Contains the ideal ratio of saturated, monounsaturated and polyunsaturated fatty acids and is the closest to World Health Organization recommendation
- Contains Squalene, which improves skin tone and delays wrinkle formation
- Contains natural antioxidants that protect against diseases
- Contains 4 hydroxy 3 methoxy Cinnamic acid, which stimulates hormonal secretion and rejuvenates health
- It has Tocopherol (Vit. E), which helps in maintaining balance of nervous system
- It contains Tocotrienol that has anti-thrombotic and anti-Cancer properties
- Food fried in refined RBO absorbs 15% less oil resulting into lower calorie intake
- Contains more micronutrients
- More stable at higher temperature
- Frying takes less time, saves energy
- Anti-viral capability
- Oil is less sticky, saves soap

- Gives better taste & flavor to food items
- Contains the ideal ratio of saturated, monounsaturated and polyunsaturated fatty acids and is the closest to World Health Organization recommendation
- Contains Squalene, which improves skin tone and delays wrinkle formation
- Contains natural antioxidants that protect against diseases

(Source: <http://seaofindia.com/Report of WHO-NIN Workshop on Dietary Fats & Non-Communicable Diseases, July 7-8,2005, held at NIN, Hyderabad>)

OLIVE OIL

India is only a consumer and not a producer of olive oil. India presently imports its olive oil requirement from countries largely forming part of EU. As per the Indian Olive Association (IOA), India presently consumes 4,500 tonnes of Olive oil per year. The consumption has grown by 73% in the last two years. Further, IOA forecasts that the consumption of Olive oil in India is expected to grow to 42,218 tons by 2012, translating a whopping 75% CAGR growth over the next four years. Olive oil has generated immense interest amongst the higher income group in India (around 35 million) as it has been proven that it works very well in lowering cardiac diseases substantially.

Olive Oil Consumption & Growth Estimates

In MT	2006	2007	CAGR (06-07)	2010 (E)	CAGR (07-10)	2012 (E)	CAGR (E) (10-12)	CAGR (E) (07-12)
Edible	750	1,410	88%	24,000	157%	40,000	29%	95%
Non-edible	750	890	19%	1,540	20%	2,218	20%	20%
Total	1,500	2,300	53%	25,540	123%	42,218	29%	79%

(Source: <http://www.indolive.org/growth.htm>)

Types of Olive Oil

Extra Virgin Oil: It comes from the first cold-pressing of olives, with an absolutely impeccable taste and aroma, fruity, contains not more than 0.8% acidity and is judged to have a superior taste, used a primary ingredient, enriches the taste of food.

Pure Olive Oil: A blend of refined olive and extra virgin olive oil (acidity<1%). Typically, used as the base for salad dressings and in general cooking. It is a wonderful medium for frying.

Olive Pomace Oil: A blend of refined olive pomace oil and extra virgin olive oil fit for human consumption and used for deep frying.

Recent Developments

The government has in the recent past reduced import duty on olive oil to 7.5% from the existing 45%; but the prices of olive oil has remained stable owing to a continuous rise in exchange rates. Olive oil prices in the domestic market ranges from Rs 400 to Rs 900 for different grades.

India is taking to the olive plantation for the first time in the form of a pilot project in Rajasthan in collaboration with an Israeli firm 'Indolibe Enterprises' and Pune-based 'Plassron Industries' for cultivation in over 250 hectares. If the project becomes successful, the Rajasthan government is planning to extend the cultivation to about 25 million hectares. Punjab and Himachal Pradesh have also announced similar projects with 'Indolibe Enterprises' and Spain-based 'Sojivit', respectively, for cultivation in over 300 hectares.

(Source1: <http://www.olives101.com/>)



World Production Scenario (1,000 tonnes)

	2004/5	2005/6	2006/7	2007/8 (prov.)	2008/9 (prév.)
Algeria	34	32	22	24	35
EC	2,357	1,929	2,031	2,043	2,140
Cyprus					
Croatia	5	5	4	5	6
Egypt	3	3	11	8	5
Iran	4	5	4	5	3
Israel	9	3	9	4	7
Jordan	29	22	37	22	17
Lebanon	6	6	6	6	8
Libya	13	9	11	13	15
Morocco	50	75	75	80	90
Montenegro	1	1	1	1	1
Syria	175	100	154	100	125
Tunisia	130	220	160	170	160
TOTAL A	2,814	2,408	2,523	2,478	2,611
Saudi Arabia			3	3	3
Argentina	18	23	15	25	20
Australia	5	9	9	12	13
Chile			5	7	9
USA	2	1	1	2	2
Mexico	3	2			
Palestine	20	10	32	20	32
Turkey	145	112	165	72	159
Other Producing Countries	7	8	15	15	18
TOTAL B	199	165	244	156	256
WORLD	3,013	2,573	2,767	2,633	2,867

(Source: International Olive Oil Council, November 2008)

World Consumption Scenario (1,000 tonnes)

	2004/5	2005/6	2006/7	2007/8 (prov.)	2008/9 (prév.)
Algeria	38	35	23	25	34
EC	2,079	1,918	1,905	1,890	1,970
Cyprus					
Croatia	5	5	5	5	7
Egypt	3	2	8	7	5
Iran	5	7	6	8	7
Israel	16	17	15	16	16
Jordan	25	19	21	24	24
Lebanon	5	6	5	5	5
Libya	12	9	11	13	15
Morocco	38	55	65	65	70
Montenegro	1	1	1	1	1



Syria	135	79	110	80	90
Tunisia	44	38	45	60	35
TOTAL A	2,405	2,189	2,219	2,197	2,278
Saudi Arabia	6	5	6	8	7
Argentina	5	6	3	5	6
Australia	33	35	48	40	45
Brazil	27	26	35	40	35
Canada	32	30	33	31	32
Chile			5	6	8
USA	216	223	248	246	251
Japan	32	30	31	29	29
Mexico	12	12	10	7	8
Norway			4	4	4
Palestine	10	10	15	15	17
Russia	9	10	11	13	14
Switzerland	11	12	12	12	12
Taiwan	5	4	4	4	4
Turkey	60	50	80	85	90
Other Producing Countries	13	10	14	14	14
Other non-Producing Countries	51	42	25	25	25
TOTAL B	519	502	580	581	598
WORLD	2,924	2,691	2,799	2,778	2,876

(Source: International Olive Oil Council, November 2008)

Recent Government Initiative

The Indian government has proposed to establish new purity standard for olive oil by amending the Prevention of Food Adulteration (PFA) Rules, 1955. The PFA rules are being amended to harmonize the Indian laws concerning olive oil purity with that of the internationally accepted CODEX which is a WHO/FAO initiative to ensure food purity. The Codex Alimentarius Commission was created in 1963 by FAO and WHO to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Program. The draft amendments are available with the ministry and are likely to be notified shortly. India is set to become a huge market for imported olive oil but certain rules in the PFA were said to be an impediment in importing various kinds of olive oil. The change to the PFA rules is meant to ensure that India follows internationally accepted norms of olive oil purity.

(Source: <http://www.foodindustryindia.com:9080/>)

Some Beneficial Effects of Olive Oil is that it acts as Dietary treatment of diabetes; helps in controlling blood pressure and increases the bone mass. It regulates digestive systems by protecting against the gastritis and ulcers and prevents the possibility of formation of gall bladder stones. Strengthen the gums, maintains teeth's whiteness; useful in maintaining body hygiene and helps in protecting the skin from the sun and the cold.

(Source: <http://lifestyle.iloveindia.com/>; <http://www.internationaloliveoil.org>)

The growth in Rice bran oil and olive oil is largely associated with the general health and wellness industry's developments. Due the higher purchasing power, a high number of young people, growing culture of unhealthy junk foods, diminishing habit of exercising and unhealthy diet in general has created an alarming health situation in the country. The following throws light on some of the key facts and figures of the current health and wellness industry's development in India.



India is now ranked no. 1 globally in terms number of cardiac patients with a 10% population in total affected compared to US/Europe's 7% and China's 4%. Heart diseases are expected to be single largest 'killer' in India by 2015. Presently, some 50 million people suffer from heart problems, which are expected to grow to 100 million by 2010. India has one of the highest growth rates of heart problem among young executives: one among every eight is below 40 years. Heart attacks among executives stands at 10 years ahead of global average age.

Around 31% of the urban population in the country is either overweight or obese. Obesity increases the risk of heart disease by three times. Besides obesity, hypertension & stress, especially from work, account for more than 50% of heart ailments. Some 100 million people presently suffer from high blood pressure. It is expected that two out of every three working person in India is a stress victim. Over 40% of the urban population has a high lipid level (cholesterol and triglycerides), which is a major cause for the heart diseases.

(Source: <http://www.indolive.org/lifestyle.htm>, WHO)

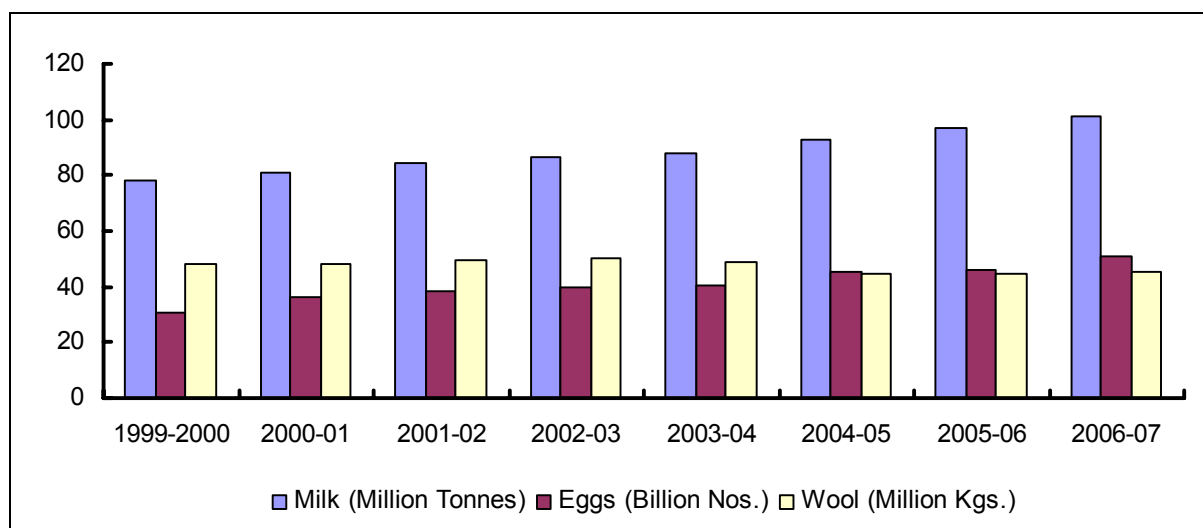
The above signifies that India is rapidly becoming the global capital of heart, obesity, blood pressure and hypertension related diseases mainly arising out of high intake of unhealthy oil in our regular diet. Regular use of 'heart-friendly healthy' oils like RBO and Olive oil would surely decrease the heart ailment rates. Various developed and developing countries like Japan, Korea, China, Taiwan and Thailand use RBO as a 'Premium Edible Oil' and the perception about the usefulness of the oil is changing and is likely to boost its consumption. Further, by-products such as soaps, gels, vitamin tablets etc. are prepared from RBO helps it promote cosmetic use of this oil.

Various government initiatives like reduction of import duty on olive oil to 7.5% (45% earlier) would significantly boost the import and thereby the distribution and consumption of olive oil in India. Recent olive oil plantation initiative taken-up by various state governments like Rajasthan, Punjab and Himachal Pradesh shows the seriousness of the government in boosting the production and consumption of olive oil in India.

Livestock Industry Overview: India

The livestock and fisheries sector's contribution to the total GDP during 2006-07 was 5.26%. As per the Central Statistical Organization (CSO), the value of output from livestock and fisheries sectors put together was around Rs. 2,507.6 billion (at current prices) during 2006-07 (Rs. 2,106.3 billion for livestock sector and Rs. 401.3 billion for fisheries). This constitutes to about 31.7% of the value of output of Rs. 7,909.8 billion from Agriculture & allied sector, in total.

Animal Husbandry sector provides large self-employment opportunities. According to the National Sample Survey Organization's latest survey (July 2004-June 2005 NSS 61st round), the estimate of employment in animal husbandry sector was 11.4 million in principal status and 11.0 million in subsidiary status, which is 5.5% of the total working population of the country. Out of the 22.45 million engaged in animal husbandry sector, 16.8 million are females.



(Source: http://dacnet.nic.in/eands/At_Glance_2008/livestock_new.htm)

Share of Agriculture and Livestock Sector in GDP – (At Current Prices in Rs Billion)

Year	Total GDP	Agriculture Sector GDP	% to Total GDP	Livestock Sector GDP	% to Total GDP	% to GDP- Agriculture Sector
2000-01	19,302	4,146	21.5	1,030	5.3	24.9
2001-02	20,974	4,418	21.1	1,088	5.2	24.6
2002-03	22,556	4,183	18.6	1,080	4.8	25.8
2003-04	25,434	4,822	18.9	1,144	4.5	23.7
2004-05	28,439	5,011	17.6	1,239	4.4	24.7

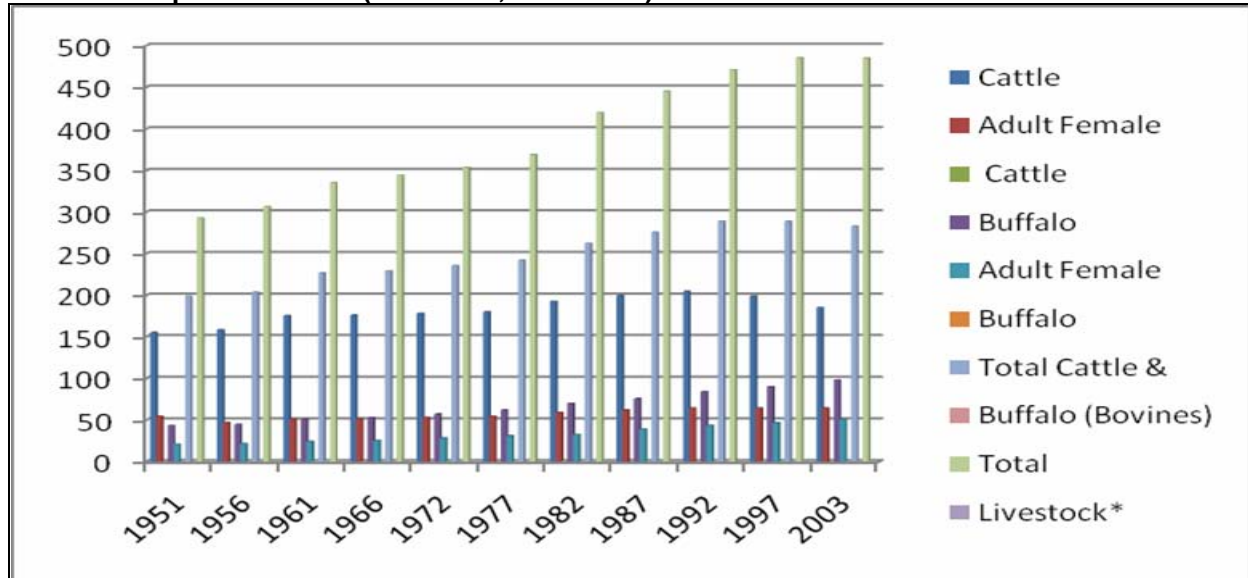
(Source: *Basic Animal Husbandry Statistics 2006, Department of Animal Husbandry, Dairying & Fisheries*)

The Livestock Sector not only provides milk, eggs, meat, etc. but also plays an important role in utilization of non-edible agricultural by-products. Livestock also provides raw material by products such as hides and skins, blood, bone, fat, etc. During 2006-07, the contribution of milk alone (Rs 1443.9 billion) was higher than paddy (Rs 850.3 billion), wheat (Rs 667.9 billion) and sugarcane (Rs 284.9 billion). The value of output from meat group as per estimates of CSO at current prices was Rs 343.1 billion during 2006-07. Total export earnings from livestock, poultry and related products were Rs 52.1 billion during 2006-07.

India to its credit owns a vast resource of livestock and poultry, which play a vital role in improving the socio-economic conditions of its rural as well as urban population. India ranks first in respect of buffalos, second in cattle and goats, third in sheep, fourth in ducks, fifth in chickens and sixth in camel population in the world. India enjoys the credit of having around 57% of the world's total buffalo population.



Livestock Population: India (1951-2003, in millions)

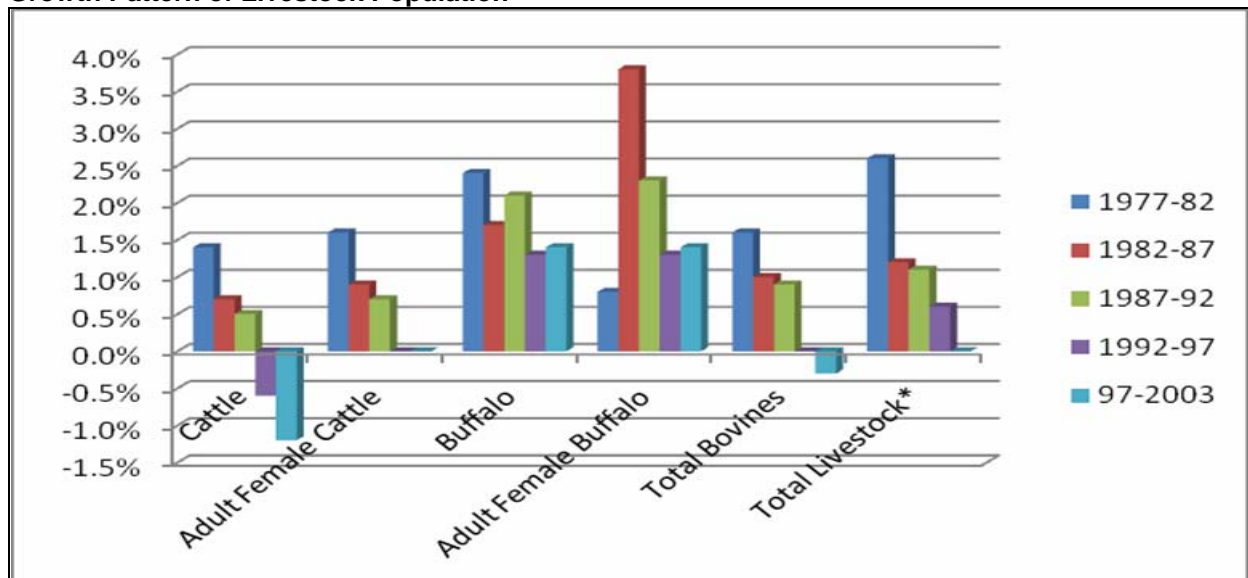


2003 Figures in Detail

Species	Cattle	Adult Female Cattle	Buffalo	Adult Female Buffalo	Total Cattle & Buffalo (Bovines)	Total Livestock*
2003	185.2	64.5	97.9	50.9	283.1	485

* Total Livestock besides bovines include Sheep, Goat, Horses & Ponies, Camels, Pigs, Mules, Donkeys and Yak (Source: DAHD)

Growth Pattern of Livestock Population



* Total Livestock besides bovines include Sheep, Goat, Horses & Ponies, Camels, Pigs, Mules, Donkeys and Yak (Source: DAHD)

Dairy Industry Overview: India

India remains the number one milk producing country in the world since 1988 despite which the per capita consumption is lower than that of the world. The World milk production is estimated at 613 million tonnes and is growing at a CAGR of 1.1%. India's milk production stands at 91 million tonnes and is growing at a CAGR of 4%. Resultantly, India contributes four million tonnes to the world's incremental production of 7.5 million tonnes. Despite a higher growth rate, the per-capita availability of milk in India is low at 229 grams/ day as compared to the global average of 285 grams/ day. Buffalo milk is now estimated to account for 57% of the total milk produced in India.

India has a unique pattern of production, processing, marketing and consumption of milk, which is not comparable with any large milk producing country. Approximately 70 million rural households (primarily, small and marginal farmers and landless laborers) in the country are engaged in milk production. Over 11 million farmers are organized into about 100,000 village Dairy Cooperative Societies (DCS, about 110 farmers per DCS). The cumulative milk handled by DCS across the country is about 18 million kg of milk per day. These cooperatives form part of a national milk grid which links the milk producers through out India with consumers in more than 700 towns and cities bridging the gaps on account of seasonal and regional variations in the availability of milk.

About 35% of milk produced in India is processed. The organized sector (large scale dairy plants) processes about 13 million tonnes annually, while the unorganized sector (halwais and vendors) processes about 22 million tonnes per annum. In the organized sector, there are 676 dairy plants in the Cooperative, Private and Government sectors registered with the Government of India and the State Governments.

Uttar Pradesh tops in milk production in India. There are as many as 25 well-defined breeds of cattle and six well-defined breeds of buffaloes in India. A few breeds are the dairy type in which females yield a large quantity of milk and males work. A majority of breeds are the draught type where females don't produce much milk but bullocks are of a high quality. There are also "dual-purpose" breeds where females yield a moderate quantity of milk and males are good working bullocks. Well-defined breeds are found in dry parts of the country while cattle in areas of heavy rainfall like south and east India usually do not belong to any definite breed.

(Source: Annual Report 2006-07, Ministry of Food Processing Industries, Government of India)

World Estimates of Milk Production - 1990 To 2004 (Million Tonnes)

Year	Cow	Buffalo	Goat	Sheep	Total*	India to World
1999	483.5 (84.9)	65.4 (11.5)	11.4 (2.0)	8.2 (1.4)	569.8 (100.0)	78.3 (13.7)
2000	491.2 (84.8)	67.4 (11.6)	11.6 (2.0)	8.1 (1.4)	579.6 (100.0)	80.6 (13.9)
2001	497.6 (84.4)	70.4 (11.9)	11.9 (2.0)	8.3 (1.4)	589.4 (100.0)	84.4 (14.3)
2002	508.9 (84.4)	72.3 (12.0)	12.2 (2.0)	8.1 (1.3)	602.7 (100.0)	86.2 (14.3)
2003	518.5 (84.2)	75.5 (12.3)	12.5 (2.0)	8.3 (1.3)	616.1 (100.0)	88.1 (14.3)
2004	523.4 (84.1)	76.5 (12.3)	12.5 (2.0)	8.6 (1.4)	622.3 (100.0)	92.5 (14.9)

(Source: Basic Animal Husbandry Statistics 2006, DAHD, * Milk total for World includes Camel milk, Figures in brackets show %)

Production and Per Capita Availability of Milk: India (For FY2001 - FY2008)

Year	Production (Million Tonnes)	Per Capita Availability (gms/day)
1991-92	55.7	178
1992-93	58	182
1993-94	60.6	187



1994-95	63.8	194
1995-96	66.2	197
1996-97	69.1	202
1997-98	72.1	207
1998-99	75.4	213
1999-2000	78.3	217
2000-01	80.6	220
2001-02	84.4	225
2002-03	86.2	230
2003-04	88.1	231
2004-05	92.5	233
2005-06	97.1	241
2006-07	100.9	246
2007-08	104.8	252

(Source: Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Govt. of India; <http://www.nddb.org/statistics/milkproduction.html>)

Cattle Feed Overview: India

Cattle feeding routines in India has remained quite traditional in the past. Farmers select their own ingredients and make their own mixtures of feed. The productivity of cattle is restricted because of their poor genetic make up. This means that even if such cattle were offered high-quality compound feed (industry feed), productivity may not see an increase. Oil cakes, maize and cereal by products are important ingredients of cattle feed. Coarse grains and cottonseed are usually added to make a balanced feed mixture. Other products like mango seed kernel, mahowa cake, neem cake, soya pulp, wheat bran, pollard, broken rice, wheat germ and whey powder may also be used for feeding livestock.

Commercial cattle feed consists of raw material such as cornstarch, liquid glucose, dextrose, sorbitol, fabrilose, maltodextrin, corn gluten meal, soy meal, rape meal and mineral mixtures. Intake of cattle supplements improves the general health condition of cattle and leads to a high yield of good quality milk that is rich in fat, protein and sweetness. Some of the key technical specifications of various ingredients largely used to manufacture high quality cattle feed:

- **De-oiled Rice Bran (Rice Bran Extractions / Meal):** Rice Bran extractions though grouped in the starchy low energy feed materials, has a 14%-16% protein content of excellent quality. Rice bran extractions have a very low fat content (0.5% - 1%) and are therefore free from rancidity problems. Though cheap, it is rich in the valuable amino acids-methionine, cystine & lysine and phosphorus-avital and expensive mineral. Further, because of its low fibre content and adequate metabo- lisable energy, the de-oiled rice bran is in great demand for use in poultry as well as in cattle feed.
- **Sal Seed Extraction:** Sal seed extraction can be beneficially used to decrease the ruminal degradation of other proteins in the compound feed in order to increase their biological values for ruminants and is preferred for use in cow feed.
- **Soybean Extraction / Meal:** The Indian soybean extractions has a high pro-fat content (49% - 50%) compared to a 44% pro-fat content of China and other Western countries and is very well accepted in the international market.
- **Groundnut Extraction:** India is in a position to offer groundnut extraction having protein content varying from 41% - 50% with aflatoxin content of less than 0.5% 0.2% or 0.05 ppm. Groundnut extraction is a very good vegetable protein for poultry feed and can be used up to the level of 25%.



- **Cotton Seed Extraction / Meal:** Decorticated cotton seed meal is one of the best protein supplements for dairy cows, buffaloes and sheep. It has been highly recommended for incorporation in the formulated feed so as to function as a by-pass protein to raise the milk yield.
- **Copra Extraction / Coconut Meal:** Coconut meal is fed mostly to dairy cattle. Though it is comparatively a moderate protein (20-22%) source, it is highly palatable and its protein has a very high by-pass value. The copra meal produces firm butter of exceptional quality if it is used in cattle feed preparations.
- **Safflower Seed Extraction / Meal:** Undecorticated safflower seed extraction with 20% crude protein rich in methionine is useful as an ingredient in formulated poultry feed. It is also used in cattle feed along with other meals such as cotton seed meal.

Technical Specifications

Technical Specifications																Metabolisable Energy KCal / Kg			
In Meals / Extractions	(%) fat	Normal Specifications					Nutrients					Essential Amino Acids					Ca	P	Cattle
		Oil & Alb u - min (Pro - fat) Min	San d / Silic a Max	Fib er Max	Cast or Max	Moi s ture Ma x	Dr y M a tte r	Protein		Tota l Dige stibl e Nutri ent TDN	Lys	Me t	Cy st	Thr	Try p				
								Total Crud e Protei n CP	Dige stible Crud e Protei n DCP										
De-oiled Rice Bran		16	3	12	Nil	12	91	15	9.9	60	0.46	0.24	0.13	0.48	0.14	0.11	0.17	2206	
Copra		22/23	2.5	15	Nil	10	93	22	18	77	0.59	0.29	0.33	0.65	15	0.22	0.06	2650	
Soybean *		48/49	2	6	Nil	11	89	48	47	79	2.9	0.7	0.8	1.8	0.62	0.22	0.07	2784	
Groundnut **		50	2.5	12	Nil	10	92	47	39	68	1.7	0.5	0.62	1.28	0.5	0.2	0.06	2750	
		45	2.5	12	Nil	10	92	43	36	65	1.5	0.45	0.56	1.16	0.45	0.2	0.06	2700	
Cotton Seed *** (Toasted)		40	2.5	14-Dec	Nil	10	91	39	32	64	1.5	0.6	0.6	1.28	0.49	0.2	1	2314	

Note:

* Urease activity max 0.30%

** Aflatoxin content less than 0.5, 0.2 or 0.05 ppm quality available

*** Free gossypol - very low. Lys = Lysine, Met = Methionine, Cyst = Cystine, Thr = Threonine, Tryp = Trypsin
(Source: <http://seaofindia.com/>)

According to the 'Feed and fodder supply programme, DAHD' the daily requirement of cattle feed for high yielding cows and buffaloes comes to about 14-15 Kgs. Hence, the market size for cattle feed in India should come to around 42 million tonnes (number of bovines in 2003 census multiplied by 15Kgs of feed). The demand of the cattle feed would grow with the growth in the number of bovines in India. Various proactive policy and financial measures have been taken by the 'The Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Government of India' (DAHD) to boost the growth in the livestock sector as a whole. Typically, the focus of DAHD has always been majorly into the field of bovines besides fisheries, poultries and dairy segments. The following paragraphs details the recent developments on the policy and monetary fronts from DAHD.

(Source: National Portal Content Management Team, Reviewed on: 13-06-2008;
http://india.gov.in/citizen/agriculture/cattle_feed.php)

Tenth Plan Highlights

DAHD was initially allocated Rs 25 billion for the 10th Plan. Out of this, the Department utilized Rs 23.5 billion, which is 94% of the BE allocation and 96% of the actual outlay provided during the 10th plan. This indicates



a significant utilization improvement compared to a mere 62% of the BE allocation and 44 % of the actual outlay during the ninth plan. The Department made following major achievements during the 10th plan:

- The contribution of these sectors to the GDP during 2006-07 was 5.26%
- India became free from Rinderpest Infection and Contagious Bovine Pleuro Pneumonia disease
- India continues to be the largest milk producer and the third largest egg producer in the world
- Significant importance given to cattle and buffalo breeding
- Livestock production including fish and fish products enhanced substantially
- Livestock Insurance scheme was launched
- National Fisheries Development Board was set up in order to take up fisheries development schemes in a more purposeful and coordinated manner

Eleventh Plan Proposals

The Planning Commission has indicated an outlay of Rs 81.8 billion for DAHD for the 11th Plan, significantly higher from the previous plan. This includes Rs 42.4 billion for Animal Husbandry, Rs 7.8 billion for Dairy Development, Rs 27.8 billion for Fisheries, Rs 350 million for Secretariat & Economic Services and Rs 3.4 billion for the Special Package for Livestock & Fisheries in 31 suicide-prone districts (Andhra Pradesh, Karnataka, Maharashtra & Kerala). The 11th plan targets a 6-7% growth per annum for the livestock sector as a whole, with milk group achieving a growth of 5% per annum and meat and poultry achieving a growth of 10% per annum. The strategy for the 11th plan is based on the following considerations:

- Need for institutional restructuring of the existing development machinery, both at the national and state level
- Sustainable and financially viable livestock farming, which will generate wealth and self-employment through entrepreneurship, is the need of the day
- Initiatives on the pattern of producers' organizations like 'Anand' need to be taken up in other livestock products, especially, meat and poultry
- Need to provide efficient and effective decentralized services at the doorstep of livestock farmers
- Mechanism for transfer of technological development to the producers' to be instituted
- Need to build a line of credit to meet the requirement of livestock sector

Steps Taken by the Government to Scale-up the Animal Husbandry Sector

As already mentioned earlier the growth in the number of bovines for the periods 1992-1997 and 1997-2003 has been negative. There are various reasons behind this de-growth, quality of nutrition being a major one. DAHD has taken various proactive steps to accelerate the growth in the animal husbandry sector in India, which includes opening-up of various development and breeding organizations and increasing the coverage of monetary and advisory assistance to a very broad segment. Some key steps initiated in this directions are listed below.

- **Central Cattle Development Organizations:** This include seven Central Cattle Breeding Farms, one Central Frozen Semen Production and Training Institute and four Central Herd Registration Units established in different regions of the country to produce genetically superior breeds of bull calves, storage of good quality frozen semen and for identification of locations of superior germplasms of cattle and buffaloes, so as to meet the requirement of bulls and frozen semen in the country.
- **National Project for Cattle & Buffalo Breeding (NPCBB):** NPCBB was initiated in October 2000 for a period of ten years, to be implemented in two phases, with an allocation of Rs. 4 billion for Phase-I. The Project envisages genetic up-gradation on priority basis and also focuses on the development and conservation of important indigenous breeds. The project provides 100% grant-in-aid to the State Implementing Agencies (SIAs). The objectives of the scheme are:
 - To arrange delivery of vastly improved artificial insemination service at the farmers' doorstep
 - Bringing all breedable females among bovines under organized breeding through artificial insemination or natural service by high quality bulls within a period of ten years
 - Undertaking breed improvement program for indigenous bovines in order to improve the genetic makeup and their availability
- **NPCBB (Phase-II):** Phase-II of the NPCBB for bovine breeding has been initiated from December, 2006 for a period of five years (2007 to 2011) with an allocation of Rs.7.8 billion. Phase-II will provide self-

employment to about 20,000 AI practitioners in delivery of AI at the farmer's doorstep. The proposal aims to bring 80% breed able females among bovines under organized breeding through artificial insemination or natural service by high quality bulls. It also envisages undertaking breed improvement programme for indigenous bovines in order to improve the genetic make-up as well as their availability. Major Components of NPCBB Phase-II are:

- Streamlining storage and supply of liquid nitrogen
- Bull production programme
- Introduction of quality bulls with high genetic merit
- Quality control of goods and services at sperm stations, semen banks and training institutions
- **Increase in coverage of breed able animals:** Semen production in the country has increased from 22 million straws (1999-2000) to 39 million straws (2006-2007) and the number of inseminations has increased from 20 to 34 million. As per the impact analysis report submitted by NABARD, overall conception rate has increased from 20% to 35%. The coverage of the breed able bovine population has increased from 16% to 34%.
- **Feed and Fodder Development:** The nutritive value of feed and fodder has a significant bearing on productivity of livestock. Due to increasing pressure on land for growing food grains, oil seeds and pulses, adequate attention has not been given to the production of fodder crops. Further, on account of diversified use of agriculture residues, the gap between the demand and supply of fodder is increasing. Frequent droughts in several states have also brought out the need to develop fodder banks in vulnerable areas and strategies for improving the supply/transportation of fodder from one region to other regions in the country. Presently, the Department is implementing a central sector scheme, Central Fodder Development Organization and a 'Centrally Sponsored Fodder Development Scheme'(CSFDS).
- **CSFDS:** This scheme provides central assistance to States to supplement their efforts in feed and fodder development. The scheme is being implemented from 2005-06 with the following four components:
 - **Assistance to Fodder Block Making Units:** The livestock feed is presently based on dry roughage from crops. The bulk density of fodder, hay and straws after thrashing is very low and hence requires large storage space. Farmers neither have sufficient space nor time between harvesting of mature crop and sowing of next seasonal crop. As a result, crop residues, which are otherwise suitable for feeding, are quite often burnt in the fields. India produces approximately 393.9 million tons of crop residues annually, which could be useful for feeding the country's livestock population. Densification of roughage and waste crop residues in compact blocks is an effective solution for livestock feed management. It is also possible to formulate complete animal feed blocks using straw and diet supplements such as molasses, concentrates, minerals and salt. The activity could thus play an important role in productive utilization of crop residues. This will also enable efficient and cost effective transport of fodder upon its densification into fodder blocks. Up to 10 tons of feed blocks can be easily transported in a truck against 4 tons of loose fodder. The main emphasis here is on the prevention of wastage of crop residue and its concurrent utilization for livestock feeding by conversion into fodder blocks and bales. In order to encourage setting up of such units, an assistance of up to 25% of the investment cost is provided under the scheme. This assistance is provided for units under public or private entrepreneurship, including cooperatives and Self Help Groups.
 - **Grassland Development including grass reserves:** The scheme envisages improvement of degraded grasslands and rehabilitation of problematic soils like saline, acidic and heavy soils through vegetation cover. Under this programme, planting of specific grasses and legumes suitable for particular type of soil is promoted so that a vegetation cover may be provided to give fodder as well as to rehabilitate the degraded areas. The fertility status of land will also be improved by introducing suitable legumes. Grasslands requiring regeneration through the process of natural recovery by closure/exclusion of biotic interference are also eligible for funding under the scheme. This would involve fencing of the area, establishment of soil and moisture conservation structures to support natural regeneration such as contour bunding, furrowing, ploughing, fertilization, etc. A 10-hectare unit of such land is provided up to a maximum of Rs 1 million per unit for grassland development, keeping in view the quality of identified piece of land.
 - The degraded grasslands will be slowly improved by introducing suitable grass cover on the same. The extensive erosion presently taking place on these lands will be minimized. The biomass



produced will help to minimize the gap between availability and requirement. The forage obtained from these lands could be utilized for establishing fodder bank. The biomass production from grassland will be cheaper and support animal production. The Government of India provides 100% grant-in-aid to the Departments of Animal Husbandry and Departments of Forests for rehabilitation of degraded pasture/grasslands. NGOs/Village Panchayats are also involved for development of grassland on Panchayat land and other Common Properties.

- **Fodder Seed Production and Distribution Programme:** The area under fodder cultivation has remained static on account of preference for more remunerative grains, oil seeds and other cash crops. It is, therefore, necessary to produce high yielding varieties of fodder seed to make fodder production more remunerative. In order to encourage the fodder seed production in states, it is proposed to assure procurement of fodder seeds by making arrangement for buy-back of fodder seeds from the farmers. Under this component, 75% of the procurement price is provided for purchase of fodder seeds from the farmers. The State Government furnishes a firm commitment for purchase of fodder seeds from such farmers. The buy-back arrangement ensures interest of the farmers in taking up fodder seed production activity. The State Government furnishes, in its proposal, the details of fodder seeds, the extent of area, details of farmer with whom buyback has been entered into along with the modalities of this arrangement.
- **Biotechnology Research Projects:** Research projects/special studies in collaboration with research institutes/ agriculture universities etc. in the field of feed and fodder can be undertaken under the scheme. Research projects on feed and fodder involving bio-technology can be initiated for which 100% Central grant is provided.

(Source: [dahd.nic.in/rep/Annual%20Report%202005-06%20\(English\).pdf](http://dahd.nic.in/rep/Annual%20Report%202005-06%20(English).pdf))

Recent Developments

During FY2008 and FY2009 the cattle feed industry witnessed an abnormal and steep increase in the price of almost all the ingredients, which was never experienced in the past. The price of several ingredients has almost doubled during the last two years. Consequently the poultry and cattle feed industry through out India was seriously affected. The major reasons behind the increase in price of ingredients are as follows:

- Failure of the crops mainly due to drought
- Forward commodity trading
- Grains being used for manufacture of biodiesel and ethanol
- Governments' stubbornness in holding the retail price of milk at uneconomical levels for farmers
- Sudden spurt in crude oil prices coupled with double digit inflation during June, 2008

The industry has taken the following critical measures to avoid losses arising out of the price rise of ingredients

- Smart purchase policy
- Selling price adjustment
- Cost optimization

Arguments for Strong Future Growth in the Cattle Feed Industry

- Strong qualitative and monetary support by DAHD to the animal husbandry sector, particularly to the disease eradication and fodder development of bovines
- It is assumed that the factors attributed to the decline are
 - Scarcity of cheap and quality fodder
 - Rapid increase in the price of feed and feed ingredients
 - Inflow of cheap and low quality livestock products from neighboring states
 - Indiscriminate slaughter of animals under exploitation of production potential of animals
 - Non-availability of good germplasm*
 - Lack of awareness in the farmers about cattle's nutrition
 - Threat from contagious diseases like FMD etc.
 - Alarming gap between demand and supply of fodder

As the nutritive value of feed and fodder has a significant bearing on productivity of livestock, strong emphasis has been given by the DAHD to contain and increase the decreasing bovine population through various measures like high technology breeding, farmer awareness and fodder development besides others.

(*1: germ cells and their precursors serving as the bearers of heredity and being fundamentally independent of other cells; 2: the hereditary material of the germ cells (as an egg or sperm cell), Source: www.m-w.com)

- Though India is the largest milk producer in the world its consumption level is lower compared to the global average. Through vivid use of high quality cattle feed the milk production capabilities of the bovines can be highly increased. The government has taken various steps to increase the consumption of quality fodder in order to raise the country's milk production.
- Due to increasing pressure on land for growing food grains, oil seeds and pulses adequate attention has not been given to the production of fodder crops. Also, on account of diversified use of agriculture residues, the gap between the demand and supply of fodder is increasing (measures taken can be seen on the above paragraph). The National Commission on Agriculture (1976) estimated the demand of fodder in the country for the year 2000 at 256.8 million ton dry fodder and 575 million ton green fodder. The deficit in the year 2000 in green and dry fodder in the country was 61.1% and 21.9%, respectively. According to the report of Working Group on Animal Husbandry and Dairying for 10th Five Year Plan of Planning Commission, the available fodder can meet the demand of only 46.7% of livestock.

All the above arguments give substantial growth opportunity in the cattle feed industry in the foreseeable future.

(Source: <http://dahd.nic.in/fodder.htm> , <http://www.livestockkerala.org/>)

Poultry

It is believed that the Indian Poultry Industry is 5,000 years old but started buzzing with activities since last 4 decades showing a remarkable growth from backyard activity to poultry industry. As on date India is among the top 3 egg producing countries in the world, one of the top five chicken meat producing country in the world and stands seventh on the count of poultry population. Annual growth of this industry is high with growth rate of egg production at 5% and broiler production at 12%.

Organised sector of poultry industry contributes 70% of the total output and the rest 30% is the unorganized sector. India's 75% of egg produce is consumed by the 25% population living in urban and semi-urban areas.

Per capita consumption

The National Institute of Nutrition has recommended 180 eggs and 11 kg of meat per capita consumption for our country. At present,

- Per capita availability of meat is 1.6 kg.
- Per capita availability of egg is 1.8 kg or 42 eggs.
- Average consumption of eggs in major cities is 170 eggs
- Average consumption of eggs in smaller cities is 40 eggs
- Average consumption of developed rural areas is 20 eggs
- Average consumption of undeveloped rural areas is only 5 eggs.
- While 20% of Indian population is vegetarian.

In spite of this, with the rise of middle class and increased urbanization people prefer to go for non-vegetarian. About 3 million farmers and 15 million agrarian farmers are employed in the poultry industry that grow poultry ingredients for feed and contribute about Rs.26,000 crore to the national income.

Commercial Poultry

India has emerged as the only country in the developing world a self-reliant, technology driven industry, with capability to produce every essential input for successful poultry farming including indigenous genetic resource and breeding, world class poultry vaccines and medicines, specific pathogen free eggs (SPF), farms and hatchery automation systems, pelleted feed, egg processing, poultry processing, nationwide network of



disease diagnostic laboratories and facilities for entrepreneurial development and training in both private and public sectors.

Rural Poultry Production

Rural poultry production constitutes important component of agricultural economy in India, small poultry holder are practically capable of more significant contribution to alleviate malnutrition, poverty and unemployment. A spectacular progress has been made from subsistence to sustainable production system. Indian backyard population increase is only by 16% in the last 30 years from 60 to 70 million. China's 76% of total egg comes from rural backyard production. India requires both mass production as well as production by masses.

Value Added Products

The introduction of new poultry products and perceptible shift in eating habits are moving people to branded food such as chicken yummiez, cold cuts, breaded and coated snacks, marinated snacks, chicken nuggets, canned chicken curry, freeze dried chicken pulao, meat soup, powder omlette and scrambled egg mixtures, sandwich, pizza, burger and dial-a-chicken and fast food joints, Kentucky Fried Chicken (KFC), McDonald's, Wimpy, Pizza Hut all these are going to change the palatability of the chicken consumer.

Medical Uses

Chicken eggs are used to produce source of molecules to treat snakebite. Duck embryos are used in manufacturing anti-rabies vaccine. Diet eggs or designer eggs are going to boost special eggs for vitamin E substitution, Omega fatty acids and antioxidant requirements. Poultry eggs and meat have got sensorial, curative, nutritive and therapeutic potential. Poultry is labour intensive and has a potential to create 25,000 more jobs on the consumption of one more egg per capita and similarly 25,000 additional jobs on the consumption of 100 gm more chicken meat.

By the year 2010 India is expected to produce 260 million layers (77,700 million eggs) and 3500 million broilers (5.9 million tonnes). Per capita consumption of meat will be around 3.5 to 4.5 kg and eggs will be around 65 and it is expected to contribute Rs 60,000 crore. No agriculture sector is growing as fast as the Indian poultry, making it the most dynamic rapidly emerging sector of livestock economy. The export of poultry meat at present is worth Rs 150 crore and is expected to reach Rs 1,500 crore by 2010. Indian agriculture contributes 28 per cent to the GDP of which 17% is contributed by poultry. Poultry is the only industry where modern technology co-exists with the traditional poultry keeping because poultry technology is appropriate, adaptable, accessible, available and affordable both for the rich and the poor.

Recent positive developments of poultry industry

- NABARD has committed to bring about rural prosperity through poultry.
- Meeting of sub-group of poultry has asked for funds of Rs1095 crore for poultry development during the 11th Plan and Rs 30,000 crore for the entire livestock sector under various schemes of the Government of India.
- India has resumed egg export.
- IFC (Washington based International Finance Corporation) picked up stake in Suguna Poultry farms. Suguna Poultry paves the way for North Indian expansion and introduces dial-a-chicken concept to promote value added products. Thousands of broiler farmers will reap the benefit.
- Venkateswara Hatcheries has decided to use tennis to promote their brand Venky's.
- Poultry farmers to get maize on concessional rate to use it as feed in poultry.
- Kerala livestock development board chalked out plan for poultry tourism in Munnar.
- Poultry litter to fetch carbon credit in Andhra Pradesh with 3.5 mw power plant.
- Godrej Agrovet Ltd introduced wide range of processed chicken in the brand name of Godrej Real Good Chicken.

The poultry production and consumption in the domestic market is slated to grow. Indian poultry industry has been a major contributor to the food-processing sector in the country. From backyard activity to major commercial operation the poultry sector has undergone a paradigm shift.

(Source: http://moipi.nic.in/content_printpage.aspx?categoryid=162)

Poultry feed

The poultry industry is highly dependent on the feed industry. The Indian feed industry caters predominantly to the dairy and poultry sector. Consumption of commercial feed by the poultry sector at present is around 28 million tonnes/year. Out of which the organized feed industry produces only 3 million tones/year, which is only 5 percent of total output. A substantial quantity of feed is prepared by the farmers themselves in order to reduce the feed cost.

There are two types of poultry feed - layer and broiler feed. Layer feed is quite expensive. An innovative, high-value compound feed can result in increased numbers of eggs, but the risks are too high because of the birds' long life cycle.

By preparation the feed can be classified in two kinds. One is ready-made and is available in the form of mash or pellets. The other feed is offered in a concentrated form and needs to be mixed with an energy source. The concentrates are sources of protein, which are balanced in amino acids. They contain vitamins, minerals and feed additives. These concentrates are combined with energy sources such as maize, sorghum or bajra to make poultry rations. Vitamin AB2D3K is a vital component of poultry feed as it provides for improved nutrition. It is added to poultry feed manufactured at poultry feed mills, hatcheries and farms.

Poultry feed supplements and feed chemicals usually include substances such as soya meal, rape meal, groundnut meal, cottonseed meal, de-oiled rice bran meal, sunflower meal, guar meal, corn germ cake, copra cake and wheat bran. Supplements also contain substances such as maduramycin ammonium, chlortetracycline, tylosin phosphate, dl-methionine, zinc bacitracin, choline chloride, vitamin ab2d3k, vitamin b complex, betaine anhydrous and salkil powder.

(Source: <http://www.fao.org/docrep/007/y5019e/y5019e0e.htm>)



BUSINESS OVERVIEW

About the Company

We are amongst few organized players of the oil and animal nutrition industry in India, catering to the needs of both human and animal nutrition through our products. Our offerings to customers can be divided broadly in to edible oil and cattle feed. We not only produce these products but also market them in the northern part of the country as on date through different points of sale set up in the state(s) of Punjab, Delhi, Haryana, Himachal Pradesh, Uttaranchal, Bihar and Jammu & Kashmir that we have developed over a short period of time.

By the virtue of being an active participant in the market and our constant interaction with the retailers/distributors we are better placed to understand the needs of the customer and we endeavor to meet their expectation through constant innovation in our products achieved through research and development in our processes. Our capacity expansions and increase in revenue over a period of four years (Sales increased from Rs.69.92 million in Fiscal 2006 to Rs.314 million in fiscal 2007 to Rs.1012.17 million in fiscal 2008 to Rs.1,951.75 million in Fiscal 2009) is a reflection of our growth story which is direct result of our products acceptability in the market .

Our company was incorporated on February 28, 1977 as Angoori Wool Combers Private Limited, with the objective of setting up of a wool combing unit. Subsequently, in the year 1986 the name was changed to Ram Sahai Wool Combers Private Limited. In the year 2004, the present management, namely, Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh took over the management of the Company from erstwhile promoters (Mr. Dharm Pal, Mr. Ashok Kumar, Mr. Nagesh Kumar, Mr. Narinder Kumar, Mr. Rajiv Mehra, Ms. Vidya Prakash) with a view to undertake the cattle feed manufacturing activities in a corporate structure as against scaling up the existing cattle feed activity being carried out in partnership firm namely, Tara Feeds Factory (TFF) since the year 2001 by them i.e. Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh. The firm has been engaged in the manufacture of cattle feed at Vill. Gajjan Majra, Malerkotla, Punjab with a capacity of 20 tons per day (TPD). Having been able to create a market for its products it was thought prudent by them to set up and thereafter scale up operations in an organized set up which would enable them achieve economies of scale, besides, increasing reach. In addition in the year 2004-2005, a number of incentive, subsidies and schemes were offered by the Government of Punjab to encourage the farmer fraternity to diversify from agriculture to dairy farming. This had the effect on farmers, whereby they began exploring the options of shifting to dairy farming which gave an impetus to the demand for cattle feed. Given this background and to cater to the demand likely to emerge, our company set up facility at Jitwal Kalan, Sangrur, Punjab for manufacture of cattle/poultry feeds with an installed capacity of 250 tonnes per day (tpd). The name of the Company on taking over was changed to Tara Feeds Private Limited in September 2004. Thereafter, in October 2005 the Company was converted from a private Limited Company to a Public Limited Company and accordingly name was changed to Tara Feed Limited.

In April 2006, as a step towards achieving backward integration, we installed a 250 tpd solvent extraction plant. This solvent extraction plant ensured continuous supply of raw material (de-oiled rice bran) being key ingredient of compounded cattle/poultry feed formulation, besides, enabling us have better control over the quality of raw material. The solvent plant became operational in November 2006. The crude oil produced in the solvent extraction plant was initially marketed by us in the open mandis. Currently, the crude oil so produced is a key raw material for our edible oil refinery.

To effectively cater to the cattle breeding northern part of India, besides, reducing costs and availing of the tax concessions being offered by the Uttaranchal Government, in February 2007 we set up a cattle/poultry feed manufacturing unit at Sitarganj, Uttaranchal with an installed capacity of 250 tpd. The said plant on becoming operational is catering majorly to the states of Uttar Pradesh, Bihar & Uttaranchal. Being in close proximity to the source of raw material and end users of our products, this plant has helped us control our costs, including the transportation costs and enable us penetrate further in the market and set a strong foothold for ourselves.



Besides, our manufacturing facilities have been designed to undertake manufacture of poultry feed, another synergistic produce addressing the same customer base. The manufacturing activity for the same is carried out by the company based on orders received from our distributors, dealers/retailers.

As a result of growing awareness among the masses towards one's well being the refined rice bran oil began gaining popularity over conventional refined oil as it contained micro-nutrients like Oryzanol, which act as cholesterol balancer, as well as, micro-nutrients like Tocopherols and Toco-Trienols, which act as natural anti-oxidants. Owing to these features it was increasingly being accepted the world over as a health oil, and is widely accepted in advanced countries like Japan and USA. To tap this emerging market of healthy oil and also as step towards achieving forward integration, we set up a refinery unit with an installed refining capacity of 120 TPD for refining of edible oil at our existing facilities in the year 2008. This plant was installed with the state of art technology. It offered us a foothold not only in the indigenous market but offered also afforded us an opportunity to explore the options to export.

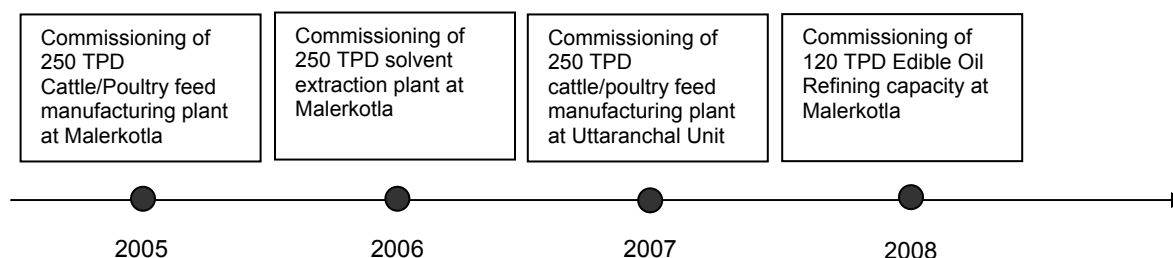
With the increased sense of health consciousness, fitness and overall wellness; people at large have become more conscious about their food and ingredients used for the same. As we were constantly on the look out for expanding our product offerings and have found that, besides, rice bran oil, olive oil was amongst the best option which offered umpteen advantages to the growing health conscious population and made a good business opportunity. Given the renewed focus on olive oil we decided to rename the company to Tara Olive India Limited, effective from June 11, 2008.

Along with commencing refining of rice bran oil and promoting awareness of olive oil, our leadership team was constantly engaged on developing a new generation oil by blending oils which would not only be healthy, but also available at large to the general public at an affordable price point. Through their consistent efforts we were able to achieve an ideal blend of olive and rice bran oil which had all the advantages that were associated to these oils. An application has been filed by the company leadership with the Controller General of Patents, Designs and Trade Marks, Government of India seeking registration as patent of the invention "cooking oil blend and method of manufacture" thereof. We initially launched our blended product under the brand 'Tara Unique' and later on added another product in blended oil range under name and style "Zaitoon Tara" which is 0% in trans-fatty acids and helps in lowering the cholesterol and enhancing the immune system for the human body.

With a view to give an identity to our Company that rightly reflected our business and our product offerings; we changed the name of our Company to 'Tara Health Foods Limited' vide a fresh certificate of incorporation dated November 24, 2008.

Our facility at Village Jitwal Kalan, Malerkotla is an ISO 9001:2000 certified facility. Besides, we have been assessed by DAS Certification Ltd., Hampshire, U.K., and found to meet the requirement of the Codex Based HACCP, safety management system for manufacture of blended oil.

Capacity Buildup





Rationale behind Capacity Expansion

2005

- Promoters have comprehensive understanding of the intricacies of the industry
- They could see the feed market on a growth curve
- This growth was a direct effect of government incentives
- These factors inspired the promoters to set up cattle/poultry feed manufacturing facility at Jitwal Kalan, Sangrur, Punjab
- Installed capacity of 250 tonnes per day (tpd).

2006

Backward integration would entail:-

- Raw material security (De-Oiled Cakes)
- Better control over supply chain
- Better Quality

In turn would lead to

- Higher Productivity
- Better Margins

was the precise reason of integrating backward with solvent extraction capacity of 250 TPD in October 2006,

This expansion gave us a new product in the form of crude oil. This product initially was marketed by us in open mandis in bulk and opened new avenues of growth in future.

2007

We established our 250 tpd cattle/poultry feed manufacturing facility in February 2007 at Uttranchal as a step towards increasing our footprint and to

- Capture a new market which was, the north Indian cow belt more effectively
- Rationalise Logistics Cost to these regions
- Reducing costs with the incentives and concessions offered by the state government
- Unhindered availability of raw material

This plant currently caters to the states of Uttar Pradesh, Bihar & Uttaranchal. We have also been extensively exploring various options in field of supply chain management at this plant. We are currently giving retailers/dealers/distributors an option to take the delivery of cattle/poultry feed on the factory gate.

2008

- Our strive to increase our penetration in value chain.
- Produce products with wider market
- Get into products that have higher margin
- Products that are synergistic with the existing set up

All these factors paved way for us to integrate forward in 2008. We commissioned an oil refinery of 120 tpd capacity at our existing plant at Jitwal Kalan, Sangrur, Punjab.

As on date we have installed capacities to produce Cattle & Poultry Feed, Oil refinery, Solvent Extraction within a span of around four years through ploughing back our profits, bank borrowings and promoters equity. Considering the fact that our promoters are first generation entrepreneurs our Company has been growing over these years at a CAGR of approximately 130%.



PRODUCTS

We manufacture and market our products under different brand names. This product segmentation has been done on the basis of its qualitative and quantitative features and with a view to ensure its reach to the broad class of target consumers.

Our products can be divided into two segments namely

1. Oil
2. Animal nutrition / Cattle feed

OIL

We are amongst the few players in organized segment in India producing blended oil (olive oil and rice bran oil). We are presently concentrating on domestic market. Our offering in oil can be divided into two parts:

- a) Pure refined oil
- b) Blended refined oil

Pure Refined Oil

In the pure refined oil segment we are currently offering

- i. Rice Bran Oil
- ii. Cottonseed Oil
- iii. Olive Oil

Blended Refined Oil

We have been constantly engaged on developing new generation oil by blending oils which would not only be healthy but also lower in cost than olive oil and still have similar characteristics (refined oil is tasteless) in terms of nutrition and effect. During this quest we discovered a blend with high nutritious value and is economical. We are currently producing and marketing this product by the name Zaitoon Tara and our promoter have filed for a patenting the process for this product too with the Controller General of Patents, Designs & Trade Marks. This product is currently being marketed in Punjab, New Delhi, Himachal Pradesh etc through marketing channels.

Our Range of Brands in Edible Oil are:

Tara Gold - Premium Refined Rice Bran Oil: - produced from edible grade rice bran oil. This oil is healthy edible oil containing vitamins, antioxidants, nutrients and is trans-fat free. It helps in lowering cholesterol, fighting diseases and enhancing the immune system.

Tara Lite – is refined rice bran oil produced from semi-edible grade rice bran and is good for health as it is balanced and versatile oil. It contains natural antioxidants, vitamin E, and micronutrients like squalene and cinnamic acid. Owing its nutraceutical characteristics its helps in balancing the level of cholesterol in the blood.

Tara Kotton – is a refined cottonseed oil made from cottonseeds. It is light colored, clear, odourless and has good frying characteristics. This oil has a long shelf life.

Zaitoon Tara – is a unique blend of refined rice bran oil and refined olive oil produced by using machinery manufactured on the patented design of German company for winterization resulting in virtually 0% Trans-fatty Acids. It is superior to traditional cooking oils and can be considered nutraceutical (food as medicine) oil. It has an ideal combination of fatty acids and is anti-diabetic and anti-obesity.



Tara Olive – We import raw olive in bulk and refine the oil in our facility as per taste of Indian Kitchen. It is light colored, completely odorless and good in taste. The cloud point of the oil is below 0° C. This refined oil is rich in mono unsaturated fatty acids. This is anti diabetic and anti obesity. It can be used for cooking, frying and salad preparation.

Tara Unique - oil is blend of rice bran oil and olive oil developed by the Company. It contains both types of vitamin E and is an antioxidants that fight free radicals, a major cause of cancer. Tocotrienol not only outperforms Tocopherol in preventing oxidation, but also helps in lowering blood cholesterol level. It also contains Vitamin A, D, E, K. Oryzanol a powerful natural antioxidant is found only in rice bran oil, not in other vegetable oils.

ANIMAL NUTRITION/ CATTLE FEED

We forayed into manufacture of animal feed since our inception with our branded products in an otherwise unorganized industry. In this segment we have two range of products, which are

1. Cattle Feed
2. Poultry Feed

Cattle Feed

We entered into this industry with our branded products that were developed by experienced technicians in collaboration with our promoters who are veterans of dairy industry themselves. Our ranges of products have been formulated on the basis of qualitative characteristics keeping view the target end users. This has helped us in positioning our different products for different customer segments. This strategy not only helped us cover the entire spectrum of the cattle feed segment but also established us a different price points which has been one of our strengths while trying to tap new markets or segments.

Our Range of Products in Cattle Feed are:

Tara Feed: This was our first cattle feed product launched in October, 2005. It possesses by-pass protein and by- pass fat to meet average requirement of all group and all ages of animal. Its quality specifications are as per BIS Type - 1 standard. It is suitable for all weather and all types of animals.

Rath Gold: It is our premium product and is rich in by-pass protein and by - pass fat and provides higher energy. It is best suited for an early lactation of higher milk yielding animals. The by-pass protein helps in getting a higher milk and fat yield. Its quality specifications are as per BIS Type - 1 standard. It is being used to feed high yielding cattle and is being sold directly to big dairy farmers.

Rath No.1: It is possess by-pass protein and by- pass fat and is rich in minerals and vitamins and provides high energy. Its quality specifications are as per BIS Type - 1 standard.

Rath Panjiri: This product has been developed to cater the need of farmers who use medium priced cattle feed and is suitable for low milk yielding animals. It complies with BIS Type - 2 quality specifications.

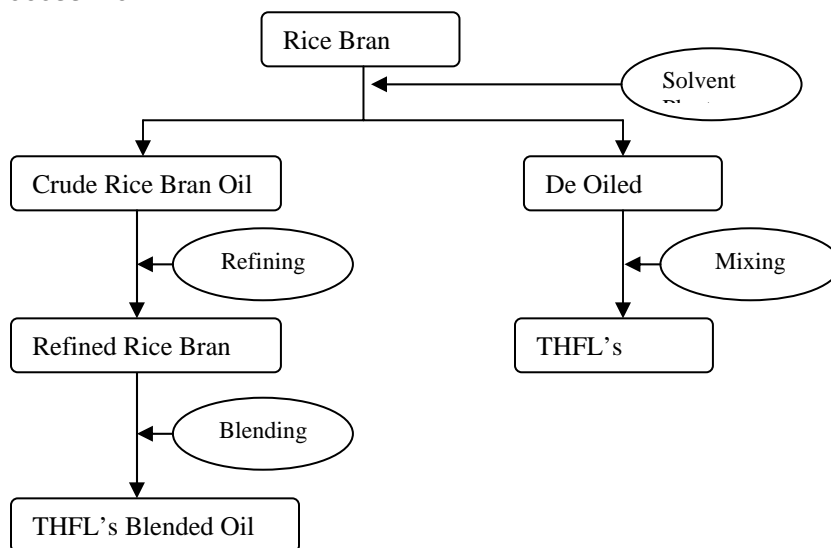
Rath Feed: It is our low priced cattle feed launched to cater to the lower segment of the market.

Tara MIN (Mineral Mixture): This is a feed supplement being manufactured by the company. Its formulation helps to cover the deficiency of minerals in the animals. It contains micro minerals and trace minerals which helps maintain body of animals, develop the immune system of animals.

Our Poultry Feed Products:

We are manufacturers of Poultry Feed for poultry birds on demand in Mesh quality. The same is being sold under the Brand 'Tara'

Process Flow



OUR BUSINESS STRATEGY

High Quality Products

We have and would continue to endeavor to have the state of the art manufacturing equipments to ensure efficient production of quality products. Our scale of operations coupled with our experience in the business shall enable us provide quality products. We believe our quality products enable us to compete with the organized players. We also believe that our investment in technology shall allow us to provide quality to our customers demanding bulk quantities, allowing us to attract new customers and differentiate ourselves from other competitors.

Our wide product range

We offer a wide and varied range of products that include cattle & poultry feeds, oils and its derivative products, in our product basket, allowing the customer to choose as per their specific requirements and affordability. We deal in bulk quantities as well as in retail packs of varying quantities thereby allowing better penetration in the urban and the rural areas.

Manufacturing Capabilities

Our manufacturing facilities at Malerkotla & Sitarganj have the ability to provide comprehensive range of oil & cattle & poultry feed products. Though our facilities are versatile in nature and capable of processing various types of edible oil, but our focus would be on blended oil.

Our manufacturing facilities are fully integrated, starting from extraction of oil from rice bran to refining and filtration of edible oils. We believe that this backward & forward integration of the manufacturing infrastructure shall give us an advantage over the players particularly in the unorganized sector and shall allow us to compete more effectively.



Our facilities at Malerkotla are set up on piece of land admeasuring 111,288 sq. mtrs, which has helped us plan our expansion with an optimum utilisation of available space.

Capital infusion and value of assets

We have designed the layout of our plant to facilitate smooth flow of our manufacturing process besides ensuring optimum utilization of the space. We are among the few companies which has provided for stainless steel vessels at all points of oil contact. This enables us ensure consistency in the quality of the oil produced. The rationale is that good quality products are important to satisfy the customer aspiration on a long term basis.

Focus to develop a conservative but sustainable Business Model

We are in the manufacture of refined edible oil and cattle and poultry feed, thus catering to divergent market with different end users. Any downturn in one segment can be countered by falling upon the other segment. Thus, we shall effectively be able to control risks within our business and be in a position to sustain any downturn in the economic activity as was witnessed in the recent past.

Awareness Campaigns to generate extensive brand recognition

We have been conducting awareness campaigns at regular intervals to educate our prospective customers about the alarming health situation and the importance of wellness as a key to better productivity. It helps us have an effective one to one interaction with the customers which helps us better understand their needs & requirements. Our oil caters well to the population with sedative habits as it can be digested easily.

Strategic utilization of the dealer/retailers network to create brand equity

We have an established dealer/retailer network across different states to sell cattle and poultry feed; refined vegetable oils and blended oil. This network across different states creates visibility for our brand thereby creating a recall value for the brand which in turn promotes our products being sold under the name Tara.

Company Vision:

- We will strive to be among the best in the business
- We will offer best quality and value to our customers
- We will provide products that are safe, economical, healthy, hygienic, nutritional and environmentally sound
- We will strive to meet the highest standards of integrity.

Values:

We shall continue to strive for the following values:

Customer Orientation: Providing process & services of the highest standards to the customers.

Quality First: Practicing process & orientation & excellence in all our actions to create new benchmarks.

Commitment: Dedicated to our responsibilities with appropriate participation of all concerned to achieve the desired objectives.

Innovation: Creating, implementing & introducing new ideas to continuously realize improvements.

Positive outlook: Have a positive frame of mind and energy in our outlook towards life

SWOT – CATTLE/POULTRY FEED

Strength	Weakness
<ul style="list-style-type: none">- Production facilities close to the market as well as the input materials- Reliable and high quality products- Serving quality conscious customer base- Varied product mix to serve different customer segments-	<ul style="list-style-type: none">- Restricted capital availability has restricted the business footprint- Lacks pricing advantage being a commodity



Satisfied customers with repeat purchase orders

Opportunity	Threat
<ul style="list-style-type: none">- Ability of tie-up with national and global players- Large business house in the region and build on their existing reputation and service capability- Backward and forward integration feasible due to increasing demand for the inputs and products	<ul style="list-style-type: none">- Seasonality and weather condition affect business model- New players entering into the same market place as the margins are high- Change in Government Policies and subsidies available

SWOT – EDIBLE OIL

Strength	Weakness
<ul style="list-style-type: none">- Niche product expertise- Early stage investment- Good sourcing skills for raw material- R & D to customize the product to suit Indian Market Condition- Family managed business with high involvement of promoters- Well established manufacturing facilities- Patented process which is difficult to replicate for competitors – technological advantage- Brand names already popular in the Punjab market	<ul style="list-style-type: none">- Low brand awareness outside Punjab and Himachal Pradesh- Manufacturing cost of the healthier oil product is high- Small size of operations – less leverage with service providers like distributors- Cannot meet product demand due to manufacturing capacity constraints- Funds constraint leading to lower marketing activity- Large amount of borrowings on the books
Opportunity	Threats
<ul style="list-style-type: none">- Good market reach in north India- Medium size customers like Little Italy/Dominoz/Pizza Hut have evinced interest in long term arrangement for purchase of edible oils- Increasing edible oil demand for branded oils	<ul style="list-style-type: none">- Larger players are likely to invest significantly in marketing and branding- Protection due to duty differential between imports and domestic oil is likely to be reduced

ENTRY BARRIERS

Though there are no strict entry barriers, but, the following act as a deterrent to any new entrants:-

Cattle/poultry feed

- Need for an extensive dealership and distribution network
- Non-availability of skilled and educated people to work in rural areas to create continual awareness amongst farmers
- Understanding of correct fodder requirement and quality
- Smart inventory management, as some of the raw materials are seasonal in nature

Edible Oil

- Need to improve dealership and distribution network
- FMCG products requires strong brand building (implying capital investments), which restricts generic competition
- Lack of comprehensive knowledge of Healthy Oils, particularly Olive Oil
- High price fluctuations in raw materials and finished goods pricings arising out of droughts and market competitions, respectively, requires strong understanding of business and strong management expertise



MANUFACTURING PROCESS

Solvent Extraction Plant:

Rice Bran which is available in gunny bags is processed through vibrating screen to remove undesirable solid particles like stones/metals/threads etc from the bran.

After sieving rice bran is transferred by elevator into toasting kettle to remove excess moisture and for its conditioning to make it suitable for palletization.

The material is transferred to feed conditioners wherein heat and open steam is applied to make it suitable for palletization which enhances its binding characteristics.

The Material is transferred for processing to horizontal palletizers for converting powder form rice bran in to pallets.

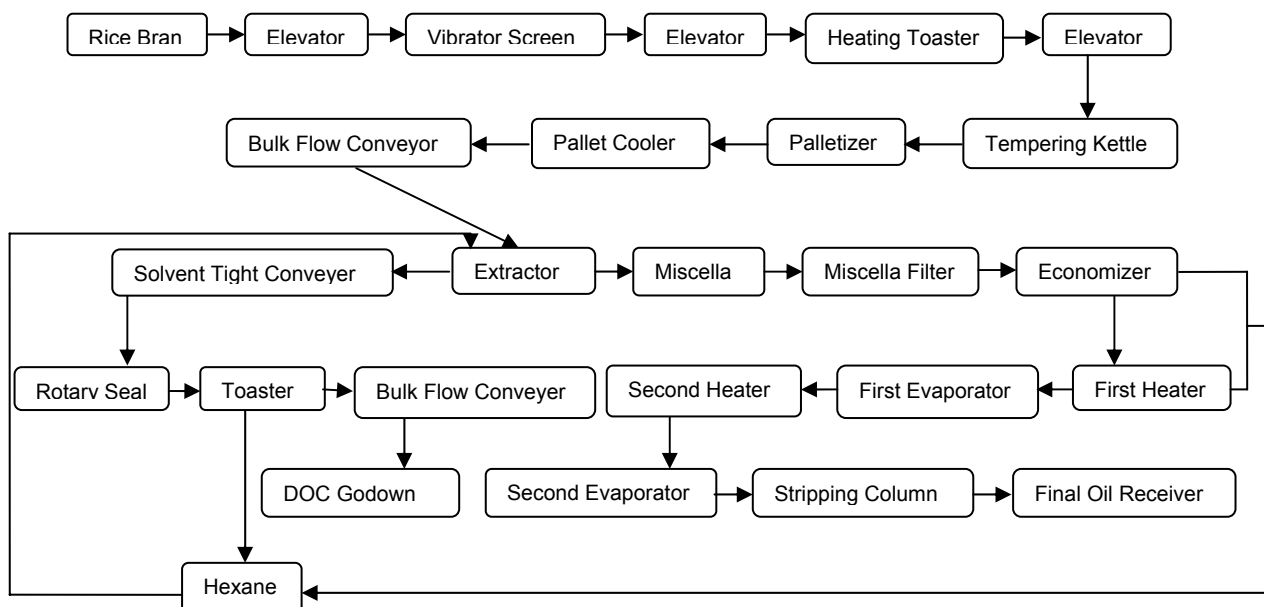
Pallets are cooled in pallet cooler and material transferred to main extractor by a Redler Conveyor.

In the main extractor mild hot n-hexane is sprayed on the slow moving bed of pallets by number of spray pumps. In this process hexane extracts oil from the bran and the oil and hexane mixture called “Miscella” is obtained.

This Miscella is further processed through vacuum distillation to get hexane free rice bran oil. The hexane vapors are condensed by number of condensers. The condensed hexane is reused for extraction in the process as explained above.

The hexane rich de-oiled meal is transferred to de-oiled toaster (DT) by a vapour tight conveyor. In de-oiled toaster heat and open steam is applied to remove hexane from the de-oiled meal. Condensed hexane is reutilized for the process above mentioned. Residual de-oiled material is transferred to de-oiled storage godown after cooling and bagging.

Production Flow: Solvent Extraction Plant



Cattle Feed:

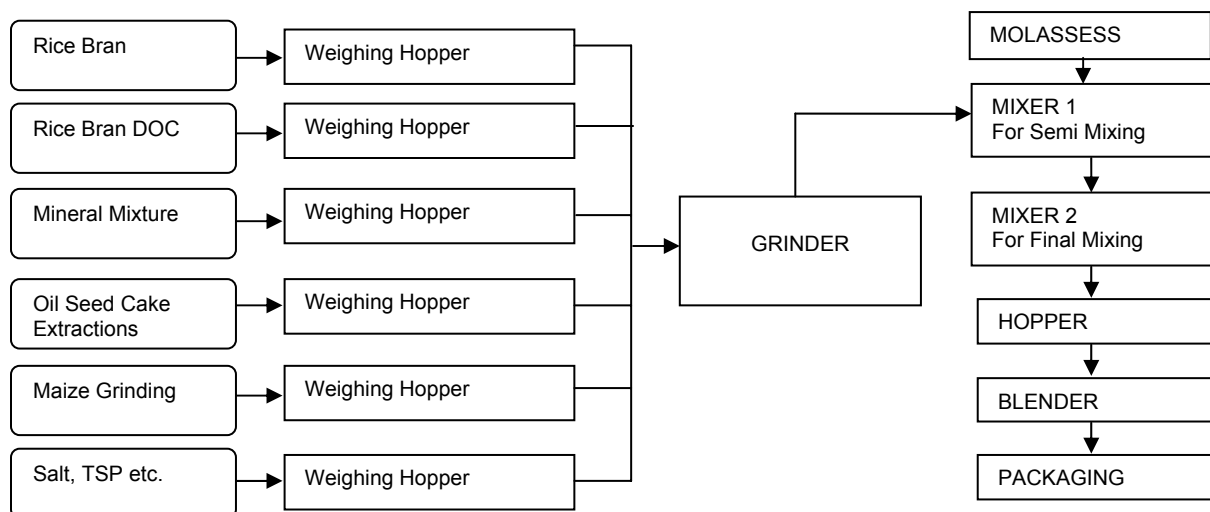
Various raw materials like rice bran, rice bran DOC, mineral mixture, oil seed cake extractions, maize grindings, salt etc. are passed through the weighing hopper in order to get the exact input mixture

It is then processed through the grinder to convert cakes and salts into a powder form

The powder is mixed with molasses and is sent to mixer-1 for mixing

For advanced uniform mixing the mixture so obtained is sent to mixer-2

The mixture is thereafter sent through the hopper and blender before doing the final packaging of the product.



Edible Oil Refinery:

Refining of Oil: Refining implies a process of scientifically removing the impurities present in the edible oil. Oils have two types of impurities (a) oil soluble as colouring matter, odouriferous compound, free fatty acid, gummy materials etc. (b) other type of impurities are oil insoluble as sand, seed fragment, dust, straw etc.

Degumming: This process involves addition of phosphoric acid and consequent hydration with water resulting in hydrolyzing the phosphotides present in the Crude Rice Bran Oil. The Hydrolyzed Gums formed are separated with ALFA LAVAL Separators. Gums are produced as a by product rendering other oil as degummed.

1st Bleaching: Bleaching is an adsorption phenomenon involves addition of activated Bleaching Earth and Carbon etc to the heated and dried oil. The colour pigments present in crude oils are adsorbed on the surface of Bleaching Earth. This oil is filtered by continuous type of Pressure Leaf Filter. Hence, lighter colour oil is produced leaving behind spent earth as by product.

Dewaxing: The purpose of this process is to remove vegetable waxes from the oils. This process involves controlled and prolonged cooling of oil in the crystallizers. The vegetable waxes present in oil are crystallized out and filtered by passing through a Filter Press. The filtered oil is produced as Dewaxed Oil and Crude Hard Waxes are detained as vegetable waxes.



2nd Bleaching: This process is same as 1st bleaching but it further reduces the colour of the oil.

Deacidification: Deacidification is a phenomenon which is also called Physical Refining of oils. It involves in heating of oils at 250° C temperature under 1-2 TORR Vacuum. The free fatty acids present in the oil are distilled off and condensed back. The fatty obtained as by product leaving behind deacidified oil.

3rd Bleaching: This process is same as 1st and 2nd Bleaching but it further reduces the colour of oil.

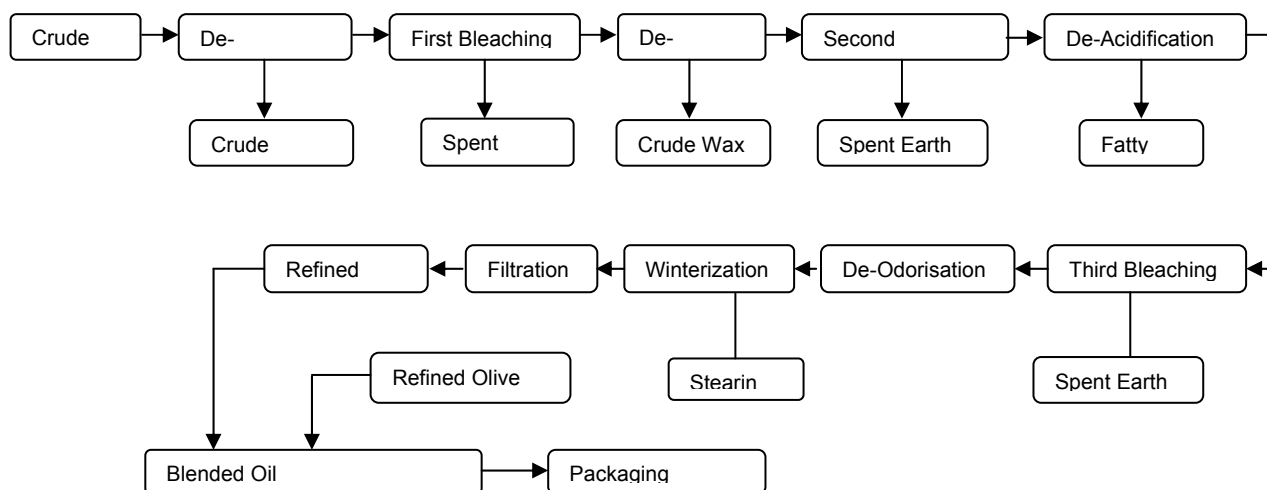
Deodorization: The bleached oil still needs deodorizing to remove impurities, which imparts objectionable odours or color to the oil. Deodorization is undertaken to remove the odoriferous bad smelling compounds. In this process oil is heated 220° C to 230° C temperature under 1-2 TORR Vacuum in a specific designed deodorizer. Thus, we get the odourless Refined Oil.

Winterization: The purpose of this process is to remove high melting point stearins from the oil to improve the cloud point of the oil. In this process again the oil is cooled and chilled in German designed Star Crystallizer. The stearins are formed as crystallized which are filtered off in plate and frame type filter presses.

Packing and Filling: The refined oil obtained as above is sent to filling section for packing in different consumer packs i.e. 1 Litre Poly Pouch, 2 Litre Can, 5 Litre Can, 1 Litre Bottle, 15 Kilogram/Litre Tins, etc.

Our Refinery has been so designed that all kind of Vegetable Oils i.e. Mustard Oil, Sunflower Oil, Cottonseed Oil and Soyabean Oil etc, can be processed. Further, during the refining process crude gums, crude wax, stearin are received as by-products, which have a ready market, besides, being a raw material for the cattle feed.

Production Flow: Edible Oil Refinery



The latest state of art technology is being employed in the refining process whereby apart from refining the oil, the micro nutrients present in oil are kept intact in their original form. The plant has been designed to minimize the refining losses and keep the cost of production under control as compared to general norms of the industry.

Recently, we have commissioned enzymatic degumming of rice bran oil whereby the phostatides contents of the oil are removed. In the process gums a waste product is generated, which can be converted into value added products. Enzymatic degumming, besides, being an eco-friendly process is cost effective too.



We have installed plant & equipment manufactured on the patented design of German company for winterization of refined oils which removes unwanted stearins from oil thereby leading to Zero Transfats and Zero Cholesterol. The oil is processed in a specialized designed crystallizer called 'star crystallizer in which highly sophisticated S.S Coil bundle oscillates through oil in the crystallizer.

The underlying objective of the crystallization process is to generate a stable crystal which allows good separation and drainage properties of the liquid phase during filtration. Thus, the chilling of oil without hammering of formed crystals of stearins to be removed from oil. This ensures that no zero dead zones exist in the oil present in crystallizer and results in complete formation of crystals of stearins present in the oil.

We use blending tank fitted with an agitator and attached to refined oil tanks through pipelines. These oil tanks are used for storage of different types of oil. A calibrated and transparent pipe fitted to the blending/mixing tank. In the blending tank proportionate standardised ratio of refined olive oil and refined rice bran oil is poured, with number of layers of one oil over the another so that mixing of oils can be done uniformly by following the process of agitation. Process of agitation and circulation is carried out simultaneously to ensure complete mixing. During the continuance of the process of mixing, sample is taken and sent to the laboratory for testing. The aforesaid process is carried out till such time the result of the samples matches the laid down theoretical and analytical specifications of the blend. Once the desired blend is achieved the product, being the final product is transferred to the packing department as 'ready to use'.

CAPACITY UTILISATION

The following table shows the installed capacity and capacity utilization for the last three years and nine months period ended December 2009:

Particulars	Installed Capacity (MTPA)				Capacity Utilisation (Percentage)			
	9 mths ended	Year ended March 31			9 mths ended	Year ended March 31		
	Dec-09	2009	2008	2007	Dec-09	2009	2008	2007
Cattle Feed / Polultry Feed	180000	180000	180000	180000	95.57	92.3	66.7	21.6
Solvent Oil Extraction	8750	8750	8750	8750	50.52	32.0	39.3	19.5
Deoiled Rice Bran Cake	51875	51875	51875	51875	50.70	33.1	43.4	28.5
Edible Oil	27000	27000	27000	-	86.13	26.2	6.8	-



INTELLECTUAL PROPERTY RIGHTS

We use trademarks in order to brand our products as well as to protect them. We have appointed M/s Mahatta & Co., Trademark & Patent Attorney as our representative for liasioning with Registrar of Trademark, Ludhiana and a Power of Attorney has been executed in his favour.

Trade Marks

A. The Company has filed the following applications for registration under the Trade Marks Act, 1999, the present status of which is as follows:

S. No.	Trade Mark/Label	Class	Application Number Allotted	Date of Allotment of application no	Current Status
1.	**ZAITOON TARA	29	01789349	25/02/2009	Application Made
2.	**TARA LITE	29	01789350	25/02/2009	Application Made
3.	**TARA GOLD	29	01789351	25/02/2009	Application Made
4.	**TARA	29	01856147	28/08/2009	Application Made
5.	**TARA	30	01856148	28/08/2009	Application Made
6.	**PASHU JHUTH NAHI BOLDE	31	01853935	24/08/2009	Application Made
7.	**TARA	31	01856136	28/08/2009	Application Made
8.	**TARA	34	01856138	28/08/2009	Application Made
9.	**TARA	35	01856140	28/08/2009	Application Made
10.	*TARA	1	01663069	11/03/2008	Advertised in TM Journal - <i>Opposed</i>
11.	*TARA	2	01663068	11/03/2008	Registered [®]
12.	*TARA	3	01663060	11/03/2008	Registered [®]
13.	*TARA	4	01663059	11/03/2008	Registered [®]
14.	*TARA	5	01663070	11/03/2008	<i>Opposed</i>
15.	*TARA	6	01663075	11/03/2008	Registered [®]
16.	*TARA	7	01663074	11/03/2008	Registered [®]
17.	*TARA	8	01663076	11/03/2008	Registered [®]
18.	*TARA	9	01663073	11/03/2008	Registered [®]
19.	*TARA	10	01663741	12/03/2008	<i>Registered[®]</i>
20.	*TARA	11	01663058	11/03/2008	Advertised in TM Journal
21.	*TARA	12	01663742	12/03/2008	<i>Registered[®]</i>
22.	*TARA	13	01663062	11/03/2008	Registered [®]
23.	*TARA	14	01663158	11/03/2008	Registered [®]
24.	*TARA	15	01663057	11/03/2008	Registered [®]
25.	*TARA	16	01663064	11/03/2008	Registered [®]
26.	*TARA	17	01663065	11/03/2008	Registered [®]
27.	*TARA	18	01663066	11/03/2008	Registered [®]
28.	*TARA	19	01663067	11/03/2008	Registered [®]
29.	*TARA	20	01663071	11/03/2008	Registered [®]
30.	*TARA	21	01663072	11/03/2008	Registered [®]
31.	*TARA	22	01663156	11/03/2008	Registered [®]
32.	*TARA	23	01663157	11/03/2008	Registered [®]
33.	*TARA	24	01663159	11/03/2008	Registered [®]
34.	*TARA	25	01663061	11/03/2008	Registered [®]
35.	*TARA	26	01663153	11/03/2008	Registered [®]



36.	*TARA	27	01663063	11/03/2008	Registered [@]
37.	*TARA	28	01663155	11/03/2008	Advertised in TM Journal
38.	*TARA (LOGO)	31	01569236	14/06/2007	Registered [@]
39.	*TARA	32	01663154	11/03/2008	Registered [@]
40.	*TARA	33	01663152	11/03/2008	Registered [@]
41.	*TARA	36	01666087	18/03/2008	Registered [@]
42.	*TARA	37	01666086	18/03/2008	Registered [@]
43.	*TARA	38	01666089	18/03/2008	Registered [@]
44.	*TARA	39	01666088	18/03/2008	Registered [@]
45.	*TARA	40	01666085	18/03/2008	Registered [@]
46.	*TARA	41	01666084	18/03/2008	Registered [@]
47.	*TARA	42	01666083	18/03/2008	Registered [@]
48.	**RAATH PANJERI	31	01886190	14/11/2009	Application Made
49.	**RAATH GOLD	31	01886191	14/11/2009	Application Made
50.	**TARA KOTTON	29	01892820	02/12/2009	Application Made
51.	**TARA UNIQUE	29	01886186	14/11/2009	Application Made
52.	**TARA MIN	31	01896089	09/12/2009	Application Made
53.	**TARA OLIVE OIL (LABEL)	29	01896084	09/12/2009	Application Made
54.	**TARA FEED (PUNJABI)	31	01896093	09/12/2009	Application Made
55.	**RAATH NO 1 (PUNJABI)	31	01896109	11/12/2009	Application Made
56.	**RAATH FEED (PUNJABI)	31	01899163	16/12/2009	Application Made
57.	**TARA GOLD	29	01899091	17/12/2009	Application Made
58.	**TARA LITE	29	01899090	17/12/2009	Application Made
59.	**ZAITOON TARA	29	01899089	17/12/2009	Application Made

Note:

*Applications made in the name of Tara Feed Ltd., the erstwhile name of the Company.

** Applications made in the name of Tara Health Foods Ltd.

[@] Trade Mark registered as per status on the website but certificate is yet to be received.

B. The Company has been assigned the following registered Trade Mark vide Assignment Deed dated July 30, 2009, which is under registration with the Trade Marks Registry:

S. No.	Trade Mark Regd. No.	Title of Trade Mark	Name of the Assignor	Name of the Assignee
1.	1183137	TARA	Tara Gram Udyog Samiti (Regd.)	Tara Health Foods Ltd.

Copyrights

The Company has been assigned the following registered Copyrights vide Assignment Deed dated July 30, 2009, which is under registration with the Registrar of Copyrights:

S. No.	Copyright Regd. No.	Title of Copyright	Name of the Assignor	Name of the Assignee
1.	A-68570/2005	STAR DEVICE	Tara Gram Udyog Samiti (Regd.)	Tara Health Foods Ltd.
2.	A-68571/2005	TARA DEVICE	Tara Gram Udyog Samiti (Regd.)	Tara Health Foods Ltd.



Patents

A. The following Designs have been registered in the name of Tara Feed Ltd., the erstwhile name of the company, under the Designs Act, 2000 and the Designs Rule, 2001.

S. No.	Design	Class	Design number	Date of Registration	Certificate no. & Date of issue
1.	"BOTTLE"	09-01	213769	17/12/2007	8282 dated 12/09/08
2.	"CONTAINER"	09-03	213770	17/12/2007	9159 dated 27/11/08

B. The following application has been made for registration of Patent by Mr. Balwant Singh, the Inventor, who is the Promoter Director of the Company:

S. No	Application No. & its date	Filed with	Nature of approval	Applicable law	Present Status
1.	1446/DEL/2008 dated June 17, 2008	Government of India, Controller General of Patents Designs and Trade marks	Registration as Patent of the Invention: Cooking oil blend and method of manufacture thereof.	The Patent Act, 1970	Published on July 25, 2008 in Journal No. 30/2008

Presently, our products namely 'Tara Kotton'; 'Tara Unique', 'Tara Olive', 'Raath Panjeri', 'Raath Gold', 'Tara Min', etc. are being sold without any registration of Trademark/Label. We have applied for registration of our Trademark/Label in respect of these products.

Quality Control

In order to maintain the quality of our products i.e. edible grade oil and cattle/poultry feed we conduct quality check at various stages commencing from the taking delivery of the raw material & other inputs. To ensure this we have a fully equipped chemical laboratory manned with experienced and qualified staff. Some of the equipments being used by us in our chemical laboratory are Spectro-Photo Meter; Tinto meter; refracto meter; T.L.C. Kit With U.V. Lamp; Heating Mantle Set (3 Liters Cap); PH Meter; T.D.S. Meter; Desiccators (Vacuum); Flash Point Apparatus (Penske Marten Closed Method); Centrifugal Machine; Chemical Qualigins; Zeals Thermometer. In addition we from time to time get test conducted on our blended oil from research institute approved by the Ministry of Food & Consumers Affairs, Department of Sugar & Edible oil, Government of India to confirm adherence to the prescribed quality parameters.

Research and Development (R&D):

Sensing the need for continuous improvement to keep pace with the market place we have constantly endeavored to improve on our existing products and develop new products that meet the changing needs of the end users. We have an in-house research & development team comprising of qualified and experienced professionals.

INFRASTRUCTURE FACILITIES:

Property

Details of Land owned by us:-

- 111288.375 sq. mtrs at Village Jitwal Kalan, Malerkotla, District Sangrur, Punjab *
- 234235.599 sq. mtrs at Industrial Focal Point, Malerkotla, District Sangrur, Punjab.

* The Government of Punjab, Department of Industries & Commerce (Land Acquisition Wing) vide their letter no. LAC/Acq/Sangrur/79/6204-B dated April 1, 2005 approved change in the ownership of the land from Ram Sahai Wool Combers Pvt. Ltd. To Tara Feeds Pvt. Ltd., the new name of the company. Thereafter, the Company got its name change mutated in the revenue records of the State and as per last mutation the land is registered in the name of Tara Health Foods Ltd.

**Details of the Land on Lease taken by us**

Sr. No	Document Executed	Name of the Parties	Details of Land Purchased	Area (Sq. meters)
1.	Lease Deed dated 05/12/2006 for a period of 90 years	State Industrial Development Corporation of Uttaranchal Ltd., Eldeco Sidcul Industrial Park Ltd. And Tara Feed Ltd.	Plot no. A-2, Sector-Phase-1, ESIP, Sitarganj, Uttaranchal. (Khasra no.171, Village Lalarpatti)	4802. 85

Details of the Property taken on Lease by us

Sr. No	Document Executed	Name of the Lessor	Details of Property	Area (Sq. Feet)
1.	Rent Deed dated 21/07/2007 for a period of 5 years	S. Hargurpal Singh & S. Jagjit Singh	3rd Floor, Mall Plaza, Fountain Chowk, Civil Lines, Ludhiana	2860.00

Raw Material

The raw material for cattle/poultry feed entails various oil seeds cakes i.e. soyabean, sunflower, rice bran, mustard etc., maize, bajra, mineral mixtures and molasses as raw material. We are located in Punjab, which along with its neighboring states has a history of healthy harvest majority of the food grain types in the country. Punjab is largest rice producing state in India and Sangrur is the largest rice producing district in Punjab. Rice bran is purchased from the Rice Millers based within the state of Punjab. This ensures easy availability, competitive pricing and better quality of rice bran. Similarly other raw materials are easily available within the state of Punjab along with the neighbouring states.

The raw materials used for manufacture of poultry feeds are grouped as follows:

1. Cereal and grains: maize, rice, wheat, sorghum, bajra, ragi and other millets, broken rice, germs, middling and damaged wheat that is discarded from the food industry as unfit for human consumption.
2. Cakes or Oil meal: groundnut cake, soybean meal, rapeseed meal, sesame meal, sunflower meal, coconut meal, palm meal are used as protein resources.
3. Feed of animal origin: meat meal, fish meal, squilla meal, hatchery waste and bone meal are used. However, farmers face production problems due to bacterial contamination of fish and meat meal.
4. By-products: rice bran, rice polish, solvent extracted rice and wheat bran, molasses and salseed meal are by-products used in poultry feeds.
5. Minerals and vitamins: poultry feeds are enriched with calcium, phosphorus, trace minerals such as Fe, Zn, Mn, Cu, CO and I and vitamins A, D3, E, K and B Complex.
6. Feed additives: additives commonly used are antibiotics (usage not banned in India) prebiotics, probiotics, enzymes, mould inhibitors, toxin binders, anti-coccidial supplements, acidifiers, amino acids, antioxidants, feed flavours, pigments and herbal extract of Indian origin.

In case of edible oil we require rice bran, olive oil (crude) and cotton seed oil as the raw materials. We source it from various vendors from within India and outside the country.



The business in which our Company is engaged is not seasonal, however, the availability of raw material(s) is seasonal in nature. Our Company has made adequate arrangement for warehousing to store raw material. Before the beginning of each season, an assessment of performance for the year is done which involves inputs from all key managerial personnel. Inputs from sales/field staff are also taken and sales target for the next financial year is finalized. Based on this, monthly production targets and raw materials procurement target are finalized. Sales, production and raw material procurement targets are reviewed on a regular basis depending upon market conditions. We normally keep sufficient stock of raw materials for build up of enough stock of finished goods for the ensuing season. All the raw materials procured are tested for quality. The test report is generated and recorded for any future reference. The raw material is released for further processing only if it passes the quality standard.

Power

Sl. No.	Location	Power Requirement
1	Malerkotla	2000 KW
2	Sitarganj	300 KVA

We have been granted Independent feeder/Continuous Process Industry status (Category – IV) by the Punjab State Electricity Board vide their letter no. 25209/11/SO/PRC/Tarafeed dated October 30, 2006 and regularized by them vide their letter no. 516/18/SO/PRC dated February 1, 2007, whereby no power cuts are to be imposed on us.

In addition to above we have installed two 500 KVA Diesel generator sets at our manufacturing facilities as Malerkotla as standby arrangement for uninterrupted power supply.

We do not foresee any problem in obtaining any further sanction of the power required for running our facilities if and when required.

Energy Conservation

In our refinery approximately 2/3 (two third) of the steam condensate with temperature of 80 – 85° is taken back for steam generation in our Boiler. This ensures hot water supply to Boiler, and saving of our fuel costs, reducing load on our R.O. system as well as reducing quantity of effluent water required for our operations.

Fuel

We require diesel for running our DG set as well as running our fleet of trucks. We have a dispensing station within our premises wherein we store diesel required by us for running the DG Set and operating our fleet of trucks.

We have set up storage tanks for storing the diesel required for plying this fleet of trucks & tankers. The same is being procured from Indian Oil Corporation with whom we have entered into an agreement dated October 23, 2006.

We do not foresee any problem in sourcing of fuel.

Boilers

We have installed three boilers at our manufacturing facilities at Malerkotla as detailed below:

- Steam boiler with an evaporation capacity of 5000kg/hr at 11.04 bar working pressure;
- Fluidopac steam boiler with an evaporation capacity of 6000kg/hr at 17.02 bar working pressure;
- Thermic Fluid Heater with a capacity of 15 lacs kilo calories/per hour.

We use rice husk as fuel in our boilers which is easily available within the adjoining areas.



Water

We use water in the manufacturing process at our Malerkotla and Sitarganj plant for certain operations. The water requirement is being met with the help of two submersible pumps with capacity of 15 HP & 20 HP from the bore wells dug by us at Malerkotla. In addition, we have dug at bore well at Sitarganj.

We have also installed two RO plants with capacity of 8 ton & 6 ton per hour for treating the water sourced through the bore well. This water is supplied to steam boilers.

We are able to meet our requirement for water for manufacturing and domestic purposes from the above mentioned source.

Effluent Treatment

For treating effluent we have installed an ETP to treat effluents generated from Solvent Extraction Plant and the refinery. We have the consent of the concerned Pollution Control Boards for our existing manufacturing facilities.

Manpower

As on March 31, 2010, we are having 140 employees under the permanent rolls besides 78 labour employed through contractors. We have entered into an agreement dated July 1, 2009 with M/s Manohar Kumar having its office at H. No. 255, Village Rurki Kalan, Tehsil Malerkotla, District Sangrur, for supplying of workers to our manufacturing facilities at Malerkotla. The agreement is valid for one year and can be renewed as per our Company's discretion. We have also entered into an agreement dated October 22, 2009 with M/s. Paramjit Singh having its office at Village Gajjan Majra, Near Rurki Kalan, Teh. Malerkotla, Distt. Sangrur for supplying of workers for production/packing, loading and unloading, etc. at our manufacturing facilities at Malerkotla. The agreement valid for a period of one year effective October 24, 2009. We have entered into an agreement dated September 1, 2009 with M/s Subodh Kumar having its office at Kichha Road, Sitarganj, U.S.Nagar, Uttaranchal for supplying of workers at our manufacturing facilities at Sitarganj. The agreement is valid for one year and can be renewed as per our Company's discretion.

The detailed breakup of our permanent employment and contract labour is given hereunder:

Sr. No.	Particular	Employees
1	Management	13
2	Administrative & Marketing	45
3	Production & Maintenance	82
4	Contract Labour	78
TOTAL		218

The additional requirement of manpower for the proposed projects is as under:

Sl. No.	Particulars	Proposed Manpower
1	Management	11
2	Administrative & Marketing	98
3	Production & Maintenance	85
Total		194

We do not foresee any difficulties in recruiting additional manpower.



Till date we have not experienced any strike, lockout or go-slow at any of our Company's premises. We do not have a workmen union. We provide retirement benefits to our employees by way of provident fund, gratuity and superannuation in compliance with the statutory requirements.

Fleet of Trucks

Presently, we have our own fleet of 35 trucks. The said fleet is being used by us for delivery of the end products to the dealers/retailers at their doorsteps or at the desired location. Given our extensive dealer network with some of them located in remote villages we are better placed to service them efficiently and economically through our own fleet rather than banking on the truck unions.

We have an in-house maintenance workshop wherein we carry out preventive maintenance work. Besides, we have set up storage tanks for storing the diesel required for plying this fleet of trucks. The same is being procured from Indian Oil Corporation with whom we have entered into an agreement dated October 23, 2006.

Necessary approvals from the Petroleum & Explosives Safety Organisation (erstwhile office of Chief Controller of Explosives), Nagpur has been obtained vide their letter P/HQ/PB/15/1889(P181697) (Renewal No.1) dated November 28, 2008 for storage of petroleum.

Insurance

Our operations are subject to risks inherent in the cattle/poultry feed, solvent extraction, refining and blending industry, such as work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and risk associated with adverse working environmental conditions. We generally maintain insurance covering our assets (immovable and moveable) and operations at levels that we believe to be appropriate and consistent with that typical for our businesses in India.

Our insurance policies generally consist of coverage for risks related to physical loss or damages by way of all risk coverage for Loss or damage to equipment/material/employees by means of all Risk Policy, Standard Fire, Earth quake and special combustion, Money (cash in transit), Machinery breakdown, Fire Earthquake and Vehicle cover. We also have group personal accident and mediclaim policy for our staff.

Sales and Marketing

We market our edible oils through different channels to the organized and the unorganized sector.

In the organized sector our strategy is to approach the major retailers to market our products depending on the segment they specialize in. Tara Gold is sold through all the segments and retail format. It has been able to gain market penetration as it is very competitive in price and quality in relation to the peer set brands. Our pricing strategy has been to be amongst the lower rung in the segment and in terms of quality match the best.

Zaitoon Tara is being placed as a niche product and marketed with select organized and unorganized players. Our target audience has been the markets mainly in high end localities in Metros and 2 tier city as the consumers in these markets are health consciousness besides being fully aware about the health benefits of olive oil.

To cater to the organized, less organized and unorganized retailers we have and are in the process of setting up distribution points in different states like Delhi, Haryana, Uttaranchal, J & K, Himachal Pradesh, Chandigarh, Punjab. These distribution points would be serviced from the production unit in Malerkotla. We have developed distribution network to reach out to customers across the northern part of the country to start with. This distribution network services the urban and rural market alike. Presently we have distributors in Delhi, Punjab, Himachal Pradesh, Uttaranchal and Bihar has its own depots at the major points.



We have network spread across states catered to by the dealers/distributors. These distributors distribute our products to the numerous retailers spread across the length & breadth of different states within India. Our company has a retail network and going forward we intend to spread our reach to areas untouched by us till date. We intend to engage more dealers/distributors to increase our product visibility through various incentives and promotional schemes for them. We would also use various channels of communications to enhance our visibility, besides working on creating awareness amongst the masses about wellness & well being. We are constantly in touch with the market intermediaries who provide us an important feedback about the consumers and his preferences. This helps us to strategize our marketing efforts and be in touch with the changing behavioral pattern of the consumers.

SALES AND DISTRIBUTION

Distribution Network for Cattle/Poultry Feed

Cattle/poultry feed is sold through a network of dealers/retailers established in the states of Punjab, Haryana, Uttar Pradesh (UP), Uttaranchal, Bihar and Rajasthan.

Our marketing personnel visits the villages to educate the farmers on the importance of wellness of the cattle and the various benefits of a balanced diet. This has helped us to establish a close connectivity with the farmers and helped increase our customer base.

Distribution Channels:

We market our products through Distributors, Marketing Agents and Dealers/ Retailers. The structure followed by us in various states is as below:

Distributors:

These are single party exclusively appointed for a pre-defined territory. These distributors work with our staff and are restricted from stock and sale of directly competing brands, depending on the prevalent market practices. However, the distributors pricing towards the dealers and retailers is not decided by us.

Dealers/ Retailers:

The dealers/ retailers are part of the open trade network. These people typically stock all brands. Our Company freely appoints dealers in the geographical area.

We sell our poultry feed through our Sitarganj facilities and the marketing set up for cattle feed is used for to caters to the poultry feed market.

We have also entered into an agreement with Tata Chemicals Limited wherein they purchase from us in wholesale quantities of cattle feed manufactured and supplied by us under their trademark. The relationship between us and Tata Chemicals is on principal to principal basis. Both of us are at liberty to sell the cattle feed to customers/consumers without any territorial restrictions.

The agreement entered into is valid for a period of three years from the date of signing and can be renewed for a further period by mutual consent.

Sales Force Training

The sales force training is typically conducted twice a year. It is conducted in a span of a week to 10 days prior to the commencement of their employment. It is generally a 2-3 days program which includes technical / product related training as well as sales training. This training is conducted by external consultants who are recognized experts in this field.



Customer Centric

We are highly customer centric. The sale of cattle feeds largely depends upon the level of awareness amongst farmers which differs from farmland to farmland. Our sales personnel visit from time to time dealers/retailers and farmers of different regions based on the schedule drawn internally. We educate the retailers/farmers on animal hygiene & nutrition and prescribe the feed required for healthy cattle. Our access to large number of dealers/retailers is a huge barrier to the new entrants in the industry because such a database built-up requires not huge capital but years of experience. Our presence in this segment for the last five years has enabled us to establish ourselves right from grass root levels.

Training and Awareness Programs for Cattle Feed

In case of the cattle feed segment our customers are farmers. We carry out extensive training and awareness programs amongst them to create awareness about animal hygiene and nutrition and explain how our cattle feed products help in keeping their cattle healthy. Our focus remains on educating the farmers about the bad effects on the health of their cattle caused by unscientific feeding approach. We communicate with farmers to help them understand the right mixture of ingredients for their cattle feed and how our products fall in line with the best of the quality.

Training and Awareness Programs for Edible Oil

We conduct extensive training and awareness programs to create awareness for our edible oil products amongst the consumers. Our focus remains on educating people about the bad effects on the health and wellness caused by the high intake of unhealthy oil and how healthy edible oil product's regular use would affect the heart and health in a positive way.

Competition

Our competition depends on the products being offered by various companies in the organized segment besides several other factors like quality, price, capacity to deliver etc. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big players. In an organized segment we face competition from Ruchi Soya, Cargill, Markfed, K S Oil, Sanwaria Agro Oil, etc.

Health and Safety of Workmen

We have policy in place for health and safety for our workmen which has following salient features:

- Compliance with relevant Safety and Statutory Regulations and Rules both in letter and in spirit.
- Maintenance of safe, healthy and congenial working atmosphere by constant monitoring of environment around the work place.
- Ensuring cleanliness of work place in compliance with the relevant regulations.
- Providing work force with ongoing knowledge/instructions on work procedures and safety precautions.
- Conducting classes on safety, first aid training, fire fighting, mock drills, safety audit, risk analysis studies, etc.
- Ongoing assessment on the status of safety, health and environment at the work place and take appropriate measures to improve the same.
- Obligation and responsibility on every employee to perform the tasks ensuring complete safety.

We comply with applicable health and safety legislations and other requirements.



KEY INDUSTRY REGULATIONS

Our Company is engaged in the business of manufacture, process, import, export, distribute or otherwise deal in all kinds and descriptions of poultry, cattle and animal feeds.

Later on, the Company diversified into manufacture of Refined Vegetable Oils.

For the purpose of the business undertaken by our Company, we may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For details of such approvals, please refer to the section titled “Government/Statutory Licenses, Registrations & Approvals” starting from page no.185.

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. Sets forth below are certain significant legislations and regulations which generally govern this industry in India:

A. INDUSTRIAL LAWS

1. The Factories Act, 1948

The Factories Act, 1948 seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. Section 2(m) of the Act, defines, a ‘factory’ to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has set out rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories.

The Act provides that occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. There is a prohibition on employing children below the age of 14 years in a factory.

2. Contract Labour (Regulation and Abolitions) Act, 1970.

The Act applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract labour. The Act provides for the welfare of the contract labour, their wages, appointment of the inspecting staff and maintenance of registers, records, etc. As per the said Act, the establishments covered are required to be registered as the Principal Employer.

3. Industries (Development and Regulation) Act, 1951

This Act covers industries dealing in edible oil products, and mandates that such industries must, prior of being set up, acquire a license from the Central Government in this behalf. Under the New Industrial Policy dated July 24, 1991, all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance,



Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

4. Punjab Shops and Commercial Establishments Act, 1958

The Punjab Shops and Commercial Establishments Act, 1958 governs the Company as the Company is having its registered office in the state of Punjab. It regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of registration, opening and closing hours, daily and weekly working hours, health and safety measures, and wages for overtime work.

5. The Prevention of Food Adulteration Act, 1954 & Rules, 1955

This act is the basic statute intended to protect the common consumer against supply of adulterated food and specifies different standards on various articles of food. The standards are of minimum quality level intended for ensuring safety in the consumption of these food items and for safeguarding against harmful impurities, adulteration etc. Provisions of the Act are mandatory and contravention of the Rules can lead to both fine and imprisonment. The standards of quality of various food articles have been specified in Appendix B to the Prevention of Food Adulteration Rules, 1955. Manufacture, sale, stocking, distribution or exhibition for sale of any article of food, including prepared food or ready to serve food, cannot be done by any person except under a license.

6. Edible Oils Packing (Regulation) Order, 1998

In the context of the incidence of adulteration of oil with argemone oil and consequent dropsy cases and dropsy deaths, this Order derives its powers from the Essential Commodities Act. The basic objective of the Order is to ensure availability of safe and quality edible oils in packed form to the consumers.

7. Vegetable Oil Products (Control) Order, 1947

This order puts the responsibility for implementation of the standards of quality of the vegetable oil product particularly at the manufacturing stage with the Directorate of Vanaspati, Vegetable Oils and Fats.

8. Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967

This order controls the production and distribution of solvent extracted oils, deoiled meal, edible flours and hydrogenated vegetable oils (Vanaspati). This order is operated by the Directorate of Vanaspati, Vegetable Oils and Fats under the Department of Civil Supplies in the Ministry of Food and Civil Supplies.

9. Solvent Reffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000

This order puts restriction on sale and use of solvents, reffinates, slops and other products. This order lays down detailed provisions and procedure for obtaining license, for acquire, store or sell solvent, raffinate, slops or their equivalent and other products issued by the State Govt. or the District Magistrate or any other officer authorized by the Central/State Govt. According to this order no person shall either use or help in any manner the user of solvents, raffinated, slops or their equivalent or other products except Motor Spirit and High Speed Diesel in any automobile.

10. The Explosives Act, 1884

This act regulates the manufacture, possession, use, sale, transport and importation of the explosives. As per Section 4 (h) "manufacture" in relation to an explosive includes the process of:

- (1) Dividing the explosive into its component parts or otherwise breaking up or unmaking the explosive, or making fit for use any damaged explosive; and
- (2) Re-making, altering or repairing the explosive. The Central Government may, for any part of India make rules consistent with this Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Moreover, the Central Government may also from time to time, by notification, prohibit, either absolutely or subject to conditions, the manufacture, possession or importation of any explosive which is of so dangerous a character that, in the opinion of the Central Government, is expedient for the public safety to issue the notification.

11. The Indian Boilers Act, 1923

This act contains law relating to steam boilers. The Act applies to all boilers used for generating steam under pressure, exceeding 22.75 ltrs. Capacity and to the steam-pipe, feed pipe, economizer and any mounting or other fitting attached to the boiler. The owner is required to get registered for using a boiler under the provisions of the Indian Boilers Regulations, 1950.

12. The Petroleum Act, 1934

This act provides for provisions relating to the import, transport, storage, production, refining and blending of petroleum.

13. The Agricultural Produce (Grading & Marking) Act, 1937

This act provides for the grading and marking of agricultural and other produce.

14. Agricultural Produce Marketing (Regulation) Act 1963

The Act provides for establishment of Market Committees in the State. These Market Committees are engaged in development of market yards for the benefit of agriculturists and the buyers. Various agricultural produce commodities are regulated under the Act. At present there are 295 APMCs (Agriculture Produce Market Committee) with main markets and 609 sub markets. The APMCs were established by the State Govt. for regulating the marketing of different kinds of agriculture and pisciculture produce for the same market area or any part thereof.

15. The Standards of Weights and Measures Act, 1976

This act was enacted to establish standards of weights and measures, to regulate inter-state trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers, and to provide for matters connected therewith or incidental thereto.

16. Payment of Wages Act, 1936

The Payment of Wages Act, 1936 applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs. 6500/-

17. Minimum Wages Act, 1948

The Minimum Wages Act, 1948 gives power to appropriate government (Central or State) to fix minimum wages to be paid to the persons employed in scheduled or non scheduled employment and the concerned employer is required to pay the minimum wages, fixed by the appropriate government.



18. 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.

19. Payment of Gratuity Act, 1972

The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

20. Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 is applicable on every establishment employing 20 or more employees. The said act provides for payment of the minimum bonus to the employees specified under the Act. It further requires for the maintenance of certain books and registers and submission of Annual Return within 30 days of payment of the bonus to the Inspector.

21. Employees' Provident Funds and Miscellaneous Provisions Act, 1952

This act was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the 'Employee's Provident Fund Scheme', 'Employee's Deposit linked Insurance Scheme' and the 'Employees' Family Pension Scheme' for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

22. Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 is applicable to establishments and undertakings wherein any systematic activity is carried out by co-operation between an employer and his workmen for the production, supply or distribution of goods or services. The Act requires for the maintenance peace and harmony for better working conditions.

B. POLLUTION LAWS

23. Environment (Protection) Act, 1986 & Environment Protection Rules

The Central Government has been vested with powers to lay down standards for the quality of environment in its various aspects, standards for emission or discharge of environmental pollutants from various sources and to restrict areas in which operations or processes cannot be carried out or shall be carried out subject to

certain safeguards. In case of offences by companies, the person who was in charge at the time of the commission of the offence shall be deemed to be guilty.

24. Water (Prevention and Control of Pollution) Act, 1981

The Water (Prevention and Control of Pollution) Act, 1981 (Water Act) prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board (SPCB). The Water Act also provides that the consent of the SPCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard. The person in charge is to affix meters of prescribed standards to measure and record the quantity of water consumed. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

25. Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act, 1981 (Air Act) under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any mining activity. The SPCB is required to grant consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

26. The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 provides for control and regulation of hazardous wastes as defined under the Rules discharged by the operations of undertakings. Prior consent of the Pollution Control Board must be obtained for any new outlet or unit, likely to discharge sewage or effluent.

C. TAX RELATED LEGISLATIONS

27. Value Added Tax, 2005

Value Added Tax (VAT) is charged by laws enacted by each State on sale of goods affected in the relevant States. VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is not chargeable on the value of services which do not involve a transfer of goods. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

28. 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 there under 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, Minimum Alternative Tax and like are also required to be complied by every Company.



29. Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (monthly/ quarterly/ annually) as required by the State Sale Tax laws of the assessing authority together with treasury challan or bank receipt in token of the payment of taxes due.

30. Service Tax

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assesses is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

D. INTELLECTUAL PROPERTY RIGHTS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

E. CONTRACTUAL RIGHTS

The bulk of the transactions in trade, commerce and industry are based on contracts. In India, the Indian Contract Act, 1872 is the governing legislation for contracts, which lays down the general principles relating to formation, performance and enforceability of contracts.

31. Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It only provides a framework of rules and regulations which govern formation and performance of contract. The rights and duties of parties and terms of agreement are decided by the contracting parties themselves. The court of law acts to enforce agreement, in case of non-performance.

F. REGULATION OF IMPORTS & EXPORTS

Quantitative restrictions on imports into India were removed with effect from April 1, 2001, as per India's World Trade Organization ("WTO") obligations, and imports of capital goods and automotive components were placed under the open general license category.

32. Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).



33. Central Excise Act, 1944

In accordance with the Central Excise Act & Central Excise Rules, every person who produces or manufactures any excisable goods is required to get itself registered with the Jurisdictional Deputy or Assistant Commissioner of Central Excise. Hence this Act is applicable on our Company. Further the provisions of the Central Excise Rules provide that the manufacturer of final products (other than SSI's) shall submit the duty on goods removed from the factory or warehouse during the month by the fifth day of following month. Also a Monthly Return in Form ER1 is required to be submitted to the Superintendent of Central Excise within 10 days after the close of the month.

34. Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/ divisions/ units/factories.



HISTORY AND CORPORATE STRUCTURE OF THE COMPANY

HISTORY AND MAJOR EVENTS

Our company was incorporated on February 28, 1977 as Angoora Wool Combers Pvt Ltd. with the objective of setting up of a wool combing unit. Subsequently, in the year 1986 the name was changed to Ram Sahai Wool Combers Pvt. Ltd. In the year 2004, the present management, namely, Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh took over the management of the Company from erstwhile promoters Mr. Dharm Pal, Mr. Ashok Kumar, Mr. Nagesh Kumar, Mr. Narinder Kumar, Mr. Rajiv Mehra and Ms. Vidya Prakash with a view to undertake the cattle/poultry feed manufacturing activities. Our Company set up manufacturing facility at Village Jitwal Kalan, Malerkotla, Dist. Sangrur, Punjab for manufacture of cattle/poultry feeds with an installed capacity of 250 TPD; production commenced in October 2005. On taking over, the name of the Company was changed to Tara Feeds Private Limited in September 2004. In October 2005, the Company was converted from a Private Limited Company to Public Limited Company and accordingly the name was changed to 'Tara Feeds Limited'.

In April 2006, as a step towards achieving backward integration, we installed a 250 TPD solvent extraction plant. The solvent plant became operational in October 2006.

In February 2007 we set up a cattle/poultry feed manufacturing unit at Sitarganj, Uttaranchal with an installed capacity of 250 TPD. The said plant on becoming operational is catering to state(s) of Uttar Pradesh, Bihar & Uttaranchal.

The name of the Company was changed to Tara Olive India Limited effective June 11, 2008.

We set up a refinery unit with an installed refining capacity of 120 TPD for refining of edible oil at our existing facilities in the year 2008.

Our name was again changed to M/s. Tara Health Foods Limited effective November 24, 2008.

Our facility at Village Jitwal Kalan, Malerkotla is an ISO 9001:2000 certified facility. Besides, we have been assessed by DAS Certification Ltd., Hampshire, U.K. and found to meet the requirement of the Codex Based HACCP, safety management system for manufacture of blended oil.

Key Events and Mile Stones

Year	Events
2004	<ul style="list-style-type: none">- Took-over the Management of the Company (Ram Sahai Wool Combers Pvt Ltd)- Name changed to 'Tara Feeds Private Limited'- Initiated steps to set up facilities for manufacture of Cattle/poultry feed
2005	<ul style="list-style-type: none">- Commenced commercial production of Cattle/poultry feed at Village Jitwal Kalan, Malerkotla with installed capacities of 250 TPD- Launched our Cattle Feed product under brand 'Tara Feed'- Entered into an agreement with 'Chambal Fertilisers and Chemicals Limited' for sale of cattle feed products- Name changed to 'Tara Feed Limited'
2006	<ul style="list-style-type: none">- Installed 250 TPD solvent extraction plant at Village Jitwal Kalan, Malerkotla- Commenced manufacturing and distribution of premium variant of cattle feed in under name 'Rath No 1'- Commenced manufacturing and distribution of variant of cattle feed in name of 'Rath No 1', 'Rath Panjiri', 'Rath Feed', 'Tara Min'
2007	<ul style="list-style-type: none">- Set-up a cattle feed manufacturing unit at Sitarganj, Uttaranchal with installed capacities of 250 TPD- Entered into an agreement with 'Tata Chemicals Limited' for supply of cattle feed



	products manufactured by us under their mark - Commenced manufacturing and distribution of our premium variant of cattle feed under name of 'Rath Gold' - Company was certified asan ISO 9001:2000 Company
2008	- Set-up a 120 TPD edible oil refining capacity at Village Jitwal kalan, Malerkotla - Our facility at Village Jitwal, Malerkotla is an ISO 9001:2000 certified for 'Manufacture of Blended Edible Oil & Cattle Feed' - Company received AGMARK certification for its Blended Oil product - Company initiated production of its first blended oil product under the name and format of 'Tara Unique' – a blend of Rice Bran Oil and Olive Oil - Our Refining facility at Village Jitwal, Malerkotla is assessed Codex based Hazard Analysis Critical Control Point (HACCP) for 'Food safety Management Systems' - Company got membership of PHD Chamber of Commerce and Industry, New Delhi - Clocked turnover of Rs.1,000 million - Name changed to 'Tara Olive India Limited' - Name changed to 'Tara Health Foods Limited' - Launched 'Tara Pure Olive Oil' – Olive Oil
2009	- Launched 'Tara Lite' – variant of rice bran oil - Launched 'Tara Gold' – variant of rice bran oil - Launched 'Tara Kotton' – refined cotton seed oil - Launched 'Zaitoon Tara' – a refined blended oil product

MAIN OBJECTS OF OUR COMPANY

Our main objects as contained in our Memorandum of Association are:

1. To manufacture, process, import, export, distribute or otherwise deal in all kinds and descriptions of poultry, cattle and animal feeds.
2. To carry on in India or abroad the business as manufacturers, buyers, sellers, traders, dealers, importers, exporters and distributors of all kinds and description of health foods, health supplements, oils, food grains and food products.
3. To manufacture, buy, sell, tride, produce, crush, extract, refine, develop, process or otherwise deal in all kinds, description and varieties of edible and non-edible oil cakes, deoiled cakes, soaps, detergents, fatty acids, glycerine by setting up of solvent extraction plants, expellers, oil hydrogenating and oxygenating plants, oil splitting plants, oil refineries or otherwise. (Included in Mail Objects of the Company by passing a resolution at the Extra-ordinary General Meeting under Section 149(2A) to commence the activites as detailed in sub clause 5 of the other objects of the Company)

The object clauses of our Company enable us to undertake the activities for which the funds are being raised in the issue and also the activities, which our Company has been carrying on till date.

Changes in the Registered Office:

Previous Registered Office	New Registered Office	Date of Board Resolution	Purpose
1016 17 Akashpuri, Civil Lines, Ludhiana, Punjab, India	3rd Floor, First Mall, The Mall, Ludhiana, Punjab – 141001, India	August 16, 2007	Administrative Convenience
3rd Floor, First Mall, The Mall, Ludhiana, Punjab – 141001, India	3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana, Punjab – 141001, India	November 01, 2007	Administrative Convenience



Amendments to our Memorandum of Association

Since Incorporation, the following changes have been made to Memorandum of Association of the Company:

Date of Amendment	Amendment
December 02, 1986	Alteration of Name clause of the Company, name changed to Ram Sahai Wool Combers Private Limited
September 02, 2004	Alteration of Name clause of the Company, name changed to Tara Feeds Private Limited
October 05, 2005	Company was converted from Private Limited to Public Limited, new name being Tara Feed Limited
March 23, 2006	Increase in authorised capital from 24,000 equity shares of Rs.100 each to 150,000 equity shares of Rs.100 each
May 25, 2006	Increase in authorised capital from 150,000 equity shares of Rs.100 each to 240,000 equity shares of Rs.100 each
May 25, 2006	Alteration of Object Clause, by passing Special Resolution at the Extra-ordinary General Meeting, by inserting adding sub-clause 5 in the 'Other Objects' of its 'Objects Clause' of the MOA
March 31, 2007	Increase in authorised capital from 240,000 equity shares of Rs.100 each to 650,000 equity shares of Rs.100 each
October 22, 2007	Increase in authorised capital from 650,000 equity shares of Rs.100 each to 850,000 equity shares of Rs.100 each
May 24, 2008	Alteration of Object Clause, by passing a resolution at the Extra-ordinary General Meeting under Section 149(2A) to commence the activities as detailed in sub clause 5 of the other objects as the main objects of the Company
July 11, 2008	Alteration of Name clause of the Company, name changed to Tara Olive India Limited
October 14, 2008	Sub-division of face value from Rs.100 per share to Rs.10 per share
October 14, 2008	Increase in authorised capital from 8,500,000 equity shares of Rs.10 each to 9,500,000 equity shares of Rs.10 each
November 03, 2008	Alteration of Object Clause, by passing a resolution at the Extra-ordinary General Meeting inserting sub-clause 2 of clause III(A) of the Main Objects of the Company
November 24, 2008	Alteration of Name clause of the Company, name changed to Tara Health Foods Limited
August 06, 2009	Increase in authorised capital from 9,500,000 equity shares of Rs.10 each to 35,000,000 equity shares of Rs.10 each

OUR SUBSIDIARIES

As the date of the filing of this Red Herring Prospectus we do not have any subsidiary Company

ASSOCIATE COMPANIES

As the date of the filing of this Red Herring Prospectus we do not have any associate Company except as mentioned below:

M/s. Tara Life Care Products Limited

M/s. Tara Life Care Products Limited is a Public Limited Company registered with Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh vide Certificate of Incorporation dated June 05, 2009.

The Corporate Identity no is U52100PB2009PLC032899

The main Objects of the Company are:

- To manufacture process, refine, buy, sell, deal, barter, import or export whether as wholesaler or retailers or as principals or agents or brokers or otherwise all kinds of consumer products, personal care products,



beauty products, cosmetic products, cleansing compounds, baby care products, healthcare products, etc. whether herbal, medicated, antiseptic or not; by-products or accessories there of and other materials required for the process, manufacture and use of the aforesaid products.

Registered Office: 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana – 141001, Punjab, India

Mr. Balwinder Singh, Mr. Satnam Singh, Mr. Ranbir Singh Ahluwalia, Mr. Amit Sharma and Mr. Kapil Sharma are the Directors of the Company

Shareholding Pattern

Sr. No	Name of Partner	No of Share held	Shareholding (percentage)
1	Mr. Balwinder Singh	12,000	24.00
2	Mr. Satnam Singh	7,000	14.00
3	Mr. Amit Sharma	7,000	14.00
4	Mr. Ranbir Singh Ahluwalia	7,000	14.00
5	Mr. Munish Kumar	5,000	10.00
6	Mr. Balwant Singh	5,000	10.00
7	Mr. Kapil Sharma	7,000	14.00
TOTAL		50,000	100.000

Financial Information

Company was incorporated in June 5, 2009; hence, no financial statement for the company has been prepared till date.

There are no pending litigations filed by and/or against the Company and/or its Promoters as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against this Company, and/or its Promoters and/or its Directors.

The Company has not declared as a sick Company within the meaning of the Sick Industrial Companies (Special Provision) Act, 1955 and is not under winding up.

SHAREHOLDERS AGREEMENTS

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

OTHER AGREEMENTS

Except as stated elsewhere in this Red Herring Prospectus and except various agreements/contracts, which have been entered in regular course of business with our suppliers, customers and lenders, there are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of the Red Herring Prospectus.

Tara Heart Care Products Limited and Tara Health Foods Limited

Our promoter group company Tara Heart Care Products Ltd. though not carrying the same competing business since the object clause of memorandum of association of both the Companies entitle them to undertake similar activities in future, it is intended that the Companies in the same group do not compete with each other, in the interest of mutual proliferation of their individual businesses and the group as a whole. The agreement provides that:



Tara Health will continue with its existing and future businesses as permitted by the objects clause of its Memorandum of Association, as amended from time to time, without any restriction in terms of this agreement. However, Tara Health will not enter into any manufacturing activity in which Tara Health is engaged into and will not market the products of any company other than of Tara Health, without the prior written consent of Tara Health.

That both the companies agree and declare that none of the clauses of this Agreement are intended to be vocative of the Competition Act, 2002 or the Monopolies And Restrictive Trade Practices Act, 1969 and that this Agreement is not meant to restrict, by any method the persons or classes of persons to whom goods are sold or from whom goods are bought by either of the parties.

This Agreement shall not be terminated under any circumstances whatsoever, unless by mutual consent of both the parties.

This Agreement contains the entire agreement among the Parties relating to its subject matter and super cedes all oral statements and prior writings with respect to it. This Agreement may not be amended or modified except by a writing executed by each Party.

Tara Feed Factory and Tara Health Foods Limited

Our Promoter group firm namely, Tara Feed Factory is carrying on the business of manufacturing cattle feed since 2001, whereas, Tara Health started carrying on this business in the year 2004. Besides, Tara Health is carrying on the business as manufacturers, importers, exporters, distributors of edible and non-edible oil, rice bran oil, health supplements, etc.

A non-compete agreement has been entered into with them. The broad terms & conditions contained therein are given below:

- Tara Feed will operate in areas of Patiala & Fatehgarh in the State of Punjab and Tara Health would, in respect of their business of cattle & poultry feed, operate in any and all other areas except in the aforementioned areas where Tara Feed operates.
- Tara Health will continue with its existing and future businesses as permitted by the objects clause of its Memorandum of Association, as amended from time to time, without any restriction in terms of this agreement and Tara Feed will not in future enter into business in which Tara Health operates, without the prior written consent of Tara Health.
- Tara Health and Tara Feed will not solicit each others existing clients, nor will they service or target potential clients in the areas in which the other party caters to.
- Tara Health and Tara Feed will provide each other with a half yearly MIS disclosing the identity of potential and prospective clients in order to avoid breach of the terms of this Agreement.
- The parties hereto agree and declare that none of the clauses of this Agreement are intended to be vocative of the Competition Act, 2002 or the Monopolies And Restrictive Trade Practices Act, 1969 and that this Agreement is not meant to restrict, by any method the persons or classes of persons to whom goods are sold or from whom goods are bought by either of the parties.
- This Agreement shall not be terminated under any circumstances whatsoever, unless by mutual consent of both the parties
- This Agreement contains the entire agreement among the Parties relating to its subject matter and super cedes all oral statements and prior writings with respect to it.

Tara Life Care Products Limited and Tara Health Foods Limited

One of our associate company Tara Life Care Products Ltd. though not carrying the same competing business since the object clause of memorandum of association of both the Companies entitle them to undertake similar activities in future, it is intended that the Companies do not compete with each other, in the interest of mutual proliferation of their individual businesses and the group as a whole. The agreement provides that:



Tara Health will continue with its existing and future businesses as permitted by the objects clause of its Memorandum of Association, as amended from time to time, without any restriction in terms of this agreement. However, Tara Life will not enter into any manufacturing activity in which Tara Health is engaged into and will not market the products of any company other than of Tara Health, without the prior written consent of Tara Health.

That both the companies agree and declare that none of the clauses of this Agreement are intended to be vocative of the Competition Act, 2002 or the Monopolies And Restrictive Trade Practices Act, 1969 and that this Agreement is not meant to restrict, by any method the persons or classes of persons to whom goods are sold or from whom goods are bought by either of the parties.

This Agreement shall not be terminated under any circumstances whatsoever, unless by mutual consent of both the parties.

This Agreement contains the entire agreement among the Parties relating to its subject matter and super cedes all oral statements and prior writings with respect to it. This Agreement may not be amended or modified except by a writing executed by each Party.

These agreements are legally enforceable, in terms of the provision of the Indian Contract Act, 1872.

Except for the agreements mentioned above, we are not a party to, or have entered into, any other material contracts not being a contract:

STRATEGIC PARTNERS

As on the date of filing of the RHP, we have not entered into any strategic partnership or tie up with any company

FINANCIAL PARTNERS

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Red Herring Prospectus.

JOINT VENTURE

Our Company has not entered into any Joint Venture with any entity as on the date of filing of this Red Herring Prospectus.



OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association we cannot have fewer than 3 directors and more than 12 directors. We currently have 6 directors on our Board, out of which only 2 (two) are Executive Directors, and 3 (three) are Independent Directors. The Company has a Chairman who is a Non Independent and Non Executive Director.

The following table sets forth details regarding our Board as on the date of the Red Herring Prospectus with SEBI.

Name, Designation, Father's Name, Address, DIN No and Occupation	Age (in years)	Date of appointment and Term	Other Directorships
Mr. Jaswant Singh Chairman / Non Executive S/o. Mr.Gurmukh Singh Village Gajjan Majra, Tehsil Malerkotla, Dist. Sangrur-148023, Punjab, India DIN No.: 01673767 Occ.: Business Term: Retire by Rotation	48	August 23, 2004	<ul style="list-style-type: none"> ▪ Tara Feed Factory – Partner ▪ Punjab Dairy House – Partner ▪ Tara Heart Care Products Limited – Director ▪ Tara Infratech Limited – Director ▪ Tara Energy Limited – Director ▪ Pioneer Public School Management Committee (Regd.)– Trustee ▪ Tara Gram Udyog Samiti (Regd.) – Trustee ▪ Jaswant Singh and Sons (HUF) – Karta
Mr. Balwant Singh Managing Director S/o. Mr.Gurmukh Singh Village Gajjan Majra, Tehsil Malerkotla, Dist. Sangrur-148023, Punjab, India DIN No.: 01254159 Occ.: Business Term: Reappointed as Managing Director for a period of 5 years from December 1, 2008 till November 30, 2013 however liable to retire by rotation	44	August 23, 2004	<ul style="list-style-type: none"> ▪ Tara Feed Factory – Partner ▪ Punjab Dairy House – Partner ▪ Tara Heart Care Products Limited – Director ▪ Tara Infratech Limited – Director ▪ Tara Energy Limited – Director ▪ Mehndi Macs Trade Private Limited – Director ▪ Pioneer Public School Management Committee (Regd.) – Trustee ▪ Tara Gram Udyog Samiti (Regd.) – Trustee ▪ Balwant Singh and Sons (HUF) – Karta
Mr. Tejinder Singh Whole Time Director S/o. Mr. Kulwant Singh Village Gajjan Majra, Tehsil Malerkotla, Dist. Sangrur-148023, Punjab, India DIN No.: 01673762 Occ.: Business Term: Reappointed as Whole Time Director for a period of 5 years from December 1, 2008 till November 30,	30	August 23, 2004	<ul style="list-style-type: none"> ▪ Tara Heart Care Products Limited – Director ▪ Tara Infratech Limited – Director ▪ Tara Energy Limited – Director ▪ Tara Gram Udyog Samiti (Regd.) – Trustee



2013 however liable to retire by rotation

Dr. Jaspinder Singh Kolar Independent Director S/o. Mr.Chanan Singh Kolar 35-B, Kitchlu Nagar, Ludhiana – 141004 Punjab, India DIN No.: 02772855 Occ.: Retired Term: Appointed as Additional Director to hold office till the conclusion of the ensuing AGM	65	September 10, 2009	▪ NIL
Mr. Parshotam Bansal Independent Director S/o. Mr. Hans Raj Bansal 10-B, Udham Singh Nagar, Dist. Ludhiana – 141001 DIN No.: 02781346 Occ.: Professional Term: Appointed as Additional Director to hold office till the conclusion of the ensuing AGM	55	September 11, 2009	▪ Parshotam & Associates – Partner
Mr. Rajneesh Kumar Independent Director S/o. Mr.Devinder Kumar House No. 437/A, Guru Gobind Singh Nagar, Malerkotla Dist. Sangrur-148023, DIN No.: 02766595 Occ.: Professional Term: Appointed as Director liable to retire by rotation	28	July 01, 2009	▪ R. K. Karkra & Co – Proprietor

Brief Profile of our Directors

Mr. Jaswant Singh, aged 48 years, the Chairman of the company is a Bachelor of Arts from Punjabi University, Patiala; Masters of Arts in History from Punjabi University, Patiala; M Phil in History from Punjabi University, Patiala. Initially he was involved in the cattle feed business, but soon branched out in the field of education. He started a school in his native village to impart elementary education to children from native village and adjoining village(s). Over a period it he has expanded its activities and now runs the school which imparts education up to Senior Secondary Classes. He has also started a college which besides offering degree courses like Bachelor of Commerce – Part I (B.Com.), Master of Science (Information Technology) Part I (MSC-IT), Master of Arts (Punjabi) Part I (M.A.), Bachelor of Science (Bio-Technology) Part II also offers professional courses like Bachelor of Business Administration (BBA), Bachelor of Computer Application (BCA), Post Graduate Diploma in Computer Application (PGDCA). He is the founder and Trustee of Pioneer Public School Managing Committee. He was conferred life membership of Bharat Scouts & Guides, Chandigarh in the year 2006.

Mr. Balwant Singh, aged 44 years, the Managing Director of our company is a first generation entrepreneur. He is a Bachelor of Arts from Punjabi University, Patiala. He started his career with the Government of Punjab and remained in Government service till 1997. On leaving his job he decided to venture on his own. He along



with his brothers set up Dairy Farm and pursued that business till the year 1999. While pursuing this business he was constantly looking out for new business opportunities. He sensed an opportunity in the manufacture of cattle feed and set up Tara Gram Udyog Samiti (Regd.), a society registered with Registrar of Firms & Societies, Punjab, for manufacture of Cattle Feed. After initial success in the manufacture of cattle feed in the year 2001, he along with his brothers started Tara Feed Factory at their native village i.e. Gajjan Majra, Tehsil Malerkotla to manufacture cattle feed. He has around a decade experience and has spearheaded our expansion whereby we successfully integrated our operations both forward and backward. Under his management our company has gained in terms of turnover and profitability. Presently, he looks after overall business of our Company.

Mr. Tejinder Singh, aged 30 years, is the Whole Time Director of the Company. He completed his Secondary School Education in the year 1999 and joined the business. He started as an understudy to Mr. Balwant Singh. He has hands on experience in the day to day activities and has obtained an extensive experience in the business. Presently he looks after general administration and the Infrastructure / Logistics of the company.

Dr. Jaspinder Singh Kolar, 65 years, is a Bachelor of Science (Agriculture & Animal Husbandry) from College of Agriculture, Ludhiana; Master of Science from Punjab Agricultural University, Ludhiana; Doctor of Philosophy, Punjab Agricultural University, Ludhiana. He has also undertaken course on Agriculture Research and Project Management from National Academy of Agricultural Research and Management, Hyderabad. He retired as Director of Extension Education, Punjab Agricultural University, Ludhiana. Prior to that he served as Head, Division of Agronomy, Professor of Agronomy Extension. He has been conferred Life Membership of the Indian Society of Agronomy, Division of Agronomy, Indian Agricultural Research Institute, New Delhi and received a letter of citation for his contribution towards the field. He was awarded Punjab Sarkar Parman Patra, besides many other awards / honours. He was awarded ISWS Medal for the year 2000-2001 for his contribution in the field of Weed Science. He has been awarded PPIC-FAI Award in 1992 for his research work on 'Management and Business Use of Inputs in Achieving Maximum Yield' by Potash & Phosphate Institute of Canada. He has been a Teacher and Guide to a number of Undergraduate, Post Graduate students and guided them for Doctorate. He has contributed towards literature on Agricultural and has published many Chapters to Books/Manuals/Bulletins; Original Research Articles.

Mr. Parshotam Bansal, 55 years, is a Chartered Accountant and member of Institute of Chartered Accountants of India. He is a Bachelor of Commerce, Punjabi University. Mr. Bansal is a Senior Partner in Parshotam & Associates, Chartered Accountants and Consulting firm. With over 30 years of experience, he specializes in Business Strategy, Corporate Structuring, Financial Structuring, Resource Mobilization, Corporate Law, Accounting, Assurance and International Tax Planning.

Mr. Rajneesh Kumar, 28 years, is a Chartered Accountant and member of Institute of Chartered Accountants of India. He is Bachelor of Commerce ; Master of Commerce from Punjabi University, Patiala. He started as an Article trainee in 2004. On completion of his articleship training he got on-job training as advisor in financing and income tax services. On qualifying as a Chartered Accountant in 2008, he started own practice as a Chartered Accountant.

Relationship between our Directors

Name of Director	Name of Relative	Relationship
Mr. Jaswant Singh	Mr. Balwant Singh – Promoter Director (Managing Director)	Brother
	Mr. Kulwant Singh – Promoter	Brother
	Mr. Tejinder Singh – Whole Time Director	Brother's Son
Mr. Balwant Singh	Mr. Jaswant Singh – Promoter Director (Chairman)	Brother
	Mr. Kulwant Singh – Promoter	Brother



Mr. Tejinder Singh	Mr. Tejinder Singh – Whole Time Director	Brother's Son
	Mr. Balwant Singh – Promoter Director (Managing Director)	Uncle
	Mr. Jaswant Singh – Promoter Director (Chairman)	Uncle
	Mr. Kulwant Singh – Promoter	Father

Except as stated above none of our Director's and promoters are related to each other:

Borrowing Powers of the Board

The borrowing powers of our Directors are regulated by the Articles of Association of our Company. For further details, kindly refer the section titled 'Main Provisions of Articles of Association' beginning on page 245.

The Board of Directors have been authorized by a resolution passed at the Annual General Meeting of the Company held on August 06, 2009 to borrow any sums of money from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company's bankers in the ordinary course of business may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, the total amount so borrowed shall not exceed Rs. 2,000 million.

COMPENSATION OF MANAGING DIRECTOR / WHOLE TIME DIRECTOR(S)

Mr. Balwant Singh was appointed as Managing Director and Mr. Tejinder Singh was appointed as Whole time Director of the company for a period of five years effective December 1, 2008 at the meeting of the Board of Directors held on December 1, 2008 and approved by the shareholders at the Extra Ordinary General Meeting of the company held on January 2, 2009 on terms & conditions mentioned below:-

(A) Mr. Balwant Singh is entitled to a monthly remuneration of Rs.200,000 inclusive of perquisites, if any, in the pay scale of Rs.200,000 – Rs.50,000 – Rs.400,000.

(B) Mr. Tejinder Singh is entitled to a monthly remuneration of Rs.100,000 inclusive of perquisites, if any, in the pay scale of Rs.100,000 – Rs.25,000 – Rs.200,000.

The Managing Director and Whole Time Director shall not be entitled to any sitting fees for attending meeting of the Board of Directors.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENT

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. Our Company undertakes to adopt the Corporate Governance Code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges prior to the listing of our Equity Shares. Our Company has complied with the requirements of Corporate Governance contained in the Equity Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Shareholder / Investor Grievance Committee, etc.

Composition of Board of Directors

Presently, the Board of Directors of our Company consists of 6 directors out of which one is Chairman, one is Managing Director, one is Whole Time Directors, three are Independent Directors. Out of 6 directors, 3 are Independent Directors and we have a Non Executive Chairman as per the requirement of clause 49 of the Listing Agreement for Corporate Governance. The list of directors is given below:



Sr. No.	Director	Designation
1	Mr. Jaswant Singh	Non Executive Chairman & Non Independent Director
2	Mr. Balwant Singh	Managing Director & Non Independent Director
3	Mr. Tejinder Singh	Whole Time Director & Non Independent Director
4	Dr. Jaspinder Singh Kolar	Non Executive Director & Independent Director
5	Mr. Parshotam Bansal	Non Executive Director & Independent Director
6	Mr. Rajneesh Kumar	Non Executive Director & Independent Director

Various Committees of Directors :

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

1. Audit Committee
2. Remuneration Committee
3. Shareholders & Investor Grievance Committee.

1. Audit Committee:

The Board of Directors have reconstituted Audit Committee vide resolution passed at its meeting held on September 11, 2009 complying with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, under the Chairmanship of Mr. Parshotam Bansal who comes with finance and accounting background. The present Audit Committee has the following members: -

Name of the Director	Designation
Mr. Parshotam Bansal	Chairman
Dr. Jaspinder Singh Kolar	Member
Mr. Rajneesh Kumar	Member
Mr. Balwant Singh	Member

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

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. 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.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Appointment, removal and terms of remuneration of internal auditors
- v. 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 the financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- viii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

- ix. 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.
- x. Discussions with internal auditors on any significant findings and follow up thereon.
- xi. Reviewing internal audit reports and adequacy of the internal control systems.
- xii. 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.
- xiii. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- xiv. Discussion with internal auditors any significant findings and follow up there on.
- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- xix. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.
- xx. The Audit Committee is entrusted with the following powers: -
 - a. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee,
 - b. To investigate any activity within its terms of reference,
 - c. To seek information from any employee
 - d. To obtain outside legal or other professional advice, and
 - e. To secure attendance of outsiders with relevant expertise if considered necessary.

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

2. Shareholders & Investor Grievance Committee:

For redressing the shareholder/ investor complaints, the Board of Directors have formed Shareholders & Investors Grievance Committee vide resolution passed at its meeting held on September 11, 2009 as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance. The committee consists of the following Directors:-

Name of the Director	Designation
Mr. Jaswant Singh	Chairman
Mr. Balwant Singh	Member
Mr. Rajneesh Kumar	Member

This committee has been constituted to specifically look into redressing all grievances of shareholders/investors in compliance of the provisions of clause 49 of the listing agreements to be entered with the Stock Exchange and its terms of reference includes to look into the work related to:

- i. Transfer of shares; Transmission of shares and debentures;
- ii. Redressal of shareholder and investor complaints like non transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;



- iii. Issue of duplicate / split / consolidated share certificates;
- iv. Review of cases for refusal of transfer / transmission of shares and debentures;
- v. Reference to statutory and regulatory authorities regarding investor grievances;
- vi. And all such acts, deeds and things to ensure proper and timely attendance and redressal of investor queries and grievances;

3. Remuneration Committee:

The Board of Directors constituted a Remuneration Committee vide resolution passed at its meeting held on September 11, 2009. Committee has been entrusted amongst other things the power of recommending remuneration package of the Directors. The Committee consists of the following Non- Executive Directors.

Name of the Director	Designation
Dr. Jaspinder Singh Kolar	Chairman
Mr. Parshotam Bansal	Member
Mr. Rajneesh Kumar	Member

The Remuneration Committee shall carry out its functions as contained in Schedule XIII of the Companies Act, 1956 and shall enjoy necessary powers and authority commensurate with its functions.

This committee shall look into the following:

- i. to review, assess and recommend the appointment of Executive and Non Executive Directors from time to time;
- ii. to periodically review the remuneration package of the Executive Directors and recommend suitable revision to the Board;
- iii. to recommend compensation to the Non Executive Directors in accordance with the Companies Act, 1956;
- iv. to consider and recommend Employee Stock Option Scheme, if any, from time to time and to administer and superintend the same.

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

SHAREHOLDING OF DIRECTORS

Save and except as mentioned below, our Directors do not hold any shares of the Company as on date of filing of this Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
1	Mr. Balwant Singh	5,619,900	28.04	18.71
2	Mr. Jaswant Singh	5,424,100	27.06	18.05
3	Mr. Tejinder Singh	187,000	0.93	0.62

INTEREST OF THE DIRECTORS

All our Directors, including Independent Directors, may be deemed to be interested to the extent of remuneration and/or sitting fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of commission and other remuneration and reimbursement of traveling and other expenses payable to them. The Managing Director and Whole Time Director are interested to the extent of remuneration payable to them for the services being rendered by them as an officer or employee of our Company.

All the directors, including Chairman and Independent Director(s), may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with either the Director himself / other company in which they hold Directorships or any partnership firm in which they are partners or any Trust(s) in which they are Trustee(s) / Member(s), as declared in their respective declarations.



Some of our Directors are also the Promoters of our Company. Hence, such 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 their relatives or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them, their relatives and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

Our Directors do not have any interest in any property acquired by our Company in a period of two years before filing this Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of filing this Red Herring Prospectus with SEBI.

Except as disclosed elsewhere in this Red Herring Prospectus and in particular “Related Party Transactions” under Financial Statements beginning on page 135 no amount of benefit has been paid or given within the two preceding years or intended to be paid or given to any of our Directors except the normal remuneration for services rendered.

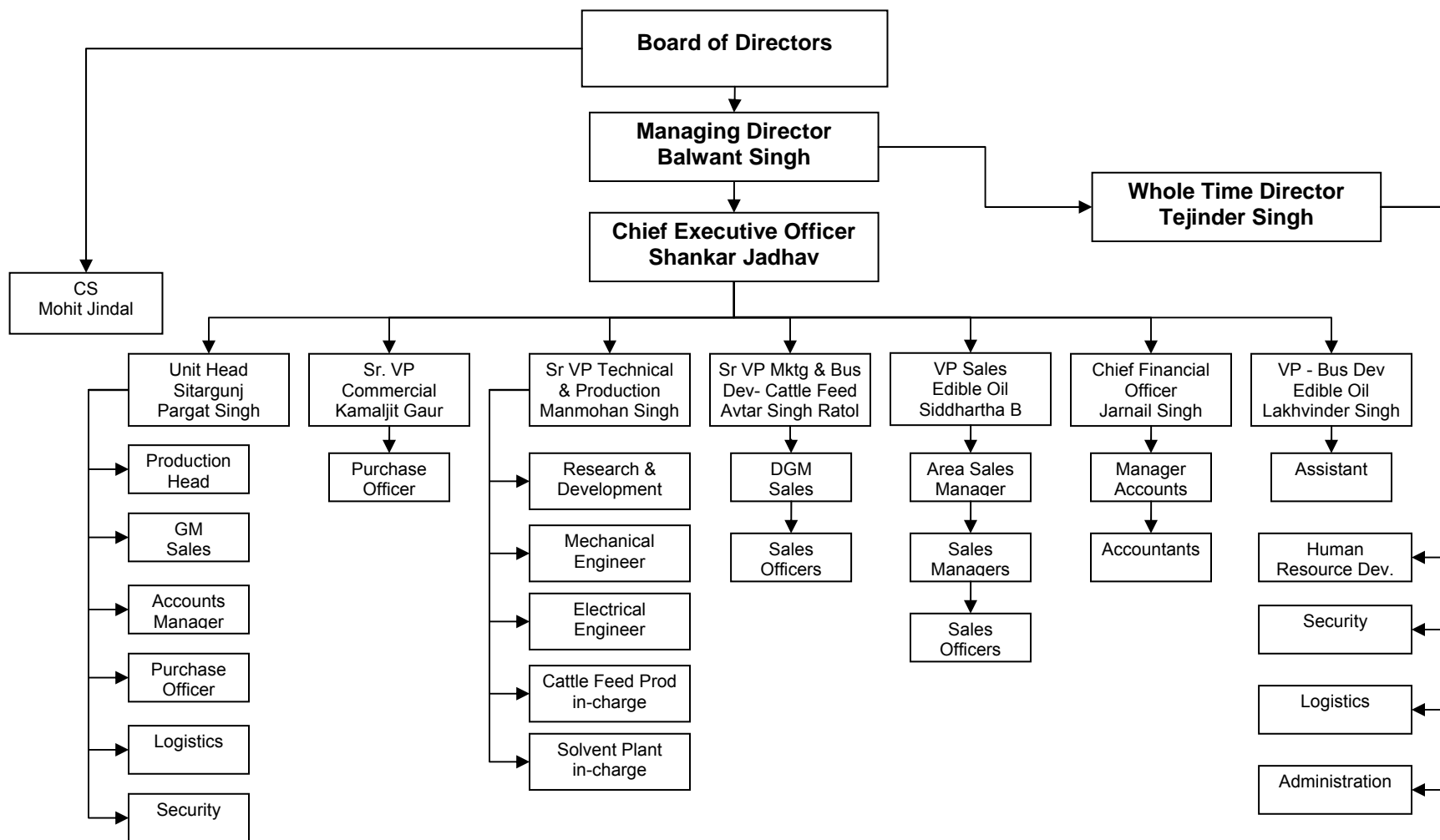
CHANGE IN THE DIRECTORS IN THE LAST THREE YEARS AND REASONS THEREOF

The change in our Board of Directors during the last three years are as follows:

Name of Director	Date of Appointment	Date of Cessation	Reason
Mr. Parshotam Bansal	September 11, 2009	-	Broad basing the Board
Dr. Jaspinder Singh Kolar	September 10, 2009	-	Broad basing the Board
Mr. Rajneesh Kumar	July 01, 2009	-	Broad basing the Board
Mr. Kripal Singh Aulakh	December 01, 2008	September 10, 2009	Personal reason
Mr. Kulwant Singh	August 23, 2004	December 01, 2008	Personal reason



ORGANISATION CHART





KEY MANAGEMENT PERSONNEL

The Company is managed by Board of Directors, assisted by qualified and experienced professionals in the field of production, finance, marketing. The following key personnel other than the Managing Director and Whole Time Director assist the Management. The Key Managerial personnel of our Company other than the Directors are as under:

Name	Age (yrs)	Designation	Qualification	Experience (Year)	Date of Joining	Details of previous Employment
Mr. Shankar Jadhav	43 years	Chief Executive Officer	Post Graduate Diploma in Management; Bachelor of Technology	18 years	Oct 2009	Vice President Corporate Planning Business Development – Wadia Group
Mr. Jarnail Singh	34 years	Chief Financial Officer	Bachelor of Commerce; Master of Commerce; Chartered Accountant	5 years	Jun 2009	Manager Accounts & Commercial – Jindal Cotex Ltd
Mr. Manmohan Singh	55 years	Senior Vice President Technical & Production	Diploma in Oils, Soaps and Detergents; Bachelor in Science	32 years	Aug 2007	General Manager – Technical – Raj Agro Mills Ltd
Mr. Kamaljit Paul Gaur	45 years	Senior Vice President Commercial	Masters of Commerce; Bachelor of Commerce	28 years	Jul 2007	Consultant Cattle Feed and Solvent Products
Mr. Avtar Singh Ratol	47 years	Senior Vice President Marketing & Business Development Cattle Feed	Diploma in Electrohomoeopathic System of Medicine	12 years	Oct 2005	General Manager –Tara Feed Factory
Mr. Lakhvinder Singh	40 years	Vice President Business Development Edible Oil	Masters in Business Administration; Diploma in Computer Networking Technologies; Diploma in Electronics & Communications	17 years	Nov 2008	Country Head – Marketing – Bonn Nutrients Pvt Ltd
Mr. Pragat Singh	31 years	Unit Head – Sitarganj	Matriculate and Intermediate	6 years	Oct 2005	Sr. Manager Production & Dispatch Tara Feed Factory
Mr. Siddhartha Balyan	27 years	Vice President Sales Edible Oil	Masters in Business Administration; Bachelor of Commerce	2 years	Aug 2009	Area Sales Executive, Cargill India Pvt Ltd
Mr. Mohit Jindal	23 years	Company Secretary	Masters of Commerce, Company Secretary	2 years	Oct 2009	Trainee – B. K. Gupta & Associates



Brief write up on the Key Management Personnel (KMP)

Mr. Shankar Jadhav, 43 years, is a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad, Bachelor of Technology in Electronic Engineering from Indian Institute of Technology, Bombay. In a career spanning 18 years he started his career with RPG Group in the year 1991 as Assistant Manager Corporate Development and Marketing. In 1995 he joined the corporate property development arm of the Great Eastern Shipping Company Ltd, as Manager. He joined Siemens Information Systems Ltd in 1998 as Consultant for implementation of SAP R3 projects for large companies such as ONGC and SBI Capital Markets. In 2000, he joined Reliance Industries and was a member of team preparing business plan, strategy and execution of Infocomm project. He joined Goldshield Plc. as Head – Strategic Planning and Implementation in 2005. In 2006, he joined Welspun Group as Vice President Corporate Strategy. In 2008, he joined the Real Estate division of Wadia Group as Vice President Corporate Planning Business Development. He joined our Company in October 2009 as Chief Executive Officer, spearheading our day to day operations under the guidance and directions of the Board of Directors. He draws an annual remuneration of Rs.7.2 million

Mr. Jarnail Singh, 34 years, is Chartered Accountant and member of Institute of Chartered Accountants of India; Masters in Commerce from Maharshi Dayanand Saraswati University, Ajmer; Bachelor of Commerce from Government National College, Sirsa, Kurukshetra. He has work experience of over 5 years. In a short span of 5 years he has worked as an audit assistant with A. N. Garg & Co, Chartered Accountants; Nahar Industrial Enterprises Ltd as Head of MIS Department; Jindal Cotex Limited as Manager Accounts & Commercial. He joined THFL in June 2009 as Chief Financial Officer overseeing the Finance related aspects of the Company. He currently draws an annual remuneration of Rs.0.41 million.

Mr. Manmohan Singh, 55 years, is a Post Graduate Diploma in Oils, Soaps and Detergents from Guru Nanak dev University, Amritsar and Bachelor of Science from Guru Nanak University. In a career spanning over 32 years Mr. Singh has held various positions from Shift In-charge in Punjab Markfed (Markfed Refined Oil and Allied Industries) to Quality Control Executive at Anand Oils Ltd to Expert in the factory for Extraction & Refining of Olive Oil under Ministry of Industries- Government of Libya to Production Executive in Organic Chem Oils Ltd to General Manager and Unit Head at Punjab Agro Rice Bran Extraction Ltd to Chemical Technologist and Senior Executive at Chemical Solvent Technology Pte. Ltd., Singapore to Senior Manager – Production at Agrotech India Ltd to General Manager – Technical at A.P. Solvex Ltd to General Manager – Technical at Raj Agro Mills Ltd. He stood 2nd (second) in order of merit in the University Examination of the Post-Graduate Diploma Course in Oils, Soaps and Detergents. He is winner of National Scholarship under the Government of India National Scholarship Scheme for Matriculation Examination. He joined THFL in August 2007 as Senior Vice President – Technical and Production and is charged with the responsibility to overlook setting up of Edible Oil Refining Plant and Cattle/Poultry Feed Plant and oversee overall Production activity. He currently draws an annual remuneration of Rs.0.96 million.

Mr. Kamaljit Paul Gaur, 45 years, is a Masters in Commerce from Himachal Pradesh University, Bachelor of Commerce from Panjabi University. He has a work experience of 28 years. He started his career with the Accounts Department of Oswal Spinning & Weaving Mills Ltd and then joined as Liaison Officer at B. P. Alloys Ltd and went on to be a Senior Manager at Royal Solvex Pvt Ltd. Thereafter in the year 2005 ventured on his own as agent and consultant for cattle feed and solvent products. He joined THFL in July 2007 as Senior Vice President Commercial in-charge of purchases and procurement for cattle feed, refinery unit and solvent extraction plant. He currently draws an annual remuneration of Rs.0.40 million.

Mr. Avtar Singh Ratol, 47 years, is a Diploma in Electrohomeopathic System of Medicine, Chandigarh. He has undertaken courses related to Agriculture, Commercial Dairy Farming, etc. at Punjab Agriculture University. He was been bestowed with Best Dairy Farm Management Award by Honourable Minister Punjab in January 2008; Punjab Agriculture University awarded him Sardar Dalip Singh Dhaliwal Memorial Award for Innovative Farming in 2003; Modern Kheti Agro Society (NABHA) awarded him Certificate of Commendation for his contribution to scientific farming / dairy poultry Horticulture / diversified farming / Agro Industry in 2001.



He has delivered a number of lectures on awareness on Dairy Farming and Agriculture. He served as an Executive Member during 1998-99 and as President of Punjab Kisan Club, Punjab Agricultural University, Ludhiana from April 2001 to March 2002; Member, Scientific Advisory Committee, K.V.K, Sangrur from the year 2007 to till date. He has a work experience of 12 years. He started his career by as an entrepreneur in hybrid seed production and dairy farming. He then joined Tara Feed Factory in 2001. He joined THFL in October 2005. Currently he is Senior Vice President – Marketing and Business Development – Cattle/Poultry Feed, responsible for overseeing the sales and distribution of Cattle/Poultry Feed and giving valuable input to production and research and development about customer likes and demands. He is currently draws an annual remuneration of Rs.0.30 million.

Mr. Lakhvinder Singh, 40 years, is a Diploma holder in Computer Networking Technologies from National Institute of Technology & Management, New Delhi; Diploma holder in Electronics & Communication from National Institute of Technology & Management, New Delhi; Masters in Business Administration, specialization in Marketing from New Port University, California. He has a work experience of 17 years, he started his career as a customer support manager with Wipro Infotech, later on he joined Texla Plastics and Metals Pvt Ltd as General Manager then went on to join Betavision Electronics Limited as Vice President Computer Information. Thereafter he joined Bonn Nutrients Pvt Ltd, a Bonn Group of Companies as its Country Head – Marketing. He joined THFL in November 2008 as Vice President Business Development Edible Oil. He is responsible for overlooking the distribution, reach and marketing of Edible Oil. He is currently drawing an annual remuneration of Rs.0.25 million.

Mr. Pargat Singh, 31 years, has completed his Matriculate and Senior School (12th) from Punjab School Education Board. He started his career as Manager Production (Cattle Feed) at Tara Feed Factory; later on he joined Tara Health Foods Limited (erstwhile Tara Feeds Limited) as Senior Manager Production and Dispatch of Cattle Feed in October 2005; since February 2007 he is Unit Head- Sitarganj in-charge of all Commercial, Production, Distribution, etc. He currently draws an annual remuneration of Rs.0.06 million.

Mr. Siddhartha Balyan, 27 years, is a Bachelor of Commerce from Ch. Charan Singh University, Meerut; Masters in Business Administration specialization in International Business, Amity University. After completing his MBA, Mr.Balyan joined TNT Express as Territory Manager and then joined Cargill India Pvt Ltd as Area Sales Executive. He was awarded a certificate for winning the 'Opening Week Extravaganza' for 2008 at TNT. He joined THFL in August 2009 and is responsible for the retail distribution and marketing of edible oil manufactured by the Company. He currently draws an annual remuneration of Rs.0.53 million.

Mr. Mohit Jindal, 23 years, is a Bachelor of Commerce from A. S. College, Panjabi University. He was admitted as an Associate Member of the Institute of Company Secretaries of India in October 2009. He started his career as a trainee with V Garg & Co and then joined B K Gupta & Associates as a trainee. He joined THFL in October 2009 as Company Secretary and looks after the Secretarial and Legal matters of the Company. His current remuneration is Rs.0.22 million.

None of the Key Managerial Personnel are appointed pursuant to any arrangement or understanding with promoters, directors, major shareholders, customers or suppliers.

All the above mentioned Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

None of the Key Managerial Employees named above hold any Equity Shares in the Company as on the date of this Red Herring Prospectus:

Bonus or Profit Sharing Plan for Key Management Personnel

Our Company does not have any bonus or profit-sharing plan for its key managerial personnel. Except as stated otherwise in the Red Herring Prospectus, no amount or benefit has been paid or given within the two



preceding years or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

Changes in Key Management Personnel in the last three years

Sr. No.	Name of Key Management Personnel	Date of Appointment	Date of Cessation	Reason
1	Mr. Kamaljit Paul Gaur	July 01, 2007	-	Career Opportunity
2	Mr. Manmohan Singh	August 01, 2007	-	Better Prospects
3	Mr. Lakhvinder Singh	November 01, 2008	-	Better Prospects
4	Mr. V. M. Kaul	April 01, 2009	June 30, 2009	Personal Reason
5	Mr. Jarnail Singh	June 01, 2009		Career Opportunity
6	Mr. Siddhartha Balyan	August 01, 2009		Career Opportunity
7	Mr. Rajiv Khanna	September 10, 2009	September 30, 2009	Personal Reason
8	Mr. Mohit Jindal	October 04, 2009	-	Career Opportunity
9	Mr. Shankar Jadhav	October 30, 2009	-	Career Opportunity

Payment or Benefit to our Officers

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

Other than as disclosed in the section titled 'Financial Statements' on page 135, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

EMPLOYEES

Our Company has 140 full-time employees as on March 31, 2010. And 78 employees on contract basis.

DISCLOSURES REGARDING EMPLOYEE STOCK OPTION SCHEME / EMPLOYEE STOCK PURCHASE SCHEME OF THE ISSUER COMPANY

Our Company has not offered any stock option scheme / employees stock purchase scheme of the Company under the Employee Stock Option Scheme and Employee Stock Purchase Scheme. Apart from salary and usual perquisites, and the employee provident fund scheme no other benefits have been offered to the officers of the Company.

PAYMENT OR BENEFITS TO OFFICERS OF THE COMPANY

Except the remuneration, salary, and other benefits as per the terms of appointment, there are no specific additional payments or benefits offered to the officers of the Company

Interest of Key Managerial Personnel

All our key managerial personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. Further, all Employees may also be deemed to be interested to the extent of Equity Shares subscribed for and allotted to them out of the present Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

There exists no family relation between the Promoters / Directors and the Key Managerial Personnel.

PROMOTERS

Our Promoters are Mr. Balwant Singh, Mr. Kulwant Singh and Mr. Jaswant Singh

INDIVIDUAL PROMOTERS

The details of our Promoters who are individuals are as follows:

Mr. Kulwant Singh



Permanent Account Number	ATHPS2214C
Passport Number	NA
Bank Name & Account Number	Oriental bank of Commerce 01542010030790
Voter ID Card	PB/07/080/042366
Pre-Issue Holding in our Company (%)	23.85%

Mr. Kulwant Singh, aged 52 years, is one of the Promoters of our Company. After finishing his elementary education, he moved into social services and has been working for the betterment of the society. He had been the Sarpanch of Village Gajjan Majra, Tehsil Malerkotla in the year 1997-2002. Presently, he is member of District Advisory Committee - Energy, Sangrur, Chairman – National Technology - Agriculture, Malerkotla-1.

Mr. Jaswant Singh



Permanent Account Number	ATHPS2944K
Passport Number	G2728289
Bank Name & Account Number	State Bank of India 30175741526
Voter ID Card	PB/07/080/042365
Pre-Issue Holding in our Company (%)	27.06%

Mr. Jaswant Singh, aged 48 years, the Chairman of the company is a Bachelor of Arts from Punjabi University, Patiala; Masters of Arts in History from Punjabi University, Patiala; M Phil in History from Punjabi University, Patiala. Initially he was involved in the cattle feed business, but soon branched out in the field of education. He started a school in his native village to impart elementary education to children from native village and adjoining village(s). Over a period he has expanded its activities and now runs the school which imparts education up to Senior Secondary Classes. He has also started a college which besides offering degree courses like Bachelor of Commerce – Part I (B.Com.), Master of Science (Information Technology) Part I (MSC-IT), Master of Arts (Punjabi) Part I (M.A.), Bachelor of Science (Bio-Technology) Part II also offers professional courses like Bachelor of Business Administration (BBA), Bachelor of Computer Application (BCA), Post Graduate Diploma in Computer Application (PGDCA). He is the founder and Trustee of Pioneer Public School Managing Committee. He was conferred life membership of Bharat Scouts & Guides, Chandigarh in the year 2006.



Mr. Balwant Singh

Permanent Account Number	ATHPS2208N
Passport Number	F2135535
Bank Name & Account Number	State Bank of India 30055214427
Voter ID Card	PB/07/080/042364
Pre-Issue Holding in our Company (%)	28.04%

Mr. Balwant Singh, aged 44 years, the Managing Director of our company is a first generation entrepreneur. He is a Bachelor of Arts from Punjabi University, Patiala. He started his career with the Government of Punjab and remained in Government service till 1997. On leaving his job he decided to venture on his own. He along with his brothers set up Dairy Farm and pursued that business till the year 1999. While pursuing this business he was constantly looking out for new business opportunities. He sensed an opportunity in the manufacture of cattle feed and set up Tara Gram Udyog Samiti (Regd.), a society registered with Registrar of Firms & Societies, Punjab, for manufacture of Cattle Feed. After initial success in the manufacture of cattle feed in the year 2001, he along with his brothers started Tara Feed Factory at their native village i.e. Gajjan Majra, Tehsil Malerkotla to manufacture cattle feed. He has around a decade experience and has spearheaded our expansion whereby we successfully integrated our operations both forward and backward. Under his management our company has gained in terms of turnover and profitability. Presently, he looks after overall business of our Company.

Change in Promoters

There has been no change of Promoters in the last five years from the date of filing the Red Herring Prospectus by way of acquisition of control as defined under Takeover Code.

Interest of Promoters in our Company

The promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives and benefit accruing from their holding Directorship in the Company. The promoters are not interested in any property acquired by the Company within two years from the date of RHP or proposed to be acquired. The promoters are not interested in any loan or advances given by the Company, neither are they beneficiary of any such loans or advances except as disclosed elsewhere in this Red Herring Prospectus and in the section on 'Related Party Transaction' under the chapter Financial Statements beginning on page 135. Save and except as stated above and as stated in the section titled 'Our Management' beginning on page 105 and our Promoter Group beginning on page 120 have no other interest in our Company.

Confirmation

We confirm that the Permanent Account Number, Bank account number and passport number, and voter ID card, of our Promoters have been submitted to Stock Exchange(s) at the time of filing the Red Herring Prospectus with them. Further, our Promoters have not been declared as willful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past nor any such proceedings are pending against our Promoters. Neither the Promoters, nor the Directors and companies with which the Directors of the Issuer Company are associated as Director(s), Promoter(s) have been prohibited from accessing the Capital market under any order or directions passed by SEBI.



OUR PROMOTER GROUP

Apart from our Promoter, the following individuals and companies comprise our Promoter Group.

Individuals

In terms of SEBI Regulations, the following immediate relatives form part of our Promoter Group being the immediate relatives of our Promoter and his spouse.

Mr. Kulwant Singh

Relationship	Name
Father	S. Gurmukh Singh
Mother	Smt. Raj Kaur
Brother(s)	S. Jaswant Singh S. Balwant Singh
Sister(s)	Smt. Baljit Kaur
Spouse	Smt. Ranjit Kaur
Son(s)	S. Tejinder Singh
Daughter(s)	Saminder Kaur Sandeep Kaur
Spouses Father	S. Basta Singh
Spouses Mother	Smt. Niranjan Kaur
Spouses Brother(s)	S. Sadhu Singh
Spouses Sister(s)	Smt. Rajinder Singh Smt. Mahinder Kaur Smt. Harjit Kaur

Mr. Jaswant Singh

Relationship with	Name
Father	S. Gurmukh Singh
Mother	Smt. Raj Kaur
Brother(s)	S. Kulwant Singh S. Balwant Singh
Sister(s)	Smt. Baljit Kaur
Spouse	Smt. Parminder Kaur
Son(s)	Parambir Singh
Daughter(s)	Harmanpreet Kaur
Spouses Father	S. Avtar Singh
Spouses Mother	Smt. Sukhdev Singh
Spouses Brother(s)	S. Balbir Singh S. Rambir Singh
Spouses Sister(s)	Smt. Rajpal Kaur Smt. Rajwant Kaur

Mr. Balwant Singh

Relationship with	Name
Father	S. Gurmukh Singh
Mother	Smt. Raj Kaur
Brother(s)	S. Kulwant Singh S. Jaswant Singh
Sister(s)	Smt. Baljit Kaur
Spouse	Smt. Rajvir Kaur



Son(s)	Karanbir Singh
Daughter(s)	Harsharan Kaur
Spouses Father	S. Zora Singh
Spouses Mother	Smt. Simer Kaur
Spouses Brother(s)	S. Harjeet Singh
Spouses Sister(s)	-

Relationship	Mr. Balwant Singh	Mr. Jaswant Singh	Mr. Kulwant Singh
Any company in which 10% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relatives is a member	Tara Life Care Products Limited – Shareholder	Tara Life Care Products Limited – through relative	Tara Life Care Products Limited – through relative
Any company in which a company (mentioned above) holds 10% of the total holding	NIL	NIL	NIL
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total holding	HUFs of the Promoters of the Company *	HUFs of the Promoters of the Company *	HUFs of the Promoters of the Company *

* HUFs of the Promoters of the Company includes Kulwant Singh and Sons HUF, Jaswant Singh and Sons HUF and Balwant Singh and Sons HUF wherein the Promoters are the Karta of their respective HUF's

For more details on the activities, shareholding, control and financial performance of these companies, please refer to "Promoter Group Entities" on page 120.



OUR PROMOTER GROUP ENTITIES

M/s. Tara Feed Factory

M/s. Tara Feed Factory is registered with Registrar of Firms, Punjab as a Partnership firm constituted vide Partnership Deed entered into on September 25, 2001 between Mr.Kulwant Singh, Mr.Jaswant Singh and Mr.Balwant Singh to run the business of Manufacturing Cattle Feed.

Registration no: 1708 of 2001-02

Date of Registration: January 01, 2002

Principal Office: Village Gajjan Majra, Tehsil Malerkotla, Distt. Sangrur, Punjab, India

Nature and Interest of promoters in Tara Feed Factory as on March 31, 2010

Promoters who are Partners and their stakes therein

Sr. No	Name of Partner	Share
1	Mr. Kulwant Singh	1/3
2	Mr. Jaswant Singh	1/3
3	Mr. Balwant Singh	1/3

Summary of Audited Financial Information

(Rs. in Million)

Particular	March 31, 2009	March 31, 2008	March 31, 2007
Total Income/Sales	145.51	110.48	100.94
Profit after Tax / (Loss)	14.79	11.93	11.49
Partners Capital	9.49	10.75	9.73
Reserves	NA	NA	NA
Net Worth			
EPS	NA	NA	NA
Nos. of Equity Shares Outstanding	NA	NA	NA

There are no pending litigations filed by and/or against the firm and/or its Partners as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against the Firm and/or its Partners.

M/s. Tara Heart Care Products Limited

M/s. Tara Heart Care Products Limited is a Public Limited Company registered with Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh vide Certificate of Incorporation dated August 27, 2007.

The Corporate Identification No is U15142PB2007PLC031337

The main Objects of the Company are:

- To carry on in India and abroad the business as buyers, sellers, importers, exporters, manufacturers or otherwise deal in all kinds and description of edible and non-edible oil, rice bran oil, including heart oil and other oils having nutritional values and their products.

Registered Office: Mall Plaza, Fountain Chowk, The Mall, Ludhiana – 141001, Punjab, India

Tara Health Foods Limited



Mr. Balwant Singh, Mr. Jaswant Singh, Mr. Kulwant Singh and Mr. Tejinder Singh are the Directors of the Company

Shareholding Pattern

Sr. No	Name of Shareholder	No of Shares held	Shareholding (percentage)
1	Mr. Balwant Singh	5,000	2.00
2	Mr. Jaswant Singh	5,000	2.00
3	Mr. Kulwant Singh	5,000	2.00
4	Mr. Tejinder Singh	5,000	2.00
5	Ms. Rajvir Kaur	5,000	2.00
6	Ms. Parminder Kaur	5,000	2.00
7	Ms. Ranjit Kaur	5,000	2.00
8	Mr. Gurmukh Singh	67,500	27.00
9	Mr. Gurmukh Singh – HUF	67,500	27.00
10.	Ms. Rajinder Kaur	80,000	32.00
TOTAL		250,000	100.000

Nature and Interest of Promoters in Tara Heart Care Products Limited

Equity shareholding of Promoters as on March 31, 2010

Sr. No	Name	No of Shares held	Shareholding (percentage)
1	Mr. Balwant Singh	5,000	2.00
2	Mr. Jaswant Singh	5,000	2.00
3	Mr. Kulwant Singh	5,000	2.00

There has been no change in capital structure in the last six months prior to filing of the RHP.

Summary of Audited Financial Information

(Rs. in Million)

Particular	March 31, 2009	March 31, 2008
Total Income/Sales	178.66	43.00
Profit after Tax / (Loss)	0.00	0.31
Equity Capital	2.50	2.50
Reserves	0.32	0.31
Net Worth	2.82	2.81
EPS	0.02	1.25
Nos. of Equity Shares Outstanding	250,000	250,000

There are no pending litigations filed by and/or against the Company and/or its Promoters as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against this Company, and/or its Promoters and/or its Directors.

The Company has not declared as a sick Company within the meaning of the Sick Industrial Companies (Special Provision) Act, 1955 and is not under winding up.



M/s. Tara Infratech Limited

M/s. Tara Infratech Limited is a Public Limited Company registered with Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh vide Certificate of Incorporation dated April 08, 2009. Name of the Company was changed from M/s. Tara Townships Private Limited to Tara Infratech Limited and a fresh Certificate of Incorporation dated December 31, 2010 was issued by Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh.

The Corporate Identification No. is U70101PB2009PTC032744

The main Objects of the Company are:

- To carry on the business of real estates and properties including purchase, sale and development of land, commercial complexes, townships, apartments, group housing complexes, multiplexes, malls, industrial complexes and all types of building and plots.
- To carry on the business of colonizers, builders, contractors, promoters and developers of real estate and sale purchase of property on commercial basis.

Registered Office: 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana – 141001, Punjab, India

Mr. Balwant Singh, Mr. Jaswant Singh, and Mr. Tejinder Singh are the Directors of the Company

Shareholding Pattern

Sr. No	Name of Shareholder	No of Share held	Shareholding (percentage)
1	Mr. Balwant Singh	3,500	7.00
2	Mr. Jaswant Singh	10,800	21.60
3	Mr. Tejinder Singh	10,400	20.80
4	Mr. Kulwant Singh	7,300	14.60
5	Ms. Ranjit Kaur	6,000	12.00
6	Ms. Parminder Kaur	6,000	12.00
7	Ms. Rajvir Kaur	6,000	12.00
TOTAL		50,000	100.000

Nature and Interest of Promoters in Tara Infratech Limited

Equity shareholding of Promoters as on March 31, 2010

Sr. No	Name	No of Shares held	Shareholding (percentage)
1	Mr. Balwant Singh	3,500	7.00
2	Mr. Jaswant Singh	10,800	21.60
3	Mr. Kulwant Singh	7,300	14.60

Following is the change in capital structure of the Company in the last six months prior to filing of the RHP:
(Rs. in million)

Date of Allotment	No of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Consideration	Reasons for Allotment	Cumulative share premium	Cumulative number of shares	Cumulative paid up share capital
November 11, 2009	40000	10	10	Fresh	Cash	Fresh Allotment	-	50,000	0.50



Summary of Audited Financial Information

Company was incorporated on April 08, 2009, hence, no financial statements are available as on date
There are no pending litigations filed by and/or against the Company and/or the Directors as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against the Company and/or its Promoters and/or Directors.

The Company has not declared as a sick Company within the meaning of the Sick Industrial Companies (Special Provision) Act, 1955 and is not under winding up.

M/s. Pioneer Public School Managing Committee (Regd.)

M/s. Pioneer Public School Managing Committee is a Society constituted vide Certificate of Registration with Registrar of Firms and Societies, Punjab vide certificate dated September 23, 1998.

Registration No: 1009 of 1998-99

Date of Registration: September 23, 1998

Office: Gurmukh Nagar, Gajjan Majra, Tehsil Malerkotla, Distt. Sangrur, Punjab, India

The aims and objects for which the Society is constituted are:

- To impart education to Students as Punjab School Education Board Syllabus
- To provide for their physical, moral, intellectual and cultural development
- To make them (students) good citizen and members of the nation
- To review the progress of the execution of the projects under taken in the school to ensure enlightenment of the students

Managing Committee of the Society Comprises of the following:

Sr. No	Name of Members
1	Mr. Jaswant Singh
2	S. Darshan Singh Sohi
3	S. Balwinder Singh Mohan
4	Mr. Balwant Singh
5	S. Sawan Singh

Nature and Interest of Promoters as Members / Trustees in M/s. Pioneer Public School Managing Committee (Regd.)

Members of Managing Committee

Mr. Jaswant Singh

Mr. Balwant Singh

Summary of Audited Financial Information

(Rs. in Million)

Particular	March 31, 2009	March 31, 2008	March 31, 2007
Total Income	27.07	17.90	15.88
Profit after Tax / (Loss)	2.37	2.65	2.13
Equity Capital	4.49	4.49	4.49
Reserves	12.24	9.88	7.23
Net Worth	NA	NA	NA
EPS	NA	NA	NA
Nos. of Equity Shares Outstanding	NA	NA	NA



There are no pending litigations filed by and/or against the Society and/or its Members and/or Trustees as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against the Society and/or its Members and/or Trustees.

M/s. Punjab Dairy House

M/s. Punjab Dairy House is a Partnership firm constituted vide Partnership Deed entered into on January 03, 1997 between Mr.Kulwant Singh, Mr.Jaswant Singh and Mr.Balwant Singh to set up and run a Dairy farm.

Principal Office: Village Gajjan Majra, Tehsil Malerkotla, Distt. Sangrur, Punjab, India

Nature and Interest of the Promoters as on March 31, 2010

Promoters who are partners and their stakes there in

Sr. No	Name of Partner	Share
1	Mr. Kulwant Singh	1/3
2	Mr. Jaswant Singh	1/3
3	Mr. Balwant Singh	1/3

Summary of Audited Financial Information

Particular	(Rs. in Million)		
	March 31, 2009	March 31, 2008	March 31, 2007
Total Income/Sales	-	-	-
Profit after Tax / (Loss)	(0.13)	(0.14)	(0.16)
Partners Capital	1.67	1.79	1.94
Reserves	-	-	-
Net Worth	-	-	-
EPS	NA	NA	NA
Nos. of Equity Shares Outstanding	NA	NA	NA

There is no business activity carried out in the Firm.

There are no pending litigations filed by and/or against the firm and/or its Partners as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against this Firm and/or its Partners.

M/s. Tara Gram Udyog Samiti (Regd.)

M/s. Tara Gram Ugyog Samiti is a Samiti constituted vide Certificate of Registration of Societies, Punjab vide certificate dated February 5, 1998.

Registration No: 1687 of 1997-98

Date of Registration: February 5, 1998

Office: Village Gajjan Majra, Tehsil Malerkotla, Distt. Sangrur, Punjab, India



The objects for which the Samiti is constituted are:

- To provide the cause of development through Gandhian way of Gram Sewa
- To develop the village industries in villages and in towns through the guidance of the Khadi and Village Industries commission by establishing the units of the Samiti
- To organize relief in emergencies arising out of natural disaster and to start social benefit centres to help the depressed classes and Harijans and others

List of Members

Sr. No	Name of Members
1	Mr. Zora Singh
2	Mr. Jaswant Singh
3	Mr. Balwant Singh
4	Mr. Malkit Singh
5	Mr. Lakhbir Singh
6	Mr. Lakhvinder Singh
7	Mr. Tejinder Singh

Nature and Interest of Promoters as Members / Trustees in M/s. Tara Gram Udyog Samiti (Regd.)

Members of Managing Committee

Mr. Jaswant Singh

Mr. Balwant Singh

Summary of Audited Financial Information

(Rs. in Million)

Particular	March 31, 2009	March 31, 2008	March 31, 2007
Total Income	-	-	-
Profit after Tax / (Loss)	(0.08)	(0.09)	(0.10)
Equity Capital	NA	NA	NA
Reserves	NA	NA	NA
Net Worth	NA	NA	NA
EPS	NA	NA	NA
Nos. of Equity Shares Outstanding	NA	NA	NA

There is no income of the firm as no activity is being carried out in the Society.

There are no pending litigations filed by and/or against the Society as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against the Society and/or its Members and/or Trustees.

Balwant Singh and Sons HUF

Mr. Balwant Singh is the Karta of Balwant Singh and Sons HUF

Nature and Interest of the Promoter in HUF

Prompter and Promoter Group who are members of the HUF are:

- Mr. Balwant Singh – Karta
- Smt. Rajvir Kaur
- Karanbir Singh
- Harsharan Kaur

Jaswant Singh and Sons HUF

Mr. Jaswant Singh is the Karta of Jaswant Singh and Sons HUF

Nature and Interest of the Promoter in HUF

Prompter and Promoter Group who are members of the HUF are:

- Mr. Jaswant Singh – Karta
- Smt. Parminder Kaur
- Parambir Singh
- Harmanpret Kaur

Kulwant Singh and Sons HUF

Mr. Kulwant Singh is the Karta of Kulwant Singh and Sons HUF

Nature and Interest of the Promoter in HUF

Prompter and Promoter Group who are members of the HUF are:

- Mr. Kulwant Singh – Karta
- Smt. Ranjit Kaur
- S. Tejinder Singh
- Saminder Kaur
- Sandeep Kaur

Niranjan Education Trust (Regd.)

Niranjan Education Trust is a Trust constituted vide Certificate of Registration of Societies, Punjab vide certificate dated October 10, 1995.

Registration No: 826 of 1995-96

Date of Registration: October 10, 1995

Office: Village Gajjan Majra, Tehsil Malerkotla, Distt. Sangrur, Punjab, India

List of Members

Sr. No	Name of Members
1	S Jaswant Singh Mander
2	S Baljit Singh Tiwana
3	S Balwant Singh Mander
4	Mrs. Parminder Kaur Mander
5	S Kulwant Singh Mander

There is no income of the Trust as no activity is being carried out in the Trust.

There are no pending litigations filed by and/or against the Trust as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against the Trust and/or its Members and/or Trustees.



Tara Energy Limited

M/s. Tara Energy Limited is a Public Limited Company registered with Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh vide Certificate of Incorporation dated December 17, 2009.

The Corporate Identification No. is U40101PB2009PLC033438

The main Objects of the Company are:

- To carry on in India or abroad the business of generation and distribution of power using conventional and non-conventional energy sources including thermal, solar, nuclear, wind and hydro power.

Registered Office: 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana – 141001, Punjab, India

Mr. Balwant Singh, Mr. Jaswant Singh, Mr. Kulwant Singh and Mr. Tejinder Singh are the Directors of the Company

Shareholding Pattern

Sr. No	Name of Shareholder	No of Share held	Shareholding (percentage)
1	Mr. Balwant Singh	10,000	20.00
2	Mr. Jaswant Singh	10,000	20.00
3	Mr. Kulwant Singh	10,000	20.00
4	Mr. Tejinder Singh	5,000	10.00
5	Ms. Ranjit Kaur	5,000	10.00
6	Ms. Parminder Kaur	5,000	10.00
7	Ms. Rajvir Kaur	5,000	10.00
TOTAL		50,000	100.00

Nature and Interest of Promoters in Tara Energy Limited

Equity shareholding of Promoters as on March 31, 2010

Sr. No	Name	No of Shares held	Shareholding (percentage)
1	Mr. Balwant Singh	10,000	20.00
2	Mr. Jaswant Singh	10,000	20.00
3	Mr. Kulwant Singh	10,000	20.00
4	Mr. Tejinder Singh	5,000	10.00
5	Ms. Ranjit Kaur	5,000	10.00
6	Ms. Parminder Kaur	5,000	10.00
7	Ms. Rajvir Kaur	5,000	10.00
TOTAL		50,000	100.00

There has been no change in capital structure in the last six months prior to filing of the RHP except subscribers to the memorandum.

Summary of Audited Financial Information

Company was incorporated on December 17, 2009, hence, no financial statements are available as on date.

There are no pending litigations filed by and/or against the Company and/or the Directors as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against the Company and/or its Promoters and/or Directors.

The Company has not declared as a sick Company within the meaning of the Sick Industrial Companies (Special Provision) Act, 1955 and is not under winding up.



Mehndi Macs Trade Private Limited

M/s. Mehndi Macs Trade Private Limited is a Private Limited Company registered with Registrar of Companies, Delhi and Haryana vide Certificate of Incorporation dated March 25, 2004.

The Corporate Identification No. is U51504DL2004125410

The main Objects of the Company are:

- To carry on the business of acquire, buy, sell, trade, import, export, agent and dealers in all kinds of plant and machinery, complete units, tools, implements, parts, accessories, scraps, stocks, grants, licences, privileges, claims, options, land and buildings, assets and other things acquired from market, auctions, tenders of financial institutions, banks, Governments, semi-Governments, corporate bodies, persons (including liquidators) in India and abroad and dispose of the same.
- To set up and to provide management services/consultancy pertaining to the objects mentioned above in sub-clause 1.

Registered Office: 294, Rajdhani Enclave, Pitampura, New Delhi - 110034, India

Mr. Naveen Kumar Goyal and Mr. Balwant Singh are the Directors of the Company

Shareholding Pattern

Sr. No	Name of Shareholder	No of Share held	Shareholding (percentage)
1	Mr. Balwant Singh	163,000	27.17
2	Mr. Jaswant Singh	170,000	28.33
3	Mr. Tejinder Singh	57,000	9.50
4	Mr. Kulwant Singh	87,500	14.58
5	Mr. Arun Attar Jain	62,500	10.42
6	Naveen Kumar Tingdania (HUF)	10,000	1.67
7	Ganga & Sons (HUF)	20,000	3.33
8	Arun Kumar	10,000	1.67
9	Kirti Kumar Desai	500	0.08
10	Sanjay Kumar Jain	500	0.08
11	Amin I Jaka	1,000	0.17
12	Vijay Kumar Sharma	1,000	0.17
13	Naveen Kumar Tigdania	17,000	2.83
TOTAL		600,000	100.00

Nature and Interest of Promoters in Mehndi Macs Trade Private Limited

Equity shareholding of Promoters as on March 31, 2010

Sr. No	Name	No of Shares held	Shareholding (percentage)
1	Mr. Balwant Singh	163,000	27.17
2	Mr. Jaswant Singh	170,000	28.33
3	Mr. Kulwant Singh	87,500	14.58
TOTAL		420,500	70.08



Following is the change in capital structure of the Company in the last six months prior to filing of the RHP:
(Rs. in million)

Date of Allotment	No of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Consideration	Reasons for Allotment	Cumulative share premium	Cumulative number of shares	Cumulative paid up capital
November 11, 2009	130,000	10	10	Fresh	Cash	Fresh Allotment	-	567,000	5.67
November 12, 2009	33,000	10	10	Fresh	Cash	Fresh Allotment	-	600,000	6.00

Summary of Audited Financial Information

(Rs. in Million)

Particular	March 31, 2009	March 31, 2008	March 31, 2007
Total Income	1.14	59.32	52.45
Profit after Tax / (Loss)	0.02	0.35	0.20
Equity Capital	4.37	4.37	1.37
Reserves	5.41	5.38	5.04
Net Worth	11.37	11.34	6.41
EPS	0.05	0.80	1.46
Nos. of Equity Shares Outstanding	437,000	437,000	137,000

There are no pending litigations filed by and/or against the Company and/or the Directors as on the date of this Red Herring Prospectus.

There are no defaults in meeting any statutory / banks / institutional dues. No. proceedings have been initiated for economic offences against the Company and/or its Promoters and/or Directors.

The Company has not declared as a sick Company within the meaning of the Sick Industrial Companies (Special Provision) Act, 1955 and is not under winding up.

CONFLICT OF INTEREST WITH PROMOTER / PROMOTER GROUP ENTITIES

None of our promoter entities have an interest in any venture that is involved in any activities similar to those conducted by our Company or any member of our Promoter Group except as disclosed under section 'Other Agreements' in chapter on 'History and Corporate Structure' beginning on page 99 and elsewhere in the Red Herring Prospectus. Our promoters are not interested in the property proposed to be bought out of the monies raised through this public issue.

PAYMENT OR BENEFITS TO OUR PROMOTERS DURING THE LAST TWO YEARS

Mr. Balwant Singh, Managing Director, is one of the Promoter of the Company and draws managerial remuneration as mentioned under the Related Party Transaction in this RHP.

Except as stated above and in the section titled "Financial Statements" beginning on page 135, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Red Herring Prospectus.



Litigation

Except as mentioned under the section titled 'Outstanding Litigation and Material Developments', beginning on page 180 there are no other cases, investigations, notices pending against the promoter and/or promoter group entities.

Sale or Purchase between our Company and Group Companies / Firms / Society / with Promoter Group

There are sales and/or purchases between Group Companies / Associate Company / Firm / Societies exceeding ten percentages in aggregate value of the total sales or purchases of the Company during last three years. The material items of income or expenditure out of such transaction are disclosed under the head 'Related Party Transaction' in the Restated Financial Statements of the Company beginning on page 135 of this Red Herring Prospectus.

Public Issue by Group Companies and Listed Group Companies

None of our group companies have made a public issue or rights issue in the last three years nor is any company in our Promoter Group entities listed.

Companies / Ventures with which the promoters have disassociated in the last three years

NA

Striking-Off

Since incorporation, none of the Promoter Group Companies have been Striked -Off.



RELATED PARTY TRANSACTIONS

For further details on related party transactions, please refer the section titled “Financial Statements” on page 135.



DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our board of directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, cash flows, capital expenditure, capital requirements and overall financial condition. Since our Company is at a growth stage, the profits earned by our Company till last year were ploughed back in our Company to meet the fund requirements. Hence no dividend has been declared by our Company till date. The amounts not paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. Our Company has no stated dividend policy.



SECTION V - FINANCIAL STATEMENTS

FINANCIAL INFORMATION OF THE ISSUER COMPANY

To

The Board of Directors
Tara Health Foods Limited
3rd Floor, Mall Plaza,
The Mall, Ludhiana -141001

Ref: Summary Statement of Assets and Liabilities and Summary Statement of Profits and Losses, as restated and Cash Flows, as restated as at and for the years ended 31st March 2005, 2006, 2007 2008, 2009 and period ended 31.12.2009.

Dear Sirs,

We have examined the financial information of Tara Health Foods Limited ('the Company') as at December 31, 2009, March 31, 2009; March 31, 2008; March 31, 2007; March 31 2006; March 31, 2005 annexed to this report and prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:

- (a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the Regulations') as amended to date
- (c) The guidance Notes on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and
- (d) The terms of our engagement agreed upon with you in accordance with our engagement letter dated August 24, 2009 in connection with the offer document being issued by the Company for its proposed Initial Public Offer ('IPO').

This report is being issued for incorporating the same in the offer document, to be issued by Tara Health Foods Limited in connection with the proposed Initial Public Offer of Equity Shares

A. Financial information per Audited Restated Financial Statements of Tara Health Foods Limited.

In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

The Summary statement of Assets and Liabilities, as restated, Summary Statement of Profits and Losses, as restated and Summary Statement of Cash Flows, as restated ("Restated Financial Statements") of the Company as at and for the nine months period ended 31.12.2009, year ended March 31st, 2009; March 31st, 2008; March 31st, 2007; March 31st, 2006 and March 31st, 2005 examined by us, as set out in Annexure I, II and III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Significant Notes on Accounts for Restated Financial Statements (Refer Annexure IV and V respectively).

There are no extraordinary items which need to be disclosed separately in the restated financial statements.

B. Other Financial Information:

We have examined the following information in respect of nine months period ended December 31, 2009, year ended March 31st, 2009; March 31st, 2008; March 31st, 2007; March 31st, 2006 and March 31st, 2005 of the Company, to be included in the offer documents, as approved by the Board of Directors and annexed to this report;

- | | |
|--|------------------|
| 1. Statement of Investment | (Annexure –VI) |
| 2. Statement of Sundry Debtors | (Annexure –VII) |
| 3. Statement of Loans and Advances | (Annexure –VIII) |
| 4. Statement of Secured Loans | (Annexure –IX) |
| 5. Statement of Unsecured Loans | (Annexure - X) |
| 6. Statement of Other Income | (Annexure –XI) |
| 7. Statement of Dividend Paid | (Annexure –XII) |
| 8. Statement of Related Party Disclosure | (Annexure –XIII) |
| 9. Summary of Accounting Ratios | (Annexure –XIV) |
| 10. Statement of Capitalization | (Annexure –XV) |
| 11. Statement of Tax Shelter | (Annexure –XVI) |

In our opinion, the financial information as disclosed in the Annexure(s) to this report, read with the notes on adjustments, significant accounting policies and significant notes disclosed in the Annexure(s) IV and V respectively, and after making adjustments and regroupings as considered appropriate and disclosed in Annexure IV, has been prepared in accordance with Part II of the Act and the Guidelines.

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

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

We hereby grant our consent for inclusion of the Financial Statements in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus to be filed with SEBI.

This report is intended solely for use of management and for inclusion in the Offer Document in connection with the proposed Initial Public Offer of the Company's shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Raj Kumar Jindal & Co.
Chartered Accountants**

Raj Kumar Jindal
Prop
Membership No.088062
Firm Registration No. 009596N
Place: Malerkotla
Date: April 10, 2010



Annexure I

Summary Statement of Assets & Liabilities, as restated

(Rs. in Million)

PARTICULARS		As at 31 st March					As at
		2005	2006	2007	2008	2009	31.12.09
(A)	Fixed assets						
(i)	Gross block	7.01	22.83	100.43	367.80	453.42	627.41
	Less : Accumulated depreciation	0.12	1.05	4.24	13.30	40.40	64.10
	Net block	6.89	21.78	96.19	354.50	413.02	563.31
(ii)	Capital work in progress	0.00	0.00	0.00	0.00	0.00	0.00
	Net block after adjustment	6.89	21.78	96.19	354.50	413.02	563.31
(B)	Investments	0.00	0.00	0.00	0.00	0.00	0.00
(C)	Current assets, loans and advances						
(i)	Inventories	0.37	31.03	100.63	261.50	910.75	1,293.46
(ii)	Accounts Receivable	0.00	14.21	60.83	210.06	223.78	666.76
(iii)	Cash and bank balances	0.13	3.24	2.16	10.28	39.70	84.24
(iv)	Loans and advances/Advances	8.40	5.90	7.23	56.43	24.50	123.87
	Total Current Assets	8.90	54.38	170.85	538.28	1198.73	2,168.33
(D)	Less : Liabilities and provisions						
	Secured loans	4.67	39.65	147.90	482.25	945.79	1,401.86
	Unsecured loans	0.00	0.00	0.06	0.06	0.06	0.00
	Net deferred tax liabilities	(0.04)	0.65	2.22	11.82	20.55	32.68
	Current liabilities	1.35	5.56	26.83	43.71	75.98	268.85
	Provisions	1.65	1.10	7.65	22.22	29.27	79.42
	Total Current Liabilities	7.62	46.96	184.66	560.06	1071.65	1,782.81
	Net Worth (A+B+C-D)	8.17	29.20	82.38	332.72	540.10	948.83
	Represented by						
(i)	Share capital	1.80	15.00	65.00	85.00	90.20	200.44
	Share Application Money	2.64	8.50	0.00	0.00	0.00	0.00
(ii)	Reserve and surplus	3.73	5.70	17.38	247.72	449.90	748.39
	Net Reserves and surplus	3.73	5.70	17.38	247.72	449.90	748.39
	Net Worth	8.17	29.20	82.38	332.72	540.10	948.83



Annexure II

Summary Statement of Profits and Losses, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Income						
Sales – Manufactured	0.00	69.92	314.00	1012.17	1951.75	2311.02
Traded	0.01	0.00	0.00	0.00	0.00	0.00
Total Sales (Net of Returns)	0.01	69.92	314.00	1012.17	1951.75	2311.02
Other income	0.01	0.00	0.00	0.44	0.46	9.59
Increase/ (decrease) in stock	0.00	1.29	24.47	48.47	30.20	111.57
Total Income	0.02	71.21	338.47	1061.08	1982.41	2432.18
Expenditure						
Raw materials consumed	0.01	57.18	277.11	838.86	1589.71	1753.09
Staff costs	0.03	0.67	2.83	5.10	8.94	15.21
Manufacturing expenses	0.06	3.43	14.93	31.48	41.59	50.06
Administration expenses	0.13	1.16	4.01	8.59	12.01	16.84
Selling and distribution expenses	0.00	2.87	13.54	25.00	25.63	29.80
Total Expenses	0.23	65.31	312.42	909.03	1677.88	1865.00
Profit before Interest Tax & Depreciation	(0.21)	5.90	26.05	152.05	304.53	567.18
Interest & Financial Expenses	0.18	1.93	8.10	27.63	76.37	94.33
Total Expenditure	0.41	67.24	320.52	936.66	1754.25	1959.33
Less : Cost capitalized	0.38	0.00	0.00	0.00	0.00	0.00
Total operating expenses	0.03	67.24	320.52	936.66	1754.25	1959.33
Profit before depreciation & Tax	(0.01)	3.97	17.95	124.42	228.16	472.85
Depreciation	0.00	3.01	3.10	9.06	27.10	23.70
Net adjusted profit/ (loss) before extraordinary items	(0.01)	0.96	14.85	115.36	201.06	449.15
Net profit/(loss) after extraordinary items	(0.01)	0.96	14.85	115.36	201.06	449.15
Less: Provision for current tax	(0.06)	0.33	0.67	14.09	22.42	73.84
Less: Provision for deferred tax (net)	0.00	0.00	0.00	11.13	8.67	12.40
Effect of adjustments on tax						
- Current tax	0.00	0.00	0.00	0.00	0.00	0.00
- Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
Net profit/(loss) after taxation and adjustments	0.05	0.63	14.18	90.14	169.97	362.91



Adjustment on account of Prior Period items						
Gratuity already provided in accounts	0.00	0.00	0.00	0.21	0.13	0.14
Leave with Wages provided in accounts	0.00	0.00	0.00	0.12	0.14	0.29
Gratuity as per Actuarial certificate	0.00	(0.01)	(0.04)	(0.08)	(0.12)	(0.21)
Leave with Wages as per certificate	0.00	(0.01)	(0.04)	(0.09)	(0.14)	(0.25)
Diff. in valuation of Inventory	0.00	0.00	0.00	(0.87)	(0.38)	1.25
Income Tax						
Adjustment for earlier years	(0.06)	0.00	0.02	0.80	1.42	4.33
Adjustment for this year years	0.00	(0.02)	(0.80)	(1.42)	0.00	0.00
Adjustment in deferred Tax this year	0.04	(0.69)	(1.57)	1.53	(0.05)	0.26
Adjustment in deferred Tax earlier yr.	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	(0.12)	2.07	(0.09)	0.00	0.00	0.00
Total	(0.14)	1.34	(2.52)	0.20	1.00	5.81
Profit after Tax as Restated	(0.09)	1.97	11.66	90.34	170.97	368.72



Annexure III

Summary Statement of Cash Flow, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
A. CASH FLOW FROM OPERATION ACTIVITIES						
Net Profit before Tax and Extraordinary items	(0.13)	3.01	14.68	114.65	200.69	450.37
Adjustments for:						
Depreciation	0.12	0.94	3.19	9.06	27.10	23.70
Financial Charges	0.00	1.93	8.10	27.63	76.37	94.33
Operating profit before Working Capital Changes	(0.01)	5.88	25.97	151.34	304.16	568.40
(Increase)/Decrease in Receivable	0.00	(14.21)	(46.62)	(149.23)	(13.72)	(442.98)
(Increase)/Decrease in Loans and Advances	(5.65)	2.50	(1.31)	(49.21)	31.94	(99.37)
(Increase)/Decrease in Inventories	(0.29)	(30.66)	(69.60)	(160.87)	(649.25)	(382.71)
Increase/(Decrease) in Current Liabilities	2.96	3.66	27.82	31.45	39.32	243.01
Cash Generated from Operations	(2.99)	(32.83)	(63.74)	(176.53)	(287.54)	(113.65)
Direct Taxes Paid	0.06	(0.35)	(1.45)	(14.71)	(21.00)	(69.51)
Net Cash from/ used in operating Activities	(2.93)	(33.18)	(65.19)	(191.24)	(308.54)	(183.16)
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	(6.53)	(15.82)	(77.60)	(267.37)	(85.62)	(173.99)
Increase in WIP	0.00	0.00	0.00	0.00	0.00	0.00
Investments (Write Off)	0.00	0.00	0.00	0.00	0.00	0.00
Interest/Dividend received	0.00	0.00	0.00	0.00	0.00	0.00
Net Cash from/ used in Investing Activities	(6.53)	(15.82)	(77.60)	(267.37)	(85.62)	(173.99)
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of shares/debentures	2.65	19.06	41.50	160.00	36.40	40.00
Proceeds from Borrowings	4.67	34.98	108.31	334.35	463.54	456.01
Financial Charges	0.00	(1.93)	(8.10)	(27.63)	(76.37)	(94.33)
Net Cash from Financing Activities	7.32	52.11	141.71	466.72	423.57	401.68
Net Increase/ Decrease in Cash & Cash Equivalents (A+B+C)	(2.14)	3.11	(1.08)	8.12	29.42	44.54
Opening Cash & Cash Equivalents	2.27	0.13	3.24	2.16	10.28	39.70
Closing Cash & Cash Equivalents	0.13	3.24	2.16	10.28	39.70	84.24

**Statement of Significant Accounting Policies for Restated Accounts****(1) (a) Basis of preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on an accrual basis to comply in all material respects and the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous years.

(b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

(c) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to an accounting estimate is recognised in accordance with the requirements of the respective Accounting Standard.

(2) Fixed Assets and Depreciation

Fixed Assets are capitalized at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on Straight Line Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

Pre-operative Expenses pertaining to the installation of Fixed Assets were capitalized to the respective assets on the proportionate basis of at the time of asset being put to use.

(3) Inventories

Raw Material, Packing Material and Consumables are valued at Lower of cost and net realizable value. Work in Process and Finished Goods are valued at Lower of cost and net realizable value. Cost is ascertained on specific identification method and includes appropriate production overheads in case of Work in process and Finished Goods.

(4) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(5) Borrowing cost

Borrowing costs, which have a direct nexus and are directly attributable to assets, are charged to assets and other borrowing costs are expensed out as period cost as specified in Accounting Standard (AS 16) on "Borrowing Costs".

(6) Employees Retirement Benefits

The company has provided for the retirement benefits for the year ending 31 March 2008 and 31 March 2009. But these benefits as required by the Accounting Standard-15 (AS-15) issued by the Institute of Chartered Accountants of India (ICAI) have been since valued from Actuaries.

Consequently, for the purposes of this statement the charge the to the profit and loss account and the carrying value of the liability towards retirement benefits has been restated for each of the years and nine months ended 31st December 2009 presented on the basis of such actuarial valuation.

(7) Income taxes

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on “Accounting for Taxes on Income”. The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. *The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realized in future.*

Provision for earlier year taxes

The Company recorded tax of earlier years, which primarily resulted on completion of assessments made by the Income tax authorities and the difference was recorded as credit/ charge in the financial statements. Accordingly, the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the ‘Summary Statement of Profits and Losses, as Restated.’

Tax impact of adjustments

The ‘Summary Statement of Profits and Losses, as Restated’ has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per the income tax assessments/ returns filed by the Company for the respective years.

(8) Foreign currency translation

The company has provided for effect of change in foreign exchange transactions as required by the Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI). Consequently, for the purposes of this statement the effect of changes in foreign exchange is accounted as per Accounting Statndars-11 (AS-11)

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii)Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company’s monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.



Statement of Notes to Accounts to Restated Accounts

(1) Regrouping

Figures in the restated summary statements have been appropriately regrouped to confirm with the reclassification made in the subsequent years.

- (2) The reconciliation of Profit after Tax as per Audited Results and the Profit after Tax as per the Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss:

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Profit After Tax(PAT) As Per Audited Financials	0.05	0.63	14.18	90.14	169.97	362.91
Adjustments for restatement:						
Gratuity Payable	0.00	(0.01)	(0.04)	0.13	0.01	(0.07)
Leave with wages	0.00	(0.01)	(0.04)	0.03	0.00	0.04
Earlier Year Taxes	(0.06)	0.00	0.02	0.80	1.42	4.33
This Year Taxes	0.00	(0.02)	(0.80)	(1.42)	0.00	0.00
Deferred Tax	0.04	(0.69)	(1.57)	1.53	(0.05)	0.26
Depreciation	(0.12)	2.07	(0.09)	0.00	0.00	0.00
Diff. in valuation of Inventory	0.00	0.00	0.00	(0.87)	(0.38)	1.25
Profit After Tax (PAT) As Per Financial Statements, As Restated	(0.09)	1.97	11.66	90.34	170.97	368.72

(3) Prior period items

Prior period items recorded by the Company in respect of periods restated herein have been charged to the respective periods of origination with a corresponding credit to the 'Summary Statement of Profits and Losses', as Restated. The impact of taxation on such items has also been effected to the periods of origination.

(4) Earnings per share

Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. For the purpose of calculating adjusted earnings per share, the net profit/loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of bonus issue.

(5) Contingent liabilities

For statutory dues disputed and contested by the Company, a liability is provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter.

(Rs. in Millions)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Bank Guarantees	-	-	-	-	0.09	0.09
Letter of Credit	-	-	-	-	45.80	-
Claims Preferred against the co.	-	-	-	0.50	4.32	4.32

(6) Amount owed to Small Scale Industrial Undertaking

As on December 31, 2009, Company owes Rs.0.04 million to SSIs, which have remained outstanding for more than 30 days.

(7) Impairment of Assets

The Company assesses at each balance sheet date whether there is any identification that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(8) Segment Information's for the Year 2006-07, 2007-08, 2008-09 & as on 30-06-2009

(a) Information's about Primary Business Segment
Segment wise Revenue Recognition

(Rs. in Million)

	Cattle/Poultry Feed				Edible Oil				Total			
	31-12-09	2008-09	2007-08	2006-07	31-12-09	2008-09	2007-08	2006-07	31-12-09	2008-09	2007-08	2006-07
Revenue:												
External	1316.18	1559.01	842.21	253.63	994.84	393.20	169.95	60.37	2311.02	1952.21	1012.61	314.00
Inter Segment	-13.41	-48.84	0.00	0.00	13.41	48.84	0.00	0.00	0.00	0.00	0.00	0.00
Total	1302.77	1510.17	842.21	253.63	1008.25	442.04	169.95	60.37	2311.02	1952.21	1012.61	314.00
Results												
Segment Results	319.58	163.85	83.32	13.01	132.72	38.70	32.76	2.22	452.30	202.55	116.08	15.23
Unallocated												
Expenditure									3.15	1.48	0.72	0.38
Profit Before Tax									449.15	201.07	115.36	14.85
Provision For Tax									81.90	20.10	13.29	0.50
Profit After Tax									362.91	180.97	102.07	14.35

Segment wise Assets and Liabilities

(Rs. in Million)

	Cattle/Poultry Feed				Edible Oil				Total			
	31-12-09	2008-09	2007-08	2006-07	31-12-09	2008-09	2007-08	2006-07	31-12-09	2008-09	2007-08	2006-07
Segment assets	1176.10	534.32	422.52	209.53	1544.77	1119.08	484.42	61.74	2720.87	1653.40	906.94	271.27
Segment Liabilities	493.53	613.09	307.55	152.44	1260.98	438.03	239.26	29.04	1754.51	1051.12	546.81	181.48
Capital Expenditure	-	0.00	0.00	0.00	70.00	-	-	-	70.00	0.00	0.00	0.00
Depreciation	4.95	6.26	5.17	2.29	18.75	20.84	3.89	0.81	23.70	27.10	9.06	3.10



(b) Information about secondary geographical Segment

Revenue by geographical Area

(Rs. in Million)

Particulars	Jitwal Kalan, Malerkotla				Sitarganj, Uttaranchal				Total			
	31-12-09	2008-09	2007-08	2006-07	31-12-09	2008-09	2007-08	2006-07	31-12-09	2008-09	2007-08	2006-07
Revenue:												
External	1696.79	1409.03	759.44	287.68	614.23	543.18	252.72	26.32	2311.02	1952.21	1012.16	314.00
Inter Segment												
Total	1696.79	1409.03	759.44	287.68	614.23	543.18	252.72	26.32	2311.02	1952.21	1012.16	314.00

(c) Notes:

1. Management has identified Two Business segments namely:

- Feed: Production of Cattle & Poultry Feed.
- Edible Oil: Production of Rice Bran Oil & Refined Oil.

2. The segment in the geographical segments considered for the disclosure is as follow:

- Jitwal Kalan: Comprising of sale of Cattle Feed, Rice Bran Oil and Refined Oil made from Jitwal Kalan Malerkotla Punjab
- Sitarganj: Comprising of sale of Cattle Feed, Poultry Feed etc made from Sitarganj Unit

3. Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis.

(9) Earnings per share

	2009	2008
a. Profit before Taxation (Rs. Cr.)	20.11	11.54
b. Weighted average number of Ordinary shares outstanding	8740767	713468
c. Earnings per share on profit after taxation		
Face value	Rs10/-	Rs100/-
Basic EPS	19.56	12.66
Diluted EPS	8.89	5.76

(10) Directors' Remuneration

(Rs. in Million)

PARTICULARS	9 months ended	For the year ended March 31				
	Dec 2009	2009	2008	2007	2006	2005
Salaries	3.15	1.48	0.72	0.38	0.12	-

(11) In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amount at which these are stated in the Balance Sheet.

(12) Adjustment resulting from change in accounting policies

- a) During the year ended March 31, 2008, the Company adopted the provisions of Accounting Standard 15 on "Employee Benefits, Issued by the ICAI. However, the Company adopted the standard with effect from April 1, 2007. The cumulative effect of this change was recorded in the year ended March 31, 2008 in the Financial Statements. However the year wise effect has been taken in restated accounts.

- b) Depreciation was provided on written down value method in the year 2005-06. However it was changed to Straight line Method as provided in Schedule XIV of Companies Act, 1956 from 1.04.2006 onwards. The effect of the change in accounting policy has been restated for the FY 2005-06 also.
- c) There is change in method of valuation of Raw Material and Work in progress from Cost Price Method plus attributable direct expenses to Cost or Net Realizable Value w.e.i. lower. The diff. in the change of method has been duly accounted for in restated financial statements.

(13) Adjustments relating to previous years

a) Prior Period Items:

Certain items, identified and disclosed as prior period items in the audited financial statements of each of the year presented, have, for the purpose of this statement, been restated to the extent identified, in respective years in which such adjustments arose.

b) Tax for earlier years

The Company recorded tax earlier years which primarily resulted on completion of assessments made by the Income tax authorities and any difference was recorded as debit/credit charge in the financial statements. Accordingly, the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge debit/credit to the recorded period in the "Summary Statement of Profit and Losses, as Restated".

(14) Tax Impact of adjustments

The 'Summary Statement of Profit and Losses, as Restated' has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per the income tax assessments/returns filed by the Company for the respective years.

- (15)** Sundry Creditors, Sundry Debtors and Loans and Advances include certain items for which confirmations are yet to be received and are considered payable/realizable as the case may be. The balances under above heads are as per the books of accounts and are subject to reconciliation and adjustment if any.

(16) Reclassification

During restatement of accounts certain expenditure heads have been regrouped and reclassified according to the nature of the expenditure.

OTHER NOTES: -

(1) Change in the name of the company:

The company has changed its name as from Angoora Wool Combers Pvt Ltd to Ram Sahay Wool Combers Pvt. Ltd. on 02.12.1986, then to Tara Feed Pvt Ltd on 02.09.2004, then to Tara Feed Limited on 05.10.2005, then to Tara Olive India Limited on 11.06.2008 and then to Tara Health Foods Limited 24.11.2008.

(2) Changes in the Paid up Capital

Further Issue of Shares:

The Board of Directors at their meetings held, as given below, approved further issuance of equity shares at premium specified below.

FY ended	Date of Board meeting	Equity shares allotted	Face Value (per share)	Premium (per share)
31/03/2005	-	-	-	-
31/03/2006	25/03/2006	1,32,050	100	-
31/03/2007	25/03/2007	3,75,000	100	-



31/03/2007	31/03/2007	1,25,000	100	
31/03/2008	05/10/2007	70,100	100	700
31/03/2008	12/10/2007	32,175	100	700
31/03/2008	19/10/2007	6,625	100	700
31/03/2008	15/02/2008	91,100	100	700
31/03/2009	15/10/2008	5,20,000*	10	60*
31/03/2010	07/08/2009	10,824,000**	10	-
31/03/2010	08/08/2009	200,000	10	190

* Bonus shares in the ratio of 12 equity shares for every 10 equity shares held.

** The face value of the share were split from Rs.100/- per share to Rs.10/- per share on October 14, 2008

(3) Material Development subsequent to last financial statement dated 31.03.2009

No circumstances have arisen since the date of the last financial statement until the date of filing of this Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months excepting as detailed below:

(a) Bonus issue

The Board of Directors at their meeting held on 7th August 2009, approved the issuance of 10,824,000 equity shares of Rs. 10/- each as Bonus shares in the ratio of twelve shares for every 10 shares held as on 6th August 2009. The Bonus shares were issued by capitalizing the free reserves of the company.

(b) Preferential Allotment

The Board of Directors at their meeting held on 8th August 2009, approved the allotment of 200,000 equity shares of Rs.10/- each at a premium of Rs.190/- per share as preferential allotment

(c) Fresh Working Capital Limits from Bank

The Consortium of Banks has enhanced Fund/Non-Fund Based Working Capital Limits upto Rs. 1440.00 Mn. And same has been secured as a first and exclusive charge over all the Current assets of the Company present and future. It is further secured by second charge over the Fixed assets of the company and Personal Guarantee of Promoter Directors namely Sh. Balwant Singh, Sh. Jaswant Singh and Sh. Tejinder Singh. In addition to these limits of Rs. 900.00 Mn. have been sanctioned against stocks pledged under lock and key.

(d) Purchase of Industrial Land

The company has purchased 234,235.599 sq. mtrs of land located at Industrial Focal Point, Malerkotla, District Sangrur, Punjab for its expansion plans in the foreseeable future.



Annexure VI

Statement of Investments, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Investments	-	-	-	-	-	-
					-	
Total	-	-	-	-	-	-



Annexure VII

Statement of Sundry Debtors, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
(Un secured, considered good)						
For a period exceeding six months	0.00	0.00	0.00	4.29	4.12	8.31
For a period less than six months	0.00	14.21	60.83	205.77	219.66	660.81*
Less : Provision for Doubtful debts	0.00	0.00	0.00	0.00	0.00	2.36
Total	0.00	14.21	60.83	210.06	223.78	666.76

Note:

* Amount due from the related parties in the above is Rs.2.38 Mn.



Annexure VIII

Statement of Loans and Advances, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
(Unsecured, considered good)						
Advances recoverable in cash for the which value to be received						
- To Group Companies	2.47	0.60	0.00	0.00	0.00	0.00
- To Key Managerial Personnel	0.00	0.00	0.00	0.18	0.05	0.00
Capital Advances	3.70	1.70	0.83	0.00	3.47	70.00
Advances to suppliers	2.15	3.14	2.98	51.29	15.95	19.62
Others	0.00	0.04	0.44	1.26	1.02	19.67
Deposits						
- Security Deposits	0.08	0.41	2.88	3.64	3.89	4.41
Taxes Paid	0.00	0.00	0.10	0.07	0.12	10.17
Total	8.40	5.89	7.23	56.44	24.50	123.87



Annexure IX

Statement of Secured Loans, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Term Loans	3.03	6.69	50.03	238.94	213.61	332.71
Cash Credits	0.21	28.61	86.33	219.80	721.44	1,064.73
Vehicles Loans	1.43	4.35	11.54	23.51	10.74	4.42
Total	4.67	39.65	147.90	482.25	945.79	1401.86

Key terms of the secured loan(s) are as follows:

Name of the Bank	Type of the Loan Facility	Amount (Rs. In Cr)	Interest	Repayment	Security
State Bank of India	Term Loan –I Term Loan-II Term Loan-III Term Loan-IV Term Loan-V	18.00	13.00%	As per Bank norms.	<p>1st charge on pari-passu basis by way of hypothecation of fixed assets purchased out of Bank finance including EM of the following properties:</p> <p>1. EM on land measuring 27.50 acres and buildings constructed thereon at Jitwal Kalan, Tehsil Malerkotla, Distt. Sangrur, Punjab standing in the name of the company.</p> <p>2. EM of lease hold rights on land measuring 4802 sq. mtr (approx.) and buildings constructed thereon at plot no. A-2, Eldeco SIDCUL, Industrial Park, Sitarganj, Uttaranchal standing in the name of the company.</p> <p>3. Extension of charge by way of hypothecation for term loans on the entire current assets of the company</p> <p>4. Extension of charge by way of hypothecation for working capital limits on unencumbered fixed assets</p> <p>5)Personal guarantees of directors:</p>



					i) S. Jaswant Singh ii) S. Balwant Singh iii) S. Tejinder Singh
Punjab & Sind Bank	Term Loan	3.00	13.00%	Repayable in 60 Monthly installments	i. Hypothecation of Machinery equipment storage Tanks valued Rs. 4.14 Cr. ii. Personal guarantees of directors: i) S. Jaswant Singh ii) S. Balwant Singh iii) S. Tejinder Singh
Bank of India	Term Loan	15.00	12.00%	Repayable in 48 Monthly Installments	i. Equitable mortgage of property situated Near SDM Residence, Adamwal Road, Malerkotla ii. Personal guarantees of directors: i) S. Jaswant Singh ii) S. Balwant Singh iii) S. Tejinder Singh
State Bank of India Punjab National Bank State Bank of Patiala Punjab & Sind Bank Canara Bank Allahabad Bank (Under Consortium Banking Finance)	Cash Credit Limit	95.00	11.00%	Repayable on demand	i) 1 st charge on pari passu basis by way of hypothecation on entire current assets of the company, both present and future. ii) Extension of charge of EM on land measuring 27.50 acres and buildings constructed thereon at non GLADA approved industrial locality in the near vicinity of Malerkotla road, Jitwal Kalan, Tehsil Malerkotla, Distt. Sangrur, Punjab standing in the name of the company. iii) Extension of EM of lease hold rights on land and buildings constructed thereon at plot no. A-2, Eldeco SIDCUL, Industrial Park, Sitarganj, Uttaranchal standing in the name of the company



					<i>vi)Personal guarantees of directors:</i> i) S. Jaswant Singh ii) S. Balwant Singh iii) S. Tejinder Singh
Canara Bank	Adhoc Cash Credit Limit	3.00	11.00%	Repayable on demand	i) 1 st charge on pari passu basis by way of hypothecation on entire current assets of the company, both present and future. <i>ii)Personal guarantees of directors:</i> i) S. Jaswant Singh ii) S. Balwant Singh iii) S. Tejinder Singh
State Bank of Patiala	Credit Facility against warehousing receipts	50.00	9.50%	Repayable on demand	i) Secured by way of warehousing receipts of stocks. <i>ii)Personal guarantees of directors:</i> i) S. Jaswant Singh ii) S. Balwant Singh iii) S. Tejinder Singh
IDBI Bank Ltd	Credit Facility against warehousing receipts	40.00	9.50%	Repayable on demand	i) Secured by way of warehousing receipts of stocks. <i>ii)Personal guarantees of directors:</i> i) S. Jaswant Singh ii) S. Balwant Singh iii) S. Tejinder Singh



Annexure X

Statement of Unsecured Loans, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
LONG TERM LOANS						
Promoters & Promoter Group Cos.	0.00	0.00	0.06	0.06	0.06	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00
SHORT TERM LOANS						
Promoters & Promoter Group Cos.	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	0.00	0.00	0.06	0.06	0.06	0.00

Note:

During the year Unsecured loans from Group companies by way of Short Term amounting to Rs. 37.92 Mn. was taken at the rate of 12% per annum. The same were repayable on demand.

The Company has repaid the loans so taken from Promoter Group Companies.



Annexure XI

Statement of Other Income, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Interest received	0.01	0.00	0.00	0.32	0.18	0.29
Insurance Claim Recd	0.00	0.00	0.00	0.12	0.14	0.38
Misc. Income	0.00	0.00	0.00	0.00	0.15	8.90*
Excess Provision written back	0.00	0.00	0.00	0.00	0.00	0.02
Total	0.01	0.00	0.00	0.44	0.46	9.59

* Note: Amount received as compensation from buyer for non-fulfilment of their commitment.



Annexure XII

Statement of Dividend, as restated

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Equity shares						
Number of shares	17,950	150,000	650,000	850,000	9,020,000	20,04,0000
Face value (Rs.)	100.00	100.00	100.00	100.00	10.00	10.00
Paid-up value (Rs.)	100.00	100.00	100.00	100.00	10.00	10.00
Rate of dividend	NIL	NIL	NIL	NIL	NIL	NIL
Total dividend (Rs)	NIL	NIL	NIL	NIL	NIL	NIL
Corporate dividend tax on above (Rs)	NIL	NIL	NIL	NIL	NIL	NIL


Statement of Related Party Transaction, as restated

Description	Name
Subsidiaries	Company has no Subsidiaries
Group / Associate Company	Tara Heart Care Products Limited
	Tara Life Care Products Limited
	Mehndi Macs Trade Private Limited
	Tara Feed Factory
	Tara Gram Udyog Samiti (Regd)
	Pioneer Public School Managing Committee
	Punjab Dairy House
Directors	Balwant Singh
	Jaswant Singh
	Kulwant Singh *
	Tejinder Singh
	Kirpal Singh Aulakh **
	Dr.Jaspinder Singh Kolar
	Purshotam Bansal
	Rajnish Kumar
Key Management Personnel	Shankar Jadhav
	Manmohan Singh
	Kamaljit Paul Gaur
	Avtar Singh Ratol
	Pargat Singh
	Lakhvinder Singh
	Jarnail Singh
	Mohit Jindal
	V M Kaul ****

(Rs. in Million)

PARTICULARS	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
Salary to Directors						
Balwant Singh	0.00	0.03	0.10	0.18	0.71	1.80
Jaswant Singh	0.00	0.03	0.10	0.18	0.56	0.00
Kulwant Singh *	0.00	0.03	0.10	0.18	0.11	0.00
Tejinder Singh	0.00	0.03	0.10	0.18	0.11	1.35
Salary to KMP's						
Shankar Jadhav	0.00	0.00	0.00	0.00	0.00	0.70
Manmohan Singh	0.00	0.00	0.00	0.72	0.96	0.72
Kamaljit Paul Gaur	0.00	0.00	0.00	0.14	0.40	0.30
Avtar Singh Ratol	0.00	0.08	0.24	0.28	0.30	0.27
Pargat Singh	0.00	0.03	0.06	0.06	0.06	0.12
Lakhvinder Singh	0.00	0.00	0.00	0.00	0.25	0.45
Jarnail Singh	0.00	0.00	0.00	0.00	0.00	0.22



Mohit Jindal	0.00	0.00	0.00	0.00	0.00	0.06
V M Kaul***	0.00	0.00	0.00	0.00	0.00	0.30
Payments to KMP's						
Reimbursement of Expenses						
Shankar Jadhav	0.00	0.00	0.00	0.00	0.00	0.06
Manmohan Singh	0.00	0.00	0.00	0.16	0.14	0.04
Kamaljit Paul Gaur	0.00	0.00	0.00	0.21	0.40	0.13
Avtar Singh Ratol	0.00	0.07	0.28	0.35	0.36	0.10
Pargat Singh	0.00	0.00	0.02	0.02	0.03	0.01
Lakhvinder Singh	0.00	0.00	0.00	0.00	0.08	0.04
Jarnail Singh	0.00	0.00	0.00	0.00	0.00	0.00
Mohit Jindal	0.00	0.00	0.00	0.00	0.00	0.01
V M Kaul	0.00	0.00	0.00	0.00	0.00	0.01
Loan/Advances	-	-	-	-	-	-
Kamaljit Paul Gaur	0.00	0.00	0.18	0.00	0.00	0.00
Lakhvinder Singh	0.00	0.00	0.00	0.00	0.05	0.00
Loans and advances to Relatives						
Loans/Advances	0.00	0.00	0.00	0.00	0.00	14.10
Amount Received	0.00	0.00	0.00	0.00	0.00	14.10
Amount Receivable (Payable) Closing Balance	0.00	0.00	0.00	0.00	0.00	0.00
Tara Feed Factory						
Purchases of Goods	0.00	142.34	65.68	9.51	0.00	0.00
Sales of Goods	0.00	8.40	0.33	1.78	1.97	6.84
Loan/Advances Received	(2.47)	0.00	0.00	0.00	0.00	9.36
Amount Receivable (Payable) Closing Balance	2.47	0.00	(18.07)	0.00	0.00	0.99
Tara Heart Care Products Limited						
Purchases of Goods	0.00	0.00	0.00	0.00	130.20	0.00
Sales of Goods	0.00	0.00	0.00	38.51	10.08	12.18
Loan/Advances Received	0.00	0.00	0.00	0.00	0.00	28.56
Amount Receivable (Payable) Closing Balance	0.00	0.00	0.00	0.00	0.00	(0.41)
Tara Life Care Products Limited						
Purchases of Goods	0.00	0.00	0.00	0.00	0.00	0.00
Sales of Goods	0.00	0.00	0.00	0.00	0.00	5.10
Loan/Advances Received	0.00	0.00	0.00	0.00	0.00	3.71
Amount Receivable (Payable) Closing	0.00	0.00	0.00	0.00	0.00	1.39



Balance						
Tara Gram Udyog Samiti (Regd)						
Loan Given	0.00	0.60	0.00	0.00	0.00	0.00
Loan Repaid	0.00	0.00	0.60	0.00	0.00	0.00
Amount Receivable (Payable) Closing Balance	0.00	0.60	0.00	0.00	0.00	0.00
Pioneer Public School						
Loan/Advances Received	0.00	0.00	0.02	0.00	0.00	24.88
Amount Repaid	0.00	0.00	0.00	0.02	0.00	24.88
Amount Receivable (Payable) Closing Balance	0.00	0.00	(0.02)	0.00	0.00	0.00

* Kulwant Singh ceased to be a Director w.e.f 01-12-2008

** Kirpal Singh Aulakh ceased to be a Director w.e.f 10-09-2009

*** V. M. Kaul ceased to be an employee w.e.f. 30.06.2009



Annexure XIV

Statement of Accounting ratios, as restated

(Rs.)

Key Ratios	As at 31 st March					As at
	2005	2006	2007	2008	2009	31.12.09
a) Earning per Share (Basic EPS)	(0.50)	9.62	7.40	12.66	19.56	24.73*
b) Earning per Share (Adjusted)	(0.23)	4.37	3.36	5.76	8.89	18.48*
c) Net Asset value per share	45.52	19.47	12.67	39.14	59.88	63.63
d) Return on Net worth	-1.10%	6.75%	14.15%	27.15%	31.66%	38.86%
e) Percentage Number of Equity Shares	100%	100%	100%	100%	100%	100%

*Nine month figures

Earnings Per Equity Share	(Adjusted Net profit after tax and after Preference share dividend and tax thereon) /
	(Weighted average number of Equity shares)
Return on Net Worth	(Net profit after tax and dividend on Preference Shares (including tax)
	(Equity shareholder's funds after reduction of Miscellaneous expenditure not written off at the end of the year)
Net Asset Value	(Net assets after reduction of Miscellaneous expenditure not written off and Preference share capital at the end of the year)
	(Weighted average number of equity shares)



Annexure XV

Statement of Capitalisation, as restated

(Rs. in Million)

Particulars	Pre Issue as at March 31, 2009	Post Issue *
Borrowings		
Short term Debts	721.44	
Long term Debts	224.41	
Total debts	945.85	
Shareholder's Funds :		
Share Capital	90.20	
Reserves (net of Revaluation reserve)	451.15	
Pre-Op. Expenses Expenditure (to the extent not written-off or adjusted)	0.00	
Total Shareholder's Funds	541.35	
Long term Debt/Equity Ratio	0.41	

* Share capital and reserves, post issue can be ascertained only after the conclusion of book building process



Annexure XVI

Statement of Tax Shelter, as restated

(Rs. in Million)

Particulars		As at 31 st March					As At
		2005	2006	2007	2008	2009	31.12.09
Profit before current and deferred taxes, as restated	A	(0.01)	0.96	14.85	115.36	201.06	449.15
Tax Rate - Normal	B	0.34	0.34	0.34	0.34	0.34	0.34
Tax Rate - MAT	C	0.08	0.08	0.11	0.11	0.11	0.17
Tax expense at applicable tax rate on restated profits	D	(0.00)	0.32	5.00	39.21	68.34	152.67
Adjustments :							
Permanent Differences		0.00	0.00	7.87	57.41	115.40	235.05
Total	E	0.00	0.00	7.87	57.41	115.40	235.05
Temporary Differences							
Difference between tax depreciation and book depreciation		(0.12)	1.97	6.70	35.03	60.83	96.82
Total	F	(0.12)	1.97	6.70	35.03	60.83	96.82
Net Adjustments	G=E + F	(0.12)	1.97	14.57	92.44	176.23	331.87
Tax savings thereon	H=G* B/C	(0.04)	0.66	4.90	31.42	59.90	112.80
Net impact	I = H - D	0.04	(0.34)	0.09	7.79	8.44	38.86



CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

For details on changes in accounting policies please refer to notes in Financial Statements beginning on page 135



MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

You should read the following discussion of our financial condition and results of operations together with our consolidated Indian GAAP financial statements for the fiscal years ended March 31, 2005, 2006, 2007, 2008 and 2009 and nine months ended December 31, 2009 including the notes thereto, which have been restated in accordance with the SEBI Regulations and appear elsewhere in this Red Herring Prospectus. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

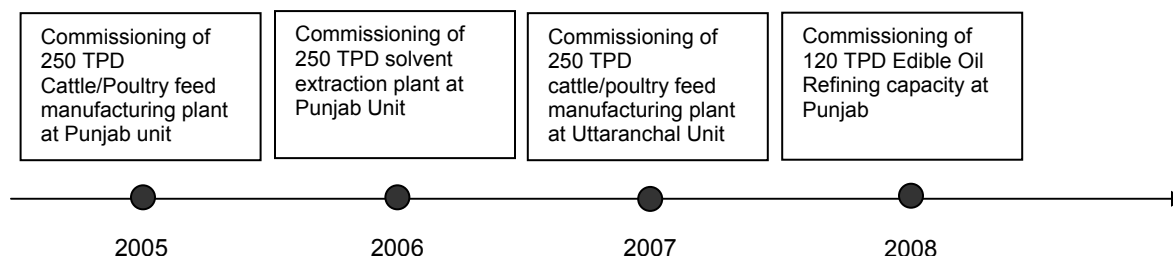
Business Overview

We are amongst few organized players of the oil and cattle feed industry in India, catering to the needs of both human and animal nutrition through our products. Our offerings to customers can be divided broadly in to edible oil and cattle feed. We not only produce these products but also market them in the northern part of the country as on date through different points of sale set up in the state(s) of Punjab, Delhi, Haryana, Uttaranchal, Bihar and Jammu & Kashmir that we have developed over a short period of time.

By the virtue of being an active participant in the market and our constant interaction with the retailers/distributors we are better placed to understand the needs of the customer and we endeavor to meet their expectation through constant innovation in our products achieved through research and development in our processes. Our capacity expansions and increase in revenue over a period of four years (sales increased from Rs.69.92 million in fiscal 2006 to Rs.314 million in fiscal 2007 to Rs.1012.17 million in fiscal 2008 to Rs.1951.75 million in fiscal 2009) is a reflection of our growth story which is direct result of our products acceptability in the market.

Our company was incorporated on February 28, 1977 as Angoor Wool Combers Private Limited, with the objective of setting up of a wool combing unit. Subsequently, in the year 1986 the name was changed to Ram Sahai Wool Combers Private Limited. In the year 2004, the present management, namely, Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh took over the management of the Company from erstwhile promoters (Mr. Dharm Pal, Mr. Ashok Kumar, Mr. Nagesh Kumar, Mr. Narinder Kumar, Mr. Rajiv Mehra, Ms. Vidya Prakash) with a view to undertake the cattle feed manufacturing activities in a corporate structure as against scaling up the existing cattle feed activity being carried out in partnership firm namely, Tara Feeds Factory (TFF) since the year 2001 by them i.e. Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Kulwant Singh. The firm has been engaged in the manufacture of cattle feed at Vill. Gajjan Majra, Malerkotla, Punjab with a capacity of 20 tons per day (TPD). Having been able to create a market for its products it was thought prudent by them to set up and thereafter scale up operations in an organized set up which would enable them achieve economies of scale, besides, increasing reach.

Capacity Buildup



Rationale behind Capacity Expansion



2005

- Promoters have comprehensive understanding of the intricacies of the industry
- They could see the feed market on a growth curve
- This growth was a direct effect of government incentives
- These factors inspired the promoters to set up cattle feed manufacturing facility at Jitwal Kalan, Sangrur, Punjab
- Installed capacity of 250 tonnes per day (tpd).

2006

Backward integration would entail:-

- Raw material security (De-Oiled Cakes)
- Better control over supply chain
- Better Quality

In turn would lead to

- Higher Productivity
- Better Margins

was the precise reason of integrating backward with solvent extraction capacity of 250 TPD in October 2006,

This expansion gave us a new product in the form of crude oil. This product initially was marketed by us in open mandis in bulk and opened new avenues of growth in future.

2007

We established our 250 tpd cattle feed manufacturing facility in February 2007 at Uttranchal as a step towards increasing our footprint and to

- Capture a new market which was, the north Indian cow belt more effectively
- Rationalise Logistics Cost to these regions
- Reducing costs with the incentives and concessions offered by the state government
- Unhindered availability of raw material

This plant currently caters to the states of Uttar Pradesh, Bihar & Uttaranchal. We have also been extensively exploring various options in field of supply chain management at this plant. We are currently giving retailers/dealers/distributors an option to take the delivery of cattle feed on the factory gate.

2008

- Our strive to increase our penetration in value chain.
- Produce products with wider market
- Get into products that have higher margin
- Products that are synergistic with the existing set up

All these factors paved way for us to integrate forward in 2008. We commissioned an oil refinery of 120 tpd capacity at our existing plant at Jitwal Kalan, Sangrur, Punjab.

As on date we have installed capacities to produce Cattle & Poultry Feed, Oil refinery, Solvent Extraction within a span of around four years through ploughing back our profits, bank borrowings and promoters equity. Considering the fact that our promoters are first generation entrepreneurs our company has been growing over these years and been able to carve a place for itself in the market place.

Factors Affecting Our Results of Operations

The factors mentioned below along with number of future developments may affect our results of operations, financial conditions and cash flow in future periods.

- Competition from existing players;
- Growing expenditure on branding costs;
- Capital expenditure, including capacity expansion;

- Working capital arrangements;
- Growth of unorganized sector and threat from national/regional players;
- General economic and business conditions;
- Our Company's ability to successfully implement our growth strategy;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- The loss or shutdown of operations of our Company at any time due to strike or labour unrest or any other reason;
- Withdrawal of any tax benefits available to our Company;
- Changes in buying habits and consumption pattern; and
- Changes in prices of critical raw materials.

Revenues

References to "revenues" herein are to the line item titles "Total Income" in the financial statements in this Red Herring Prospectus (RHP). We derive our revenue from manufacture of cattle feed; poultry feed, refined edible oil. Our revenues are affected by economic conditions and the level of business activity of the intermediaries involved in marketing of our products, as well as by the change in the habits and the consumption pattern of our end users. Our revenues also depend on our ability to secure visibility for our products and create a recall value for our brand and consequently stimulate demand for our range of products. Our understanding of the end users and their changing needs, as well as our ability to successfully deliver quality products on time to our customers have contributed and will continue to contribute to the growth of our businesses through our reach to the consumers and strengthening of marketing network. The increase in value of sales can be further attributed to increase in the volume of sales. Our Company has introduced various incentive schemes for its market intermediaries.

Expenditure

The head "expenditure" includes cost of raw material, other manufacturing expenses, staff costs, administrative expenses, selling and distribution expenses, etc.

Raw material consumed includes cost of raw materials, consumables and freight.

Staff costs include remuneration paid to Director(s); salaries and wages, which are fixed in nature, variable compensation including bonus, staff welfare costs, and the cost of contribution to provident and other employee benefit funds.

Manufacturing expenses include labour, wages, factory maintenance, power and fuel expenses, utility expenses, packaging, machinery repair, contract labour, casual labour, etc.;

Administrative expenses include all other expenses incurred by the Company and primarily includes, utility charges, rent, repairs and maintenance, postage and communication, traveling and conveyance, professional and legal, insurance, etc.;

Selling and Distribution expenses include advertisement, business promotion expenses, incentives, freight outwards etc.

The raw materials consumed as a percentage to total income has witnessed a mixed trend during the last 5 years. Raw material costs as a percentage of total income had gone up to 81.87% in the FY 2007 and come down to 79.06% in FY 2008 only to go up marginally to 80.19% in FY 2009; as we have added capacities besides integrating our operations backward and forward. We had initial teething problems while we were adding capacities coupled with backward and forward integration which is reflected in the mixed trend of cost of raw material consumed. However in spite of the bottlenecks, the raw material cost is kept under check due to better sourcing capabilities, improved logistical and process planning and improved yields achieved through the research and development efforts undertaken by us. Our raw materials for the production are oil,



seed cake(s), rice bran, olive (crude) cotton seed, maize, etc. Our Company procures the raw material at appropriate times, hence was able to control the procurement cost of materials.

Staff cost as a percentage of total income has come down from 0.95% in FY 2006 to 0.45% in FY 2009. In percentage terms staff costs have come down, but, in absolute terms it has been showing an upward trend. The variation in staff cost is attributed to addition of employees and revision of pay scales and other benefits from time to time to bring the same at par with the industry norms. The increase in the staff cost is in line with the expansion plans of our Company and its overall objective of growth. Our staff strength has increased from 42 employees in FY 2005 to 155 employees in FY 2009, which is reflection of our increased reach in the market place.

Manufacturing Expense as percentage of total income in FY 2006 stood at 4.81%, and thereafter these expenses have shown downward trend and was at 2.10% for the FY 2009. In absolute numbers, the same has gone up from Rs.3.43 million in FY 2006 to Rs.41.59 million in FY 2009 and is in line with the increase in our revenues. The reduction in the manufacturing expenses is on account of the economies of scale of increased capacities which results in lower consumption of power; utilities, minimal manpower, etc. Once the production reaches a certain minimum level, the manufacturing expenses necessary to produce additional output do not increase proportionately with increases in output. With further increase in our capacities and high capacity utilization, we expect manufacturing expenses as a proportion of total income to decrease in the long term.

Administrative expenses as a percentage of total income stood at 1.63% in FY 2006 and stands at 0.61% for the year ended FY 2009.

Selling and Distribution expenses as a percentage of total income have come down from 4.03% in FY 2006 to 1.29% in FY 2009. In absolute numbers the same has gone up from Rs.2.87 million in FY 2006 to Rs.25.63 million in FY 2009. The increase in expenses is attributed to growing business need to create awareness about our Company and our products to geographically spread out client base. Further, the increase in selling and distribution expense is in line with the increase in the sales of our Company and overall efficient logistic management, planned distribution coupled with incentive based commission system. Increase in advertisement expenses have helped create the brand image in the market. Our dealer/retailer strength has increased to 2645 in FY 2009, which is reflection of our increased reach in the market place.

Interest and financial expenses accounted for 2.71% of the total income in FY 2006. The same stands at 3.85% in FY 2009. Interest and financial expenses is on account of term loan facilities and working capital facilities availed by the Company on account of expansion projects undertaken and to meet the additional working capital owing expansion of business.

Profit before interest, Depreciation and Taxation (PBIDTA)

We define PBDITA as the difference between revenues and total expenditure before interest, depreciation and taxation. In FY 2006, 2007, 2008 and 2009 our PBIDTA was Rs.5.90 million, Rs.26.05 million, Rs.152.05 million and Rs.304.54 million. Our earnings before interest, depreciation and taxation is impacted by the various factors that impact our revenues and total expenditure.

Profit After Tax (PAT), as restated

We earned Profit After Tax (as restated) of Rs.1.99 million in FY 2006 i.e. 2.79% of our total income as against Rs.170.97 million in FY 2009 i.e. 8.62% of total income

Gross Block

Our Company's gross block has been increasing over the year. Gross block has increased from Rs.7 million as on FY 2005 to Rs.22.80 million as on FY 2006, Rs.100.43 million as on FY 2007, Rs.367.80 million as on FY 2008 and to Rs. 453.42 million as on FY 2009. The increases in gross block over the years is on account



of our Company's endeavor to integrate its operation backward and forward; expand its product offerings; expand its marketing network and undertake research and development initiatives.

Sundry Debtors

Sundry Debtors have come down from 19.96% of total income as on FY 2006 to 11.29% as on FY 2009. This was on account of control systems put in place for recovery of dues outstanding. Thus, despite growing business and adoption of aggressive marketing strategy to geographically spread client base, our receivables as percentage to total income have come down.

PARTICULARS	As on March 31					As on
	2005	2006	2007	2008	2009	Dec 31, 2009
A. INCOME						
Sales – Manufactured	-	69.92	314.00	1,012.17	1,951.75	2311.02
Traded	0.01	-	-	-	-	-
<i>Inc/Dec (y-o-y) (%)</i>	-	-	349.08	222.35	92.83	18.41
Other Income	0.01	-	-	0.44	0.46	9.59
Increase / decrease in Stock	-	1.29	24.47	48.47	30.20	111.57
Total INCOME	0.02	71.21	338.47	1,061.09	1,982.41	2432.18
<i>Inc/Dec (y-o-y) (%)</i>	-	-	375.34	213.49	86.83	22.69
B. EXPENDITURE						
Raw Materials Consumed	0.01	57.18	277.11	838.86	1,589.71	1753.09
<i>Inc/Dec (y-o-y) (%)</i>			384.67	202.71	89.51	10.28
<i>%age of Total Income</i>	64.06	80.30	81.87	79.06	80.19	72.08
Staff costs	0.03	0.67	2.83	5.10	8.94	15.21
<i>Inc/Dec (y-o-y) (%)</i>		2,453.98	319.38	80.38	75.20	70.20
<i>%age of Total Income</i>	169.12	0.95	0.84	0.48	0.45	0.63
Manufacturing expenses	0.06	3.43	14.93	31.48	41.59	50.06
<i>Inc/Dec (y-o-y) (%)</i>			335.61	110.84	32.10	20.36
<i>%age of Total Income</i>	383.05	4.81	4.41	2.97	2.10	2.06
Administration expenses	0.13	1.16	4.01	8.59	12.01	16.84
<i>Inc/Dec (y-o-y) (%)</i>			246.40	114.18	39.79	40.23
<i>%age of Total Income</i>	816.75	1.63	1.18	0.81	0.61	0.69
Selling and distribution expenses	-	2.87	13.54	25.00	25.63	29.80
<i>Inc/Dec (y-o-y) (%)</i>		-	372.26	84.63	2.53	16.24
<i>%age of Total Income</i>	-	4.03	4.00	2.36	1.29	1.23
Total Expenditure	0.22	65.30	312.43	909.04	1,677.87	1865.00
<i>Inc/Dec (y-o-y) (%)</i>			378.43	190.96	84.58	11.15
<i>%age of Total Income</i>	1,432.98	91.71	92.30	85.67	84.64	76.68



Profit Before Interest Tax & Depreciation	(0.21)	5.90	26.05	152.05	304.54	567.18
<i>Inc/Dec (y-o-y) (%)</i>		2,936.94	341.26	483.75	100.29	86.24
<i>%age of Total Income</i>		8.29	7.70	14.33	15.36	23.32
Interest & Finance Expenses	0.18	1.93	8.10	27.63	76.37	94.33
<i>Inc/Dec (y-o-y) (%)</i>			319.62	241.21	176.43	23.51
<i>%age of Total Income</i>	1,133.64	2.71	2.39	2.60	3.85	3.88
Total Expenditure	0.40	67.23	320.52	936.66	1,754.24	1959.33
Less : Cost capitalised	0.38	-	-	-	-	-
Total operating expenses	0.02	67.23	320.52	936.66	1,754.24	1959.33
<i>Inc/Dec (y-o-y) (%)</i>			376.74	192.23	87.29	11.69
<i>%age of Total Income</i>	102.88	94.42	94.70	88.27	88.49	80.56
Profit before depreciation & Tax	(0.00)	3.97	17.95	124.42	228.17	472.85
Depreciation	-	3.01	3.10	9.06	27.10	23.70
Profit after Tax, as restated	(0.08)	1.99	11.74	90.14	169.97	362.91

Comparison of Nine months ended December 31, 2009 to Fiscal 2009

Revenues

We achieved sales of Rs. 2311.02 million during a period of nine months ended December 31, 2009 as against sales of Rs.1951.75 million during the fiscal year 2009. Our total income for nine months stood at Rs.2432.18 million as against Rs.1982.42 million in Fiscal 2009. We continued to pursue with our aggressive marketing strategy as was being adopted in the previous years. We continued to conduct seminars educating the farmers and creating product awareness amongst the farming fraternity. We further expanded our dealer/retailer network for cattle/poultry feed, besides, creating and expanding structure for marketing our refined edible oil(s).

Other Income

During the period of nine months ended December 31, 2009, we earned Rs.9.59 million as against Rs.0.46 million earned in the fiscal year 2009. During the current nine months the company received compensation of Rs. 8.90 million for non fulfillment of the commitment by the buyer.

Besides, the company also received insurance claims from the insurance company and earned interest on fixed deposits placed with the bankers as margin money.

Expenditure

Raw material consumed as percentage to total income has come down from 80.19% in fiscal 2009 to 72.08% in nine months ended December 31, 2009. In absolute terms it has increased from Rs.1589.71 million in the FY 2009 to Rs.1753.09 million in the nine months ended December 31, 2009. The increase in cost of raw material in absolute terms is commensurate with the increase in sales/production. In percentage terms the decrease in the raw material is owing to effective control over purchases & better inventory management.

Increase/Decrease in stock represents the year end position of the same after accounting for the purchases made during the period as well as consumption thereof during the period. During the year inventory increased from Rs. 30.20 million in fiscal 2009 to Rs.111.57 million in nine months ended December 31, 2009.



Staff Costs: The staff cost has increased from Rs.8.94 million in the fiscal year ending March 31, 2009 to Rs.15.21 million in the nine months ended December 31, 2009. Increase in expenses is on account of recruitment of new employees commensurate with increase in our production and sales.

Manufacturing Expenses: The Manufacturing expenses have increased from Rs.41.59 million in the fiscal year ending March 31, 2009 to Rs.50.06 million in the nine months ended December 31, 2009. As a percentage to total income it has come down from 2.10% in FY 2009 to 2.06% in nine months ended December 31, 2009. The increase in manufacturing expenses in absolute terms is commensurate with increase in sales during the nine months period.

Administration Expenses: Administrative expenses have increased from Rs.12.01 million in the fiscal year 2009 to Rs.16.84 million in the nine months ended December 31, 2009. In terms of percentage to the total income it has gone up from 0.61% of the total income in FY 2009 to 0.69% of the total income in for the nine months ended December 31, 2009.

Selling & Distribution Expenses: Selling and Distribution expenses have increased from Rs.25.63 million in the FY 2009 to Rs.29.80 million in the nine months ended December 31, 2009. Selling & Distribution Expenses constituted 1.23% of the total income in nine months as against 1.29 % of the total income for the FY 2009. The amount spent under this head has increased in absolute terms as we continued to pursue with our aggressive marketing strategy of conducting seminars to educate the farmers and creating product awareness amongst their fraternity. We continued to expand our dealer/retailer network for cattle/poultry feed, besides, creating and expanding structure for marketing our refined edible

Interest Costs: Interest and financial expenses has increased from Rs.76.37 million in the FY 2009 to Rs.94.33 million in the nine months ended December 31, 2009. The increase is on account of increase in borrowings from the Bankers to meet the growing business needs and is in line with the increase in our sales revenue. The company though paid interest on the increased borrowings, but, was able to offset the same through reduction in the cost of its raw material.

Depreciation Costs: Depreciation has increased due to addition in gross block of assets.

Comparison of Fiscal 2009 to Fiscal 2008

Key Events during the years

- We got our certification for HACCP – Food Safety Management Systems in October 2008
- Became member of PHD Chamber of Commerce & Industry
- Launched our range of refined edible oil from time to time during the course of the year
- During the period October 2008 to March 2009, there were intermittent strikes by the Rice Mill Owners owing to differences with the Food Corporation of India. This resulted in reduced availability of rice bran as well as semi edible grade rice bran oil. As such we were not able to stock the desired quantity of raw material to run our refinery full capacity. Further during the year under review the Government of India reduced the import duty of Palm Oil to zero, which led to volatility in the price of other edible oil, besides, leading to uncertainty

Revenues

We achieved sales of Rs.1951.75 million during the fiscal year 2009 as against total income of Rs. 1012.17 million during the previous fiscal year. We registered a growth of 92.83% on year to year basis. Our total income stood at Rs.1982.42 million in Fiscal 2009 as against RS.1061.09 million in Fiscal 2008. We continued with our aggressive marketing strategy as was adopted in the previous years. We continued conducting seminars for educating the farmers and creating product awareness amongst them. We expanded



our dealer/retailer network for cattle/poultry feed, besides, creating and expanding marketing structure for marketing our refined edible oil(s). Our dealer/retailer network as on FY 2009 stood at 2645 nos.

Other Income

During the fiscal year 2009, we earned Rs.0.46 million as against Rs.0.44 million in the fiscal year 2008. During the current fiscal year the company received insurance claims from the insurance company and earned interest on fixed deposits placed with the bankers as margin money.

Expenditure

Raw material consumed as percentage to total income has gone up from 79.06% in fiscal 2008 to 80.19% in fiscal 2009. In absolute terms it has increased from Rs.838.86 million in the FY 2008 to Rs.1589.71 million in the FY 2009. The increase in cost of raw material is commensurate with the increase in sales/production along with commencement of operations at refinery unit at Malerkotla.

Increase/Decrease in stock represents the year end position of the same after accounting for the purchases made during the year as well as consumption thereof during the fiscal year. During the year inventory decreased from Rs. 48.47 million in fiscal 2008 to Rs.30.20 million in fiscal 2009.

Staff Costs: The increase in staff cost from Rs.5.10 million in the fiscal year ending March 31, 2008 to Rs.8.94 million in the fiscal year ending March 31, 2009. Increase in expenses is on account of increments to the existing employees, recruitment of new employees commensurate with increase in our production and sales.

Manufacturing Expenses: The Manufacturing expenses have increased from Rs.31.48 million in the fiscal year ending March 31, 2008 to Rs.41.59 million in the fiscal year ending March 31, 2009. As a percentage to total income it has come down from 2.97% in FY 2008 to 2.10% in FY 2009. The increase in manufacturing expenses is commensurate to increase in sales during the year and commencement of production at our refining unit during the year.

Administration Expenses: Administrative expenses have increased from Rs.8.59 million in the fiscal year 2008 to Rs.12.01 million in the fiscal year ending 2009. In terms of percentage to the total income it has come down from 0.81% of the total income in FY 2008 to 0.61% of the total income in FY 2009. The increase in absolute terms has been on account of increased traveling and conveyance, vehicle maintenance, insurance, rates and taxes and professional fees.

Selling & Distribution Expenses: Selling and Distribution expenses have increased from Rs.25.00 million in the FY 2008 to Rs.25.63 million in the FY 2009. Selling & Distribution Expenses constituted 1.29% of the total income in FY 2009 as against 2.36% of the total income for the FY 2008. The amount spent under this head has increased in absolute terms marginally.

Interest Costs: Interest and financial expenses has increased from Rs.27.63 million in the FY 2008 to Rs.76.37 million in the FY 2009. The increase is on account of increase in secured loans availed by the Company to meet the growing business needs from Rs. 482.25 million in FY 2008 to Rs 945.79 million in FY 2009. Besides, the company continued paying hires charges for the trucks purchased by it on hire purchase basis in the earlier years.

Depreciation Costs: Depreciation has increased due to addition in gross block of assets from Rs.367.80 million in FY 2008 to Rs.453.42 million in FY 2009.



Comparison of Fiscal 2008 to Fiscal 2007

Key Events during the years

- Our refinery commenced production in January 2008.
- We entered into an agreement with Tata Chemicals Limited wherein they shall purchase from us in wholesale quantities cattle feed manufactured and supplied by us under their trademark.
- We got AGMARK – Certificate of Authorization in February 2008
- We imported our first consignment of olive oil and launched our first blended refined edible oil under the brand name 'Tara Unique' in the state of Punjab.

Revenues

We achieved sales of Rs.1012.17 million during the fiscal year 2008 as against total income of Rs.314 million during the previous fiscal year. We registered a growth of over 200% on year to year basis. We had commenced commercial production of cattle/poultry feed at our factory at Sitarganj, Uttaranchal as well as at our solvent extraction plant at our existing factory at Malerkotla during the later part of the last fiscal year. During the FY 2008 we had a full year of operations based out of our facilities at Malerkotla and Sitarganj. We continued with our aggressive marketing strategy for promoting and selling blended edible refined oil as was being pursued to market our cattle/poultry feed products. We further expanded our dealer/retailer network and had 2525 dealers/retailer as on FY 2008. Besides, we continued conducting seminars at different locations from time to time for creating product awareness amongst customers.

Other Income:

During the fiscal year 2008, we earned Rs.0.44 million as against no revenue from other income in the fiscal year 2007. During the current fiscal year the Company received insurance claims against claims for damages to vehicles insured as well as to the machinery amounting Rs.1.23 lacs and earned interest on fixed deposits placed with the bankers as margin money.

Expenditure

Raw material consumed as percentage to total income has come down from 81.87% to 79.06% in Fiscal 2008. In absolute terms it has increased from Rs.277.11 million in the fiscal year ending March 31, 2007 to Rs.838.86 million in the fiscal year ending March 31, 2008. The increase in cost of raw material was on account of increase in sales/production with full year of operations at our units at Malerkotla & Sitarganj.

Increase/Decrease in stock represents the year end position of the same after accounting for the purchases made during the year as well as consumption thereof during the fiscal year. During the year inventory increased from Rs.24.47 million to Rs.48.47 million on account of higher production levels achieved by the Company.

Staff Costs: The increase in staff cost from Rs.2.83 million in the fiscal year ending March 31, 2007 to Rs.5.10 million in the fiscal year ending March 31, 2008. Increase in expenses is on account of increments to the existing employees, recruitment of new employees.

Manufacturing expenses: The manufacturing expenses have increased from Rs.14.93 million in the fiscal year ending March 31, 2007 to Rs.31.48 million in the fiscal year ending March 31, 2008. As a percentage to total income it has come down from 4.41% in the fiscal year ending March 31, 2007 to 2.97% in the fiscal year ending March 31, 2008. The increase in manufacturing expenses is commensurate to increase in sales during the year and expansion undertaken by the Company during the year.

Administration Expenses: Administrative expenses have increased from Rs.4.01 million in the fiscal year ending March 31, 2007 to Rs.8.59 million in the fiscal year ending March 31, 2008. In terms of percentage to the total income it has come down from 1.18% of the total income in the fiscal year ending March 31, 2007 to 0.81% of the total income in the fiscal year ending March 31, 2008. The increase in absolute terms has been



on account of increase in traveling and conveyance expenses, vehicle maintenance, insurance and professional fees.

Selling & Distribution Expenses: Selling and Distribution expenses have increased from Rs.13.54 million in the fiscal year ending March 31, 2007 to Rs.25.00 million in the fiscal year ending March 31, 2008. Selling & Distribution Expenses constituted 2.36% of the total income in fiscal year ending March 31, 2008 as against 4.00% of the total income for the fiscal year ending March 31, 2007. The amount spent under this head has increased in absolute terms on account of our company continuing pursuing an aggressive marketing strategy to penetrate the marketplace and consolidate place for its products.

Interest Costs: Interest and financial expenses has increased from Rs. 8.10 million in the FY 2007 to Rs.27.63 million in the FY 2008. The increase is on account of increase in secured loans availed by the Company to meet the growing business needs from Rs.147.90 million in FY 2007 to Rs 482.25 million in FY 2008. Besides, the company paid hires charges for the trucks purchased by it on hire purchase basis from time to time for delivery of our products to our dealers/retailers.

Depreciation Costs: Depreciation has increased due to additions in gross block of assets from Rs.100.43 million in FY 2007 to Rs.367.80 million in FY 2008.

Comparison of Fiscal 2007 to Fiscal 2006

Key Events during the year

- We commenced production in solvent extraction plant effective November 2006.
- In February 2007 we started commercial production of cattle/poultry feed at Sitarganj. This manufacturing facility had the capacity to manufacture poultry feed within the same set up.
- In February 2007, we became an ISO 9001:2000 certified company.

Revenues

We achieved sales of Rs.314 million during the fiscal year 2007 as against total income of Rs.69.92 million during the previous fiscal year. We registered an exponential growth of approximately 350% in our sales on year to year basis. Total income for fiscal 2007 grew by 375% from Rs.71.21 million in fiscal 2006 to 338.47 million in fiscal 2007. We commenced commercial production of cattle/poultry feed at our factory at Sitarganj, Uttaranchal as well as solvent extraction plant at our existing factory at Malerkotla commenced production too. Further, we had full year of production of cattle/poultry feed and revenue at our existing manufacturing facilities at Malerkotla. Increase in revenue was achieved through aggressive marketing strategy adopted and increase in our dealer/retailer network which reached 2082 nos. by the end of FY 2007.

Expenditure

Raw material consumed as percentage to total income has gone up from 80.30% to 81.87%. In absolute terms it has increased from Rs.57.18 million in the fiscal year ending March 31, 2006 to Rs.277.11 million in the fiscal year ending March 31, 2007. The increase in cost of raw material was on account of increase in sales and production.

Increase/Decrease in stock represents the year end position of the same after accounting for the purchases made during the year as well as consumption thereof during the fiscal year. The inventory level increased to Rs 24.47 million due to increase in work-in-progress on account of higher production level.

Staff Costs: The increase in staff cost from Rs.0.67 million in the fiscal year ending March 31, 2006 to Rs.2.83 million in the fiscal year ending March 31, 2007. Increase in expenses is on account of increments to the existing employees, recruitment of new employees.



Manufacturing expenses: The manufacturing expenses has increased from Rs.3.43 million in the fiscal year ending March 31, 2006 to Rs.14.93 million in the fiscal year ending March 31, 2007. As a percentage to total income it has decreased from 4.81% to 4.41%. The increase in manufacturing expenses is commensurate to increase in sales during the year and expansion undertaken by the Company during the year.

Administration Expenses: Administrative expenses have increased from Rs.1.16 million in the fiscal year ending March 31, 2006 to Rs.4.01 million in the fiscal year ending 2007. In terms of percentage to the total income it has remained increased from 1.63% in fiscal 2006 to 1.18% of the total income in fiscal 2007. The increase in absolute terms has been on account of increase in traveling and conveyance expenses, vehicle maintenance, and professional fees.

Selling & Distribution Expenses: Selling and Distribution expenses have increased from Rs.2.87 million in the fiscal year ending March 31, 2006 to Rs.13.54 million in the fiscal year ending March 31, 2007. Selling & Distribution Expenses constituted 4% of the total income for the fiscal year ending March 31, 2007. The increase in the amount spent is in account of amount spent on freight, as well as, an aggressive marketing strategy adopted by us to penetrate the marketplace and carve a place for our products.

Interest Costs: Interest and financial expenses has increased from Rs.1.93 million in the fiscal year ending March 31, 2006 to Rs.8.10 million in the fiscal year ending March 31, 2007. The increase is on account of increase in term loan and working capital facilities availed by the Company to meet the growing business needs from Rs.39.65 million in fiscal year ending March 31, 2006 to Rs.147.90 million in fiscal year ending March 31, 2007. Besides, the company paid hires charges for the trucks purchased by it on hire purchase basis during the course of the year to better serve its dealers/retailers.

Depreciation Costs: Depreciation has increased due to addition in gross block from Rs.22.83 million to Rs.100.43 million.

The table below sets forth the principal components of our assets, current liabilities and provisions as of March 31, 2009, 2008, 2007, 2006, 2005:

PARTICULARS	As on March 31					As on
	2005	2006	2007	2008	2009	Dec 31, 09
Fixed Assets ¹	6.89	21.78	96.19	354.50	413.02	563.31
Investments	-	-	-	-	-	-
<u>Current Assets, Loans and Advances:</u>						
Inventories	0.37	31.03	100.63	261.50	910.75	1293.46
Sundry Debtors ²	0.00	14.21	60.83	210.06	223.78	666.76
Cash and Bank Balances	0.13	3.24	2.16	10.28	39.70	84.24
Loans and Advances	8.40	5.90	7.23	56.43	24.50	123.87
TOTAL ASSETS	15.79	76.16	267.04	892.77	1611.75	2731.64
<u>Liabilities and Provisions:</u>						
Secured Loans	4.67	39.65	147.90	482.25	945.79	1401.86
Unsecured Loans	0.00	0.00	0.06	0.06	0.06	0.00
Deferred Tax Liability / (Asset)	-0.04	0.65	2.22	11.82	20.55	32.68
Current Liabilities	1.35	5.56	26.83	43.71	75.98	268.85
Provisions	1.65	1.10	7.65	22.22	29.27	79.42
TOTAL LIABILITIES	7.62	46.96	184.66	560.06	1,071.65	1782.81

Notes:

¹ Net of depreciation, includes capital advances and work in progress

² After provisioning for Doubtful Debts



LIQUIDITY AND CAPITAL RESOURCES

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives.

Therefore, liquidity can not be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments

We have historically financed our capital requirement primarily through funds generated from our operations and financing from banks, financial institutions, in the form of term loans, credit and overdraft facilities and deposits. Our primary capital requirement have been to finance purchases of equipment and machinery, working capital for running the business on day to day basis, capital expenditure for expansion of existing businesses, as well as other capital expenditure and working capital requirement.

Cash Flows

The table below summarises our cash flow for the fiscal years 2009, 2008, 2007, 2006:

(Rs. in Million)

PARTICULARS	9 month ended	Fiscal Year			
	Dec 09	2009	2008	2007	2006
Net Cash generated from / (used in) Operating Activities	(183.16)	(308.5)	(191.2)	(65.19)	(33.18)
Net Cash generated from / (used in) Investment Activities	(173.99)	(85.6)	(267.4)	(77.6)	(15.8)
Net cash generated from / (used in) Financing Activities	401.68	423.6	466.7	141.7	52.1
Cash & Cash equivalents at the beginning of the year	39.7	10.3	2.2	3.2	0.1
Net increase / (decrease) in cash and cash equivalents	44.5	29.4	8.1	(1.1)	3.1

Cash and cash equivalents increased to Rs. 10.3 million as on fiscal 2009 as compared to Rs.2.2 million as on fiscal 2008. [Cash in form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents]

Cash Flow from Operating Activities

Net cash used in operating activities was Rs.183.16 million for nine months period ended December 31, 2009 as compared to net cash of Rs.308.54 million used in operating activities in fiscal 2009. Net cash used in operating activities consisted of profit before tax of Rs.450.37million, as adjusted for a number of non cash items, primarily depreciation of Rs.23.70 million, finance charges of Rs.94.33 million and other non cash items; and changes in working capital, such as, increase in inventories of Rs.382.71 million, trade and other receivables of Rs.442.98 million, trade and other payables of Rs.243.01 million.

Net cash used in operating activities was Rs. 308.5 million as of fiscal 2009 as compared to net cash of Rs.191.2 million generated used in operating activities in fiscal 2008. Net cash used in operating activities consisted of profit before tax of Rs.200.69 million, as adjusted for a number of non cash items, primarily depreciation of Rs.27.10 million, finance charges of Rs.76.37 million and other non cash items; and changes in working capital, such as, increase in inventories of Rs.649.25 million, trade and other receivables of Rs.13.72 million, trade and other payables of Rs.39.32 million.

Net cash used in operating activities was Rs. 191.24 million in fiscal 2008 as compared to net cash of Rs. 65.19 million used in operating activities as at fiscal 2007. Net cash generated from operating activities

consists of profit before tax of Rs. 114.65 million, as adjusted for a number of non cash items, primarily depreciation of Rs. 9.06 million, and other items, financial charges of Rs. 27.63 million and changes in working capital, such as increase in inventories by Rs. 160.87 million, trade and other receivables of Rs. 149.23 million, increase in current liabilities by Rs. 31.45 million and decrease in loans and advances of Rs.49.21 million.

Net cash used in operating activities was Rs.65.19 million for the fiscal year 2007 as compared to net cash of Rs.33.18 million used in operating activities in fiscal 2006. Net cash used in operating activities consisted of profit before tax of Rs.14.68 million, as adjusted for a number of non cash items, primarily depreciation of Rs.3.19 million, finance charges of Rs.8.10 million and other non cash items; and changes in working capital, such as, increase in inventories of Rs. 69.60 million, trade and other receivables of Rs. 46.63 million, trade and other payables of Rs. 27.82 million.

Net cash used in operating activities was Rs. 33.18 million for the fiscal year 2006, primarily as a result of in net working capital. Net cash used in operating activities consisted of profit before tax of Rs. 3.01 million, as adjusted for a number of non cash items, primarily, depreciation of Rs. 0.94 million, finance charges of Rs.1.93 million and other non cash items; and changes in working capital, such as, increase in inventories of Rs. 30.66 million, trade and other receivables of Rs. 14.21 million, increase in trade and other payables of Rs. 3.66 million.

Cash Flow from Investing Activities

Net cash used in investing activities was Rs.173.99 million for the nine months period ended December 31, 2009, on account of purchase of fixed assets during the year.

Net cash used in investing activities was Rs. 85.62 million for the fiscal year 2009, on account of purchase of fixed assets during the year.

Net cash used in investing activities was Rs. 267.37 million for the fiscal year 2008, on account of purchase of fixed assets during the year.

Net cash used in investing activities was Rs. 77.60 million for the fiscal year 2007, on account of purchase of fixed assets during the year.

Net cash used in investing activities was Rs. 15.82 million for the fiscal year 2006, on account of purchase of fixed assets during the year.

Cash Flow from Financing Activities

Net cash generated from financing activities was Rs.401.68 million for the nine months period ended December 31, 2009, primarily as a result of proceeds from borrowings, net of repayments and proceeds from issue of fresh equity shares of the Company

Net cash generated from financing activities was Rs. 423.57 million for the fiscal year 2009, primarily as a result of proceeds from borrowings, net of repayments, and proceeds from issue of fresh equity shares of the Company

Net cash generated from financing activities was Rs.466.72 million for the fiscal year 2008, primarily as a result of proceeds from borrowings, net of repayments, and proceeds from issue of fresh equity shares of the Company

Net cash generated from financing activities was Rs. 141.71 million for the fiscal year 2007, primarily as a result of proceeds from borrowings, net of repayments, and proceeds from issue of fresh equity shares of the Company



Net cash generated from financing activities was Rs. 52.11 million for the fiscal year 2006, primarily as a result of proceeds from borrowings, net of repayments, and proceeds from issue of fresh equity shares of the Company

OFF BALANCE SHEET ARRANGEMENT

We do not have any off balance sheet arrangement other than mentioned in the Financial Statements beginning on page 135.

INDEBTEDNESS

As on December 31, 2009 we had secured indebtedness of Rs.1401.86 million.

For further details, please refer to the chapter 'Financial Statements' beginning on page 135

CONTINGENT LIABILITY

The following table provides our Contingent Liabilities:

Particulars	As at March 31					(Rs. in million)
	2005	2006	2007	2008	2009	As at 31.12.09
Bank Guarantee	-	-	-	-	0.09	0.09
Letter of Credit	-	-	-	-	45.80	-
Claims preferred against the Company	-	-	-	0.50	4.32	4.32

INTEREST RATE RISK

Our results of operations are affected by changes in interest rates which impact interest income and interest expense for short-term deposits and other interest-bearing financial assets and liabilities. In addition, an increase in interest rate may adversely affect our ability to service long-term debt and to finance construction of new projects, all of which may in turn adversely affect our results of operations.

We currently have floating rate indebtedness and also maintain cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. Upward fluctuation of interest rates increases the cost of both existing and new debts. Currently, we are not party to any derivative instrument to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

ANALYSIS OF CERTAIN CHANGES

Please read the following disclosure in conjunction with the detailed analysis of our financial results is provided in the section titled "Managements Discussion and Analysis of the Financial Condition and Results of Operations" on page 164.

Unusual or infrequent events or transactions

During the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent except for changes in the prices of the raw material and volatility in foreign exchange rates.

Significant economic changes

There have been no significant economic changes during the periods under review that have materially affected or are likely to affect our income.



Known trends or uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends or uncertainties. Some of the raw materials have shown a volatile trend in the recent past. The cyclical movements in the prices of these materials seem to be on account of the changes in demand and supply position. As a sequel to the volatility in the price of raw materials, the end product prices tend to move up or come down in the same direction if not in the same proportion.

Apart from the above there are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations except as described in the section titled “Risk Factors” on page i and in “Management Discussion and Analysis of Financial Condition and Results of Operations” in this Red Herring Prospectus, to Company’s knowledge.

Future relationship between costs and revenues

Our endeavor has been towards backward & forward integrating our operations to be efficient and innovative resulting in cost reduction, process improvement and improved yields. Our Company doesn’t see substantial increase in labour cost or other cost related to the product except that raw material prices may go up in near future due to rise in commodity prices. However; any increase in raw material prices would be duly covered in the sales price of the product.

Other than as described in the section titled “Risk Factors” and “Managements Discussion and Analysis of Financial Conditions and Results of Operation” in this Red Herring Prospectus, to our knowledge there are no future relationship between cost and income that have or had or expected to have a material adverse impact on our operations and finances.

Increase in revenues

Increases in our revenues are by and large linked to increases in volume of manufacturing activity carried out by our Company. Please also refer to the factors described above in “Factors Affecting Our Results of Operations”.

Total turnover in each industry segment

Please refer to the revenues discussion based on product and geographical segments under “Results of Operations” above. We report product and geographical segment under segmental reporting as part of notes to accounts.

New products or business segments

Our Company has introduced blended refined edible oil product “Zaitoon Tara” besides refined edible oil like Tara Gold, Tara Kotton during the past one year and has plans to launch other variants of refined edible oil products. We have not announced any new products or business segments, except in the ordinary course of our business.

Seasonality

The business in which our Company is engaged in not seasonal, however, the availability raw materials are seasonal in nature. Our Company has made adequate arrangement for warehousing to store raw material. Our results of operations generally do not exhibit seasonality. There may be variation in our quarterly income or profit after tax as a result of various factors, including those described above under “Factors Affecting Our Results of Operations” and those described in the section titled “Risk Factors” beginning on page i.

Dependence on certain clients

We source our raw materials from a number of suppliers and do not have excessive dependence on any single supplier. The customer base of our company is very strong as it doesn’t deal with single customer or single supplier. Our company has very good customer base with whom our company is dealing for a long time and enjoys cordial relationship with all customers and suppliers.

**Competitive conditions**

We may face stiff competition from existing players in the cattle feed and refined edible oil industry in India like Cargill, Markfed, K.S. Oil, Sanwaria Agro Oil, Kirti Industries and other small unorganized players. We are operating this business for long time therefore suitably placed to combat competition. We expect competition from other players in the cattle/poultry feed and refined edible oil sector to intensify. For further details, see “Risk Factors” beginning on page i and “Business - Competition” beginning on page 71.

Details of material developments after the date of last Balance Sheet:

- No circumstances have arisen since the date of the last financial statement until the date of filing of this Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months excepting as detailed below:
- The Consortium of Banks has enhanced Fund/Non-Fund Based Working Capital Limits upto Rs. 1440.00 Mn. And same has been secured as a first and exclusive charge over all the Current assets of the Company present and future. It is further secured by second charge over the Fixed assets of the company and Personal Guarantee of Promoter Directors namely Sh. Balwant Singh, Sh. Jaswant Singh and Sh. Tejinder Singh. In addition to these limits of Rs.900.00 Mn. have been sanctioned against stocks pledged under lock and key.
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SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Cases filed against the Company

A. Criminal Case(s) under Motor Vehicles Act

- (i) Parties to the suit: Shiam Singh vs. Balwinder Singh (driver) & Tara Feed Ltd.

Case filed on: June 12, 2008

In the Court of: Mrs. Asha Kondal, ADJ/MACT, Sangrur

Case No. 148/13.06.2008

Brief facts of the case:

On September 29, 2007, the claimant was going to attend his office at Nahar Fibers, Jitwal on his motorcycle and when he reached near the main gate of our factory, a Bolero Jeep was coming out of the factory which collided with the motorcycle and the claimant fell on the ground & sustained injuries. The Claimant has filed a petition under section 166 of the Motor Vehicles Act for the grant of Compensation of Rs 500,000/- on account of the alleged permanent disability caused due to injuries sustained in the aforesaid accident.

Amount involved: Rs. 500,000

Status of the case: Fixed for claimant evidence

Date of next hearing: April 26, 2010

- (ii) Parties to the claim petition: Smarjeet Kaur & others vs. Driver Harpreet Singh & Tara Feed Ltd.

Case filed on: April 25, 2009

In the Court of: Mr. Kuldeep Singh, DSJ/ MACT, Bathinda

Case No. 33/ 2009

Brief facts of the case:

The Canter bearing no. PB 13 R 1065 driven by Harpreet Singh collided with Tata Ace bearing no. PB 3 R 9227 driven by Tavinder Singh, on February 27, 2009 at 9.30 p.m., near Village Gill Kalan. The accident caused, death of Amandeep Singh, who was sitting next to the driver, besides, injuries to the other. The FIR no. 23 was registered on February 28, 2009 under section 304- A/ 427/ 279/337 of IPC. The claim petition under section 166 of the Motor Vehicles Act for grant of compensation of Rs. 3,820,000, was filed by Samarjeet Kaur, widow of Amandeep Singh, Kusham Sharma minor daughter of Amandeep Singh through her mother Samarjeet Kaur and Karamjit Kaur, mother of the deceased.

Amount involved: Rs. 3,820,000

Status of the case: Fixed for Argument

Date of next hearing: April 21, 2010

Cases Preferred by the Company

A. Criminal Cases:

1. The Company has appointed various Sales Agents for distribution & sales of its cattle/poultry feed products. The Agent takes delivery of the stock along with bills in the name of specified customers and in his name for sundry customers. The collection of sales proceeds is his responsibility. Therefore, as a security, the company takes post dated cheque from him towards the amount payable against those bills. There are instances where the Agent receives the money from the customers but does not hand over the same to the Company. In such cases, the Company has to deposit the cheques given by him as security and if the cheque on presentation to the Bank, gets dishonored, the Company files criminal case against



the Agent under section 138 of the Negotiable Instruments Act, 1881 read with Section 420 Indian Penal Code. The brief of such cases filed by the Company is given below:

- i. Parties to the suit: Tara Feed Ltd vs. Prof. Paramjit Singh
Case filed on: February 16, 2009
In the Court of: Shri Amit Thind, Illaqa Judicial Magistrate, Ludhiana
Case No. 401/2 -18.02.2009
Amount involved: Rs. 142,270
Status of the case: Notice to the accused for appearance
Date of next hearing: July 05, 2010
 - ii. Parties to the suit: Tara Feed Ltd vs. Arun Sharma
Case filed on: December 2, 2008
In the Court of: Shri Amit Thind, Illaqa Judicial Magistrate, Ludhiana
Case No. 668/2- 23.12.2008
Amount involved: Rs. 187,727
Status of the case: Notice to the accused for appearance
Date of next hearing: July 05, 2010
 - iii. Parties to the suit: Tara Feed Limited vs. Vinod Kumar
Case filed on: October 23, 2008
In the Court of: Shri S S Jassan, Illaqa Judicial Magistrate, Ludhiana
Case No. 703/ 05.11.2008
Amount involved: Rs. 485,026
Status of the case: Notice to the accused for appearance
Date of next hearing: August 25, 2010
 - iv. Parties to the suit: Tara Feed Ltd vs. Pawan Kumar
Case filed on: October 25, 2008
In the Court of: Shri Yukti Goyal, Illaqa Judicial Magistrate, Ludhiana
Case No. 467/ 05.11.2008
Amount involved: Rs. 40,000
Status of the case: Notice to the accused for appearance
Date of next hearing: May 15, 2010
 - v. Parties to the suit: Tara Feed Ltd vs. Amarjit Singh
Case filed on: December 24, 2008
In the Court of: Shri Amit Thind, Illaqa Judicial Magistrate, Ludhiana
Case No. 38/2- 07.01.2009
Amount involved: Rs. 207,685
Status of the case: Bailable warrants of accused.
Date of next hearing: May 18, 2010
2. The company is supplying cattle feed products to various customers directly on credit. These customers settle their accounts by giving in account cheque from time. In the event, the cheque on presentation to the Bank, gets dishonored, the Company files criminal case against the customer under section 138 of the Negotiable Instruments Act, 1881 read with section 420 Indian Penal Code. The brief of such cases filed by the Company is given below:
- i. Parties to the suit: Tara Feed Limited vs. Lal Feed Store, Prop. Lal Singh
Case filed on: July 11, 2008
In the Court of: Shri Wehniwal, Illaqa Judicial Magistrate, Ludhiana
Case No. 653/2- 11.7.2008

Amount involved: Rs. 537,893
Status of the case: Issue of Non Bailable warrants
Date of next hearing: April 21, 2010

- ii. Parties to the suit: Tara Health Foods Limited vs. Davinder Pandey
Case filed on: July 24, 2009
In the Court of: Mrs. Sushma Dev, Illaqa Judicial Magistrate, Ludhiana
Case No. 254/ 30.7.2009
Amount involved: Rs. 225,000
Status of the case: Notice to accused for appearance
Date of next hearing: April 23, 2010
 - iii. Parties to the suit: Tara Feed Limited vs. Rajinder Singh
Case filed on: March 21, 2009
In the Court of: Smt. Parminder Kaur, Illaqa Judicial Magistrate, Ludhiana
Case No. EX-26/ 30.3.2009
Amount involved: Rs. 109,718
Status of the case: Consideration of ex-party application
Date of next hearing: The case has been shifted to the court of Smt. Parminder Kaur, Magistrate and the next date of hearing has not been fixed.
 - iv. Parties to the suit: Tara Feed Ltd vs. Chand Singh
Case filed on: January 09, 2007
In the Court of: Shri Pushpinder Singh, Illaqa Judicial Magistrate, Malerkotla
Case No. 8/ 2007
Amount involved: Rs. 263,985
Status of the case: Statement of accused (u/s 313 of Cr. PC)
Date of next hearing: April 19, 2010
3. The Company (Ram Sahai Wool Combers Private Limited, the erstwhile name of the company) had filed criminal cases against the party, when their cheque for return of loan of Rs. 7 lacs was dishonored on presentation to the Bank. Later, a compromise was affected between the parties, by virtue of which the party paid Rs.150,000 by way of draft and issued six fresh cheques of Rs.100,000 each. Consequently, the complaint was withdrawn, which was disposed of by the Court on March 18, 2008. These fresh cheques on presentation to the Bank also got dishonored, and the Company filed criminal cases against the customer under section 138 of the Negotiable Instruments Act, 1881 read with section 420 of Indian Penal Code. The brief of the cases is given below:
- i. Parties to the suit: Tara Feed Limited vs. Sigma Diagnostic Ltd. & Amandeep Singh, Director of Sigma Diagnostic Ltd
Case filed on: April 8, 2009
In the Court of: Shri Amit Thind, Illaqa Judicial Magistrate, Ludhiana
Case No. 713/ 18.04.2009
Amount involved: Rs. 200,000
Status of the case: Notice to the accused for appearance
Date of next hearing: June 02 ,2010
 - ii. Parties to the suit: Tara Feed Limited vs. Sigma Diagnostic Ltd. & Amandeep Singh, Director of Sigma Diagnostic Ltd
Case filed on: August 11, 2008
In the Court of: Shri Randhir Verma, JMIC
Case No. 687/ 11.8.2008
Amount involved: Rs. 100,000



Status of the case: Notice to the accused for appearance
Date of next hearing: May 12, 2010

- iii. Parties to the suit: Sumita Singh vs. Ram Sahai Wool Combers Private Limited (the erstwhile name of the company)
Case filed on: May 18, 2007
In the High Court of: the States of Punjab and Haryana, at Chandigarh.
Case No. CM- 32454-M of 2007
Brief facts of the case:
The petitioner, Mrs. Sumita Singh filed a petition for quashing the criminal complaint against her in the aforesaid case on the sole ground that she is not responsible for the affairs of the company and thus the petitioner can not be held responsible for any offence committed under section 138 of the Negotiable Instrument Act. The respondent has contested that the present petitioner, Mrs. Sumita Singh and Mr. Amardeep Singh & Smt. Ranjit Kaur are Directors of Sigma Diagnostic Ltd. and controlling & managing the affairs of the company. They have further requested the Court to dismiss the said petition.
Amount involved: Amount is not the subject matter of the petition.
Status of the case: For consideration on discharge of Sumita Singh
Date of next hearing: April 23, 2010

B. Civil Cases:

The company is supplying cattle feed products to various customers on credit. In certain cases, when, the agreed credit period of 15 days lapsed and despite the repeated reminders by the company for settlement of outstanding dues, the customer did not respond, the Company preferred a civil suit against the customers. The brief of such cases filed by the Company is given below:

- i. Parties to the suit: Tara Feed Limited vs. Sardul Singh
Case filed on: August 20, 2008
In the Court of: Mrs. Amita Singh, Civil Judge, Senior Division, Ludhiana
Civil Suit no. 142/ 21.8.2008
Amount involved: Rs. 110,750 plus interest of Rs.8, 856 @ 18% p.a.
Status of the case: Notice to the defendant for presence.
Date of next hearing: May 26, 2010
- ii. Parties to the suit: Tara Feed Limited vs. Nirmal Singh
Case filed on: October 25, 2008
In the Court of: Mrs. Amita Singh, Civil Judge, Senior Division, Ludhiana
Civil Suit no. 1655/ 25.10.2008
Amount involved: Rs. 154,423 plus interest of Rs. 9,288 @ 12% p.a.
Status of the case: Notice to the defendant for presence.
Date of next hearing: April 30, 2010

Appeal filed against the order in favor of the Company

Parties: Dada Motors Ltd. vs. Tara Feed Limited & National Insurance Co. Ltd.
Appeal filed on: September 23, 2008
Filed at: The State Consumer Disputes Redressal Commission, Punjab at Chandigarh.
Appeal No. 844/08
Brief facts of the case:

The Company purchased a LPT 1106 vehicle from Dada Motors Ltd duly insured. The said vehicle met with an accident with Scorpio Car and got damaged badly. The complainant informed the insurance company and they had appointed the surveyor who visited the spot and assessed the loss. The complainant submitted the bills of repair & spares of Rs 72,219 to the insurer. But the insurance company later refused to disburse the

claim on the pretext that the Engine number & Chasis number of the vehicle was mentioned wrong. On enquiry, it is found that it was due to a mistake on the part of Insurance company and Dada Motors.

The District Consumer Disputes Redressal Forum, Ludhiana, had vide its order dated June 12, 2008, directed Dada Motors Ltd. to pay Rs. 72,719 against the repair & spares, Rs. 10,000 as compensation and Rs. 1,000 as cost.

Dada Motors Ltd. now in its appeal has submitted that the order is very harsh and the Forum should have imposed liability on the National Insurance Company Ltd.

Amount involved: Rs. 83,219

Status of the case: For consortium

Date of next hearing: May 10, 2010

OUTSTANDING LITIGATION INVOLVING THE PROMOTER AND GROUP COMPANIES

There are no outstanding litigations, defaults etc involving the promoters and promoter group companies, pertaining to matter likely to affect operations and finances of the company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).

There are no commercial disputes, patent disputes etc. No Criminal proceedings have been launched against the promoters and promoter group companies for any of the offences under the enactment specified in paragraph 1 of schedule XIII of the Companies Act 1956.

There are no penal proceedings initiated for economic offence against the promoters and group companies. There is no litigation pending against the promoters and promoter group companies involving statutory offences.

There are no past cases during last three years in which penalties were imposed by the concerned authorities on promoters and promoter group companies.

MATERIAL DEVELOPMENT SINCE THE LAST BALANCE SHEET DATE

In the opinion of our Board of Directors, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that may materially or adversely affect or are likely to affect our profitability or the value of the assets or the ability to pay the material liabilities within the next twelve months.

Except as stated in this Red Herring Prospectus, there is no subsequent development after the due date of the Auditor's Report which we believe is expected to have a material impact on our reserves, profits, earnings per share and book value.

- The Consortium of Banks has enhanced Fund/Non-Fund Based Working Capital Limits upto Rs. 1440.00 Mn. And same has been secured as a first and exclusive charge over all the Current assets of the Company present and future. It is further secured by second charge over the Fixed assets of the company and Personal Guarantee of Promoter Directors namely Sh. Balwant Singh, Sh. Jaswant Singh and Sh. Tejinder Singh. In addition to these limits of Rs.900.00 Mn. have been sanctioned against stocks pledged under lock and key.



GOVERNMENT APPROVALS / LICENSING ARRANGEMENTS

A. Under the Companies Act, 1956

Sr. No.	Date of approval	Authority granting approval	Registration No. / CIN	Applicable law	Nature of approval	Validity
1.	28/02/1977	Registrar of Companies , Punjab, HP & Chandigarh	U15331PB1977PTC3723	Companies Act, 1956	Certificate of Incorporation as Angora Wool Combers Private Limited	Valid until cancelled
2.	02/12/1986	Registrar of Companies , Punjab, HP & Chandigarh	U15331PB1977PTC3723	Companies Act, 1956	Fresh Certificate of Incorporation Consequent upon its Name change as Ram Sahai Wool Combers Private Limited	Valid until cancelled
3.	02/09/2004	Registrar of Companies , Punjab, HP & Chandigarh	U15331PB1977PTC3723	Companies Act, 1956	Fresh Certificate of Incorporation Consequent upon its Name change as Tara Feeds Pvt. Ltd.	Valid until cancelled
4.	05/10/2005	Registrar of Companies , Punjab, HP & Chandigarh	U15331PB1977PLC3723	Companies Act, 1956	Fresh Certificate of Incorporation on conversion to Public Ltd. Company & its Name change as Tara Feed Limited.	Valid until cancelled
5.	11/06/2008	Registrar of Companies , Punjab, HP & Chandigarh	U17292PB1986PTC0037 23	Companies Act, 1956	Fresh Certificate of Incorporation Consequent upon its Name change as Tara Olive India Limited.	Valid until cancelled
6.	24/11/2008	Registrar of Companies , Punjab, HP & Chandigarh	U17292PB1986PLC0037 23	Companies Act, 1956	Fresh Certificate of Incorporation Consequent upon its Name change as Tara Health Foods Limited.	Valid until cancelled



B. Under Direct & Indirect Tax Laws

Sr. No	Date of approval	Authority granting approval	Approval/ Regn. No.	Applicable law	Nature of approval	Validity
1.		Income Tax Department	PAN No. AACCT3940R	Income Tax Act, 1961	* Allotment of Permanent Account Number (PAN)	Valid until cancelled
2.		Income Tax Department	TAN No. JLDT01510F	The Income Tax Act 1961	* Allotment of Tax Deductors Account Number (TAN)	Valid until cancelled
3.	07/03/2006	Commissioner of Commercial Tax Department, Rudrapur, Udham Singh Nagar	05006156906	Rule 9(1) of The Uttaranchal Value Added Tax Rules, 2005	*Certificate of Registration	Valid until cancelled
4.	07/03/2006	Assistant Commercial Tax Officer, Rudrapur, Udham Singh Nagar	RU-5040765	Section 7(1)/ 7(2) of Central Sales Tax Act, 1956	*Certificate of Registration for Sitarganj, Udham Singh Nagar	Valid until Cancelled
5.	05/09/2007	Assistant Commissioner of Central Excise, Sangrur	AACCT3940RXM001	Rule 9 of Central Excise Rules, 2002	* Registration for manufacturing of excisable goods on its Unit situated at, Ludhiana Road, Jitwal Kalan, Malerkotla, Sangrur, Punjab-148023	Valid until cancelled
6.	31/12/2008 w.e.f. 16/02/2005	Excise Taxation Officer, Ahmedgarh (Sangrur)	03481156514	Punjab Value Added Tax Act, 2005	*Certificate of Registration as Manufacturer and dealer for Company's Unit at Jitwal Kalan, Ahmedgarh (Sangrur), Malerkotla.	Valid until Cancelled
7.	31/12/2008 w.e.f. 16/02/2005	Assistant Commercial Tax Officer, Malerkotla, Punjab	03481156514	Central Sales Tax Act, 1956	*Certificate of Registration as a Dealer having principal place of business at Jitwal Kallan, Ahmedgarh	Valid until cancelled



(Sangrur),
Malerkotla,
Punjab

8.	10/09/2009	Assistant Commissioner, Central Excise Division, Sangrur	AACCT3940RST001	Section 69 of Finance Act, 1994	*Certificate of Registration for Goods Transport Operator by Road	Valid until cancelled
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C. Under Industrial and Labour Laws

Sr. No.	Date of approval	Authority granting approval	Approval/ registration number	Applicable law	Nature of approval	Validity
1.		Regional P.F. Commissioner, Mansa Road, Bhathinda	PB/BTI/10371	Employees Provident Fund and Misc Provisions Act, 1952	@Certificate of Registration	Valid until cancelled
2.	15/05/2006	Asst. Labour Commissioner Office of Registring Officer	R-55	Contract Labour (Regulation and Abolition) Act, 1970	*Certificate of Registration to act as Principal Employer	Valid until cancelled
3.	31/10/2008	Office of Licensing Officer, Punjab Governmet	Licence No. L-360	Contract Labour (Regulation and Abolition) Act, 1970	License of Mr. Paramjit Singh to act as Contractor for maximum 30 labourors for the Company	31/12/2010
4.	27/02/2009	Employees State Insurance Corporation	PB/12/36702/199	ESI Act, 1948	* Registration under ESIC for employees & labour.	Valid until cancelled
5.	10/07/2009	Office of Licensing Officer, Punjab Governmet	Licence No. L-396	Contract Labour (Regulation and Abolition) Act, 1970	License of Mr. Manohar Kumar to act as Contractor for maximum 30 labourors for the Company	31/12/2010
6.	27/08/2009	Office of Registring Officer, Uttranchal	325/09	Contract Labour (Regulation and Abolition) Act, 1970	*Certificate of Registration to act as Principal Employer	Valid until cancelled
7.	27/08/2009	Office of Licensing Officer, Uttranchal Government	Licence No. 1205/09	Contract Labour (Regulation and Abolition) Act, 1970	License of Mr. Subodh to act as Contractor for maximum 40 labourors for the Company	31/07/2010

D. Other Registrations & Approvals from Governmental/ Regulatory Authorities

Sr No	Date of approval	Authority granting approval	Approval/ License No. / Regn. No.	Applicable law	Nature of approval	Validity
1.	06/06/2006	Ministry of Commerce & Industry, Secretariat for Industrial Assistance	3046/SIA/IMO/2006	Industrial Policy and Industrial (Development & Regulation) Act, 1951	**IEM Acknowledgement for Manufacture of Cattle Feed at Sitargunj unit - proposed capacity 43200 TPA	Valid until cancelled
2.	06/06/2006	Ministry of Commerce & Industry, Secretariat for Industrial Assistance	3043/SIA/IMO/2006	Industrial Policy and Industrial (Development & Regulation) Act, 1951	**IEM Acknowledgement for Manufacture of Rice Bran Oil - proposed capacity 5500 TPA through Solvent Extraction and DOC Rice Bran- proposed capacity -29880 TPA through Expellers, at Village Jitwal Kalan, Malerkotla, Sangrur, Punjab .	Valid until cancelled
3.	06/06/2006	Ministry of Commerce & Industry, Secretariat for Industrial Assistance	1454/SIA/IMO/2007	Industrial Policy and Industrial (Development & Regulation) Act, 1951	**IEM Acknowledgement for Manufacture of Refined Oil from Rice Bran Oil through ghanis proposed capacity 23040 MT	Valid until cancelled
4.	26/10/2006	Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, Chief Controller of Explosives	P/HQ/PB/15/1889/(P181697)	The Petroleum Act, 1934 & Petroleum Rules, 2002	*License to Import & Store Petroleum products class 'A' & 'B' in the factory at Village Jitwan Kalan, Malerkotla, Sangrur, Punjab.	31/12/2011
5.	01/01/2007	Chief Inspectors of Factories, Punjab	Registration No. S.J.R./T-31/1510	Factories Act, 1948	@ License to work a Factory at Village Jitwal Kalan, Tehsil Malerkotla	01/01/2011
6.	02/02/2007	Executive Engineer, Uttarakhand	100 EDD(S)	Electricity Act 2003	@ Approval for new load of 500 KVA at 11 KV	Valid until cancelled



		Power Corporation Limited, Sitarganj, U.S. Nagar Uttrakhand				
7.	05/02/2007	Ministry of Commerce and Industries Secretariat for Industrial Assistance	SNG/Sol/Raff/Slop/24	Solvent Reffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000	* License of Solvent/ Raffinate /Slop	31/03/2013
8.	31/08/2007	Ministry of Consumer Affairs, Food and Public Distribution Department, Directorate of Vanaspati, Vegetable Oils and Fats	License No. S.E.O. 1896-B	Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967	**License under Solvent Extracted Order	31/07/2010
9.	11/09/2007	Director of Factories, Uttranchal	Registration No. USN-1075	Factories Act, 1948	* License to work a Factory at Plot No. A-2, E.S.I.P. Sitarganj, Udham Singh Nagar	31/12/2010
10	28/10/2007	Chief Engineer/ Planning, Punjab State Electricity Board, Patiala	9538/P-1/1002/SNG/VI	Punjab Electricity Act, 2003	@ Extension in general load by 600.049 KW/256 KVA to existing load of 1399.951 KW/1244 KVA	Valid until cancelled
11	12/02/2008	Ministry of Consumer Affairs, Food & Public Distribution, Directorate of Vanaspati, Vegetable Oils & Fats	VOP/PB/R-12/2008	Vegetable Oil Products (Regulation) Order, 1998	* Certificate of Registration for manufacture of Refined Vegetable Oils with annual installed capacity of 23,040 MT	Valid until cancelled
12	14/08/2008 (w.e.f. 15/08/2008)	Punjab Boiler Inspection Department	PI-4379	Indian Boilers Act, 1923	*Certificate for the use of Boiler	26/02/2011
13	06/09/2008 (w.e.f. 14/03/2008)	General Manager, District Industries	EM No. 050120000375	Industries (Development & Regulation) Act, 1951	**Entrepreneur Memorandum acknowledgement certificate for	Valid until cancelled



		Centre, Udham Singh Nagar, Uttarakhand				manufacture of 43200 TPA of Cattle Feed and 43200 TPA of Poultry Feed as a SSI unit at Sitarganj	
14	20/10/2008	Direct Assessment Services (DAS) Certification	IN-Q149708	ISO 9001 : 2000		*Certification for Quality Management System	Up to 31/12/201 0
15	22/10/2008	Direct Assessment Services (DAS) Certification	IN-H05708	ISO 9001 : 2000		*Certification for Quality Management System	Up to 21/10/201 1
16	14/01/2009	Office of Joint Director General of Foreign Trade,	IEC No. 3007008514	Foreign Trade (Regulation) Rules, 1993		*Certificate of Importer-Exporter Code Number	Valid until cancelled
17	28/02/2009	Punjab Boiler Inspection Department	PI-4294	Indian Boilers Act, 1923		*Certificate for the use of Boiler	26/02/201 1
18	04/04/2009	Office of Fire Safety Officer, Sitarganj	F/S/R-01/10	Fire Prevention And Fire Safety Act, 1986		* NOC for fire brigade safety arrangement	03/04/201 1
19	12/05/2009 & 13/10/2009	Punjab Pollution Control Board, Patiala	ZO- II/SGR/APC/200 9/V-374	Air (Prevention and Control of Pollution) Act, 1981		* Consent Order under section 21 in respect of unit at Village Jitwal Kalan, Malerkotla, Distt. Sangrur	12/10/201 0
20	13/10/2009	Punjab Pollution Control Board, Patiala	ZO- II/SGR/WPC/200 9/F-405	Water (Prevention and Control of Pollution) Act, 1974		*Consent Order under section 25/26 in respect of unit at Village Jitwal Kalan, Malerkotla, Distt. Sangrur	12/10/201 0
21	10/08/2009	Inspector of Shops and Commercial Establishment	4/5424	Section 13 of Punjab Shops and Commercial Establishment Act, 1958		*Certificate of Registration	31/03/201 1
22	03/09/2009	Market Committee, Ahmedgarh, District Sangrur	2068 AHG/PMB	The Punjab Agricultural Produce Markets Act, 1961 & The Punjab Agricultural		*License issued for agricultural & marketing activities	31/03/201 4



				Produce Markets (General) Rules, 1962		
23	04/09/2009	Office of the Controller, Legal Metrology, Punjab	PB/PCR/53-09	Rule 35 of Standards of Weights of Measures & Packed Commodities (Rules) 1977	*Registration as Manufacturer/ Packer	Valid until cancelled
24	22/09/2009	Ministry of Commerce & Industry, Secretariat for Industrial Assistance	2375/SIA/IMO/20 09	Industrial Policy and Industrial (Development & Regulation) Act, 1951	*IEM Acknowledgement for Manufacture of Cattle Feed and Poultry Feed at Village Jitwal Kalan, Malerkotla, Sangrur, Punjab . unit - proposed capacity 90000 MT each.	Valid until cancelled
25	22/09/2009	Ministry of Commerce & Industry, Secretariat for Industrial Assistance	2377/SIA/IMO/20 09	Industrial Policy and Industrial (Development & Regulation) Act, 1951	*IEM Acknowledgement for Manufacture of Cattle Feed and Poultry Feed at Sitarganj unit - combined capacity 180000 MT including proposed combined capacity of 90000 MT.	Valid until cancelled
26	22/09/2009	Ministry of Commerce & Industry, Secretariat for Industrial Assistance	2375/SIA/IMO/20 09	Industrial Policy and Industrial (Development & Regulation) Act, 1951	*IEM Acknowledgement for Manufacture of Vegetable Oils & Fats, through Ghanis- total capacity 94500 MT including proposed capacity of 67500 MT (Refined Oil); Vegetable Oils & Fats, through Solvent Extraction- existing capacity 8750 MT (De-oiled Rice Bran Cake); Vegetable Oils & Fats, through Expellers- existing capacity 51875 MT	Valid until cancelled



					(Cattle feed);	
27	15/12/2009	Food & Suppl7 Officer, Sangrur	EOP/PB/SNG-006	The Edible Oils Packaging (Regulation) Order 1998	* Certification for Registration to carry on business of sale of packed edible oil and fats	14/12/2012
28	13/10/2009	Director of Factories, Punjab	F.I.C/ Sangrur/T-43/9354	Factories Act, 1948 and Rules, 1952	* Approval of map/forms of the building	Valid until cancelled

* Registrations/ Approvals in the name of Tara Health Foods Limited.

** Registrations/ Approvals in the erstwhile name/s of the company.

@ Registrations/ Approvals in the erstwhile name/s of the company, for which application for name change, to Tara Health Foods Limited, has been made.

E. Registrations & Approvals Applied for by the Company

Sr. No.	Date of Application	Department / Authority	Applicable law	Nature of approval
1	05/04/2010	Uttaranchal Environment & Pollution Control Board	Water (Prevention and Control of Pollution) Act, 1974 & Air (Prevention and Control of Pollution) Act, 1981	Application for renewal of license no T-36/608/03/09
2	08/04/2010	Director, Health & Family Welfare, Punjab, Chandigarh	Prevention of Food Adulteration Act, 1954 and Rules, 1955	Application for renewal of license no 23-PRA-Pb



SECTION VII - OTHER REGULAROTY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors at their meeting held on July 01, 2009, authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act. Our shareholders have authorised the Issue vide a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, 1956 passed at the Annual General Meeting held on August 6, 2009.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group entities and the companies in which our Directors are associated as directors, have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI

Our Company, our Directors, our Promoters, Promoter Group, the Directors or the person(s) in control of the Promoter and the companies in which our Directors are associated as directors, have not been declared as willful defaulters by RBI or any other Governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26 of the SEBI (Issue of Capital and Disclosure Requirement) 2009:

The Company is not eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations since the Company was changed from Tara Olive India to Tara Health Foods Limited on November 24, 2008.

The Company is eligible to make the Issue in accordance with Regulation 26(2) of the SEBI Regulations as explained below:

“An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

(a)(i) The issue is made through the book-building process and the issuer undertakes to allot atleast fifty per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers.

or

(ii) at least 15% of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than 10% shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers.

(b) (i) The minimum post-issue face value capital of the issuer is Rs.10 crores (Rs.100 million).

or

(ii) the issuer undertakes to provide market-making for at least 2 years from the date of listing of the specified securities, subject to the following:

(A) the market makers offer to buy and sell quotes for a minimum depth of 300 specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed 10%;

(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least 5% of the proposed issue.”

The Company is an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and is, therefore, required to meet both the conditions detailed in Regulation 26(2) of the SEBI Regulations.

- The Company will comply with Regulation 26(2)(a)(i) of the SEBI Regulations and at least 50% of the Net Issue is proposed to be allotted to QIBs and in the event the Company fails to do so, the full subscription monies shall be refunded to the Bidders.

- The Company will comply with the Regulation 43(2) of the SEBI Regulations; accordingly, not less than 15% and 35% of the Net Issue shall be available for allocation to Non- Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received.
- The Company will comply with Regulation 26(2)(b)(i) of the SEBI Regulations and the post-Issue face value capital of the Company shall be Rs.300.44 which is more than the minimum requirement of Rs.10 crores (Rs.100.0 million).

Further, in accordance with Regulation 26(4) of the SEBI Regulations, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith. In case of delay as specified herein, 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.

Accordingly, the Company is eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

DISCLAIMER CLAUSE - SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. "IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, ATHERSTONE CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) 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 OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ATHERSTONE CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 12, 2009 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

WE THE UNDER NOTED LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS/LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**



- a. THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID;
 4. WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE 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 THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS.
 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOATRD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATION 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS.
 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATIONS 32 AND CLAUSE (c) AND (d) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOATRD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATION 2009 SHALL BE COMPIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S 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.

WHERE THE REQUIREMENT OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE SUB-REGULATION (4) OF REGULATIONS 32 AND CLAUSE (c) AND (d) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOATRD OF INDIA (ISSUE OF



CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATION 2009 ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION 3 OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS/LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY WILL CONTAIN THIS CONDITION. – **NOTED FOR COMPLIANCE**
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / DRAFT LETTER OF OFFER THAT THE INVESTOR SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – **NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN RS.10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**
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 DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER:
 - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
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 OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."



The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the Companies Act 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 Book Running Lead Managers, any irregularities or lapses in the offer document.

The BRLM and the Company accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisement or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his/her own risk.

All legal requirements pertaining to the Issue will be complied with at the time of filing the Red Herring Prospectus with the Registrar of Companies, Punjab, Chandigarh & Himachal Pradesh, in terms of section 56, section 60 and section 60B of the Companies Act.

CAUTION - DISCLAIMER FROM THE COMPANY AND THE BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.tarahealthfoods.com, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLM and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLM 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, at bidding centres or elsewhere.

Neither our Company nor the BRLM nor the Syndicate members nor the Underwriters is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, Regulations and approvals to acquire Equity Shares of the Company and will not issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The 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 the Company.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or Trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, Public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, state industrial development corporation, insurance companies registered with Insurance Regulatory and development Authority, provident funds (subject to applicable law) with minimum corpus of Rs.25 crores and pension funds with minimum corpus of Rs.25 crores and to non-residents including FVCIs, multilateral and bilateral developmental financial institutions, FII, and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual and eligible NRIs provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Red



Herring Prospectus does not, however, constitute 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 this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Punjab, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (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 under 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 are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of Bombay Stock Exchange Limited (BSE, the Designated Stock Exchange):

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. “Bombay Stock Exchange Limited (“the Exchange”) has given vide its letter No. DCS/IPO/NP/IPO-IP/1151/2009-10 dated January 05, 2010, permission to this Company to use BSE’s name in this offer document as one of the stock exchanges on which this Company’s securities are proposed to be listed. The exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- (ii) warrant that our Company’s securities will be listed or will continue to be listed on the Exchange; or
- (iii) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer Clause of National Stock Exchange of India Limited (NSE):

“As required, a copy of the Red Herring Prospectus has been submitted to National Stock Exchange of India Limited (herein referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/132634-J dated March 11, 2010 permission to the Issuer to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The exchange has scrutinized this



draft offer document for its limited internal purpose for deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that our securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquires any of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

FILING

A copy of this RHP has been filed with SEBI at Securities and Exchange Board of India Bhavan, Corporate Finance Department, Plot C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051; a copy of this RHP has been filed with Bombay Stock Exchange Limited (BSE), at Bombay Stock Exchange Limited, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001; a copy of the RHP has been filed with National Stock Exchange of India (NSE), at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with the RoC, Punjab, Himachal Pradesh and Chandigarh

LISTING

Application has been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. BSE vide its letter (DCS/IPO/NP/IPO-IP/1151/2009-10) dated January 05, 2010 and NSE vide its letter (NSE/LIST/132634-J) dated March 11, 2010 granted approval for use of their respective names in this Red Herring Prospectus. BSE shall be the Designated Stock Exchange with which the basis of allocation will be finalised.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by any of the Stock Exchanges mentioned above, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then our Company, and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven working days of finalisation of the Basis of Allotment for the Issue.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

- (a) Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, Or**
- (b) Otherwise induces a Company to allot, or register any transfer of shares, therein to him, or any**



other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

CONSENTS

Consents in writing of the Directors, the Company Secretary and the Compliance Officer, the Auditors, Bankers to the Company, Bankers to the Issue, Book Running Lead Managers to the Issue, Syndicate Members, SCSBs, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisor to the Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act, 1956 and the SEBI (Issue Of Capital and Disclosure Requirement) Regulations, 2009, M/s R. K. Jindal & Co, Chartered Accountants, have given their written consent to the inclusion of their report, as well as, report in relation to tax benefit accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and such consent shall not be withdrawn up to the time of Delivery of the Red Herring Prospectus for registration with the RoC.

Fitch Ratings India Private Limited, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

EXPERT OPINION OBTAINED, IF ANY

Except as stated elsewhere in this Red Herring Prospectus, our Company has not obtained any expert opinion.

- We have obtained the IPO grading report from Fitch Ratings India Private Limited dated April 16, 2010
- We have obtained Certificate dated April 10, 2010 from the Statutory Auditors of the Company, detailing the Tax Benefits

EXPENSES OF THE ISSUE

The total expenses of the Issue are estimated at approximately Rs. [•] million. The expenses of this Issue include, among others, underwriting and management fees, SCSBs' commission/fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as follows:

(Rs. in Million)				
Sr. No.	Nature of Expenses	Amount*	% to the Total Expenses	% to the Issue
1	Lead Management Fee, Underwriting Commissions and Selling Commissions	[•]	[•]	[•]
2	SCSBs' commission	[•]	[•]	[•]
3	Advertising and marketing Expenses	[•]	[•]	[•]
4	Printing and Stationery	[•]	[•]	[•]
5	IPO Grading Fee	[•]	[•]	[•]
6	Others (Registrar's Fee, Legal Fee, Listing Fees, etc.)	[•]	[•]	[•]
Total estimated Issue Expenses		[•]	[•]	[•]

* Will be incorporated after finalization of Issue Price

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the Book Running Lead Manager and Syndicate Member will be as per the respective engagement letter with the BRLM, issued by our Company, a copy of which is available for inspection at the Registered Office of our Company.



Further, the commissions payable to [•], the syndicate member(s) shall be as per the letter of appointment issued by our Company, a copy of which is available for inspection at the Registered Office of our Company.

Fees payable to the SCSB

The total fees payable to the SCSB will be as per the MoU dated [•], (a copy of which is available for inspection at our registered office) for the services rendered in uploading and processing the ASBA.

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 CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding between the Registrar and our Company, a copy of which is available for inspection at the Registered Office of our Company.

The Registrar to the Issue will be reimbursed 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 them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor(s), Auditor etc. will be as per the terms of their respective engagement letters.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an Initial Public Offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Particulars regarding Public or Rights during the Last Five Years

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section entitled 'Capital Structure' beginning on page 19, the Company has not issued any Equity Shares for consideration otherwise than cash.

Companies under the Same Management

Our Company do not have any other Company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 which had made any capital issue during the last three years.

Promise v/s Performance

Our Company nor any Group or associate companies have made any previous public and right issues.

Listed Ventures of Promoters

Our Promoters do not have any listed ventures.

Outstanding Debentures, Bonds or Preference Shares

Our Company does not have any outstanding debentures, bonds or redeemable Preference Shares as of the date of the Red Herring Prospectus.

Stock Market Data for Our Equity Shares

This being an Initial Public Offer of our Company, the Equity Shares of our Company are not listed on any stock exchange.



Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances

We estimate that the average time required by our Company or the Registrar to the Issue or the SCSBs in case of ASBA Bidders for redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

All investor complaints that can not be resolved by the Company Secretary and Compliance Officer would be placed before the Investor Grievance Committee for resolution. We will settle investor grievance expeditiously and satisfactorily.

We have appointed Mr. Jarnail Singh, Chief Financial Officer of our Company as the Compliance Officer for this Issue and may be contacted in case of any pre-issue or post-issue related problems, at the following address:

Mr. Jarnail Singh
Village Jitwal Kalan,
Tehsil Malerkotla,
District Sangrur,
Pin Code - 148023,
Punjab, India
Tel.: +91-01675-274300
Fax: +91-01675-273241
Email: complianceofficer@tarahealthfoods.com
URL: www.tarahealthfoods.com

Change in Statutory Auditors

There has been no change in the Statutory Auditors of the Company for the last three years

Capitalization of Reserves or Profits

Except as stated in "Capital Structure", our Company has not capitalised its reserves or profits at any time since inception. For details on capitalisation of reserves and profits please refer to "Capital Structure" beginning on page 19.

Revaluation of Assets

We have not re-valued our assets in the last five years.



SECTION VIII - OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid-cum-Application Form, including the ASBA form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, Regulations, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, Registrar of Companies, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors dated July 01, 2009 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an AGM of our Company held on August 06, 2009.

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 existing Equity Shares of our Company including rights in respect of dividends. See the section titled "Main Provisions of the Articles of Association" beginning on page 245.

Mode of payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act as recommended by the Board of Directors and declared by 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.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10/- each and the Issue price at the lower end of the Price Band is Rs.[●] per equity share and at the higher end of the Price Band is Rs.[●] per equity share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles of Association.



For a detailed description of the main provisions of our Articles relating to, among other things, voting rights, dividend, forfeiture and lien, transfer and transmission, kindly refer to the section titled 'Main Provisions of the Articles of Association' beginning on page 245.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per SEBI Regulations, trading in Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one (1) Equity Share. Allotment in this Issue will be done only in electronic form in multiples of one (1) Equity Share subject to a minimum allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Punjab, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any Person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/ alienation 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/Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board of Directors, 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 of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of ninety (90) days, the Board of Directors 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.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised 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 to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue amount including devolvement of Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes



liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If at least 50% of the Issue can not be allocated to QIBs, then the entire application money will be refunded forthwith.

Further in terms of Regulation 26(4) of the SEBI Regulations, we shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1000.

Restriction on Transfer and Transmission of Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to the “Main Provisions of Articles of Association of Our Company” beginning on page 245.

Arrangement for Disposal of Odd Lots

Since the market lot of our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer of Shares

There are no restrictions on transfer and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles and Association. For details please refer to the section on ‘Main provisions of our Articles of Association’ beginning on page 245.



ISSUE STRUCTURE

Public Issue of 10,000,000 Equity Shares of Face Value of Rs. 10/- each for cash at a price of Rs.[•] per Equity Share (including a share premium of Rs.[•] per Equity Share) aggregating to Rs.[•] million (the "Issue"). The Issue would constitute 33.28% of the fully diluted post issue paid-up capital of our Company.

The Issue is being made through a 100% Book Building Process.

If atleast 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

Particulars		QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares *	Of size for Allocation	At least 5,000,000 Equity Shares	Available for Allocation of not less than 1,500,000 Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Retail Individual Bidders.	Available for Allocation of not less than 3,500,000 Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Non Institutional Bidders.
Percentage Issue available Allotment / Allocation	Of size for Allocation	At least 50% of the Net Issue. However, up to 5 % of the QIB portion shall be available for allocation proportionately to Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs. Upto 30% of the QIB portion, equal to a maximum of 1,500,000 equity shares may be allocated to Anchor Investor on a descretionary basis.	Not less than 15% of the Issue or Issue less allocation to the QIB Portion and allocation to Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to the QIB Portion and allocation to Non Institutional Bidders.
Basis of Allotment / Allocation if respective category is oversubscribed **		Proportionate as follows: (a) 250,000 Equity Shares shall constituting 5% of the QIB portions shall be available for allocation on a proportionate basis to Mutual Funds; (b) 4,750,000 Equity shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid		Such number of Equity Shares	Such number of Equity	[•] Equity Shares and in



	in multiples of [●] Equity Shares so that the Bid amount exceeds Rs. 100,000	Shares in multiples of [●] Equity Shares, so that the Bid amount exceeds Rs. 100,000	multiples of [●] Equity Shares such that the Bid amount does not exceed RS.100,000
Maximum Bid	Such number of Equity Shares not exceed the Issue size, subject to applicable limits	Such number of Equity Shares not exceed the Issue size, subject to applicable limits	Such number of Equity shares in multiples of [●] Equity Shares such that the Bid amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one (1) Equity Share thereafter	[●] Equity Shares and in multiples of one (1) Equity Share thereafter	[●] Equity Shares and in multiples of one (1) Equity Share thereafter
Who can Apply ***	Public financial institutions, as specified in section 4A of the Companies Act, 1956, Scheduled Commercial Banks, Mutual Funds, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs.250 millions and Pension Funds with minimum corpus of Rs.250 millions, National Investment Fund in accordance with applicable law.	Resident Indian individuals, eligible NRIs, HUFs (in the name of the <i>Karta</i>), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, eligible NRIs and HUFs (in the name of the <i>karta</i>).
Terms of Payment	Margin Amount applicable to QIBs shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.##
Margin Amount	10% of the Bid amount. #	Full bid amount on bidding	Full bid amount on bidding.



- * *Subject to valid Bids being received at or above the Issue Price and subject to a minimum of 50% of the Issue being allotted to QIBs. The Issue is being made through the 100% Book Building Process wherein at least 50% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue would be available for allocation to Non Institutional Bidders and not less than 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non Institutional Bidders category and the Retail Individual Bidders category would be met with the spill over from any other category at the sole discretion of our Company in consultation with the BRLM. Such inter-se spillover if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.*
The Company may consider participation by Anchor Investors for up to 1,500,000 Equity Shares in accordance with applicable SEBI ICDR Regulations. Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis. The QIB Portion includes Anchor Investor Portion, as per the SEBI ICDR Regulations. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor.
- ** *Mutual Funds participating in the aforesaid 5% of the QIB portion will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund reservation portion will be available to the remaining QIBs. If the aggregate demand by Mutual Funds is less than 250,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.*
- *** *In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*
- # *After the Bid/Issue Closing Date, depending upon the level of subscription, additional Margin Amount, if any, may be called for from the QIBs*
- ## *In case of ASBA bidders, SCSB shall be authorized to block funds the bank accounts of the ASBA Bidder that are specified in the Bid cum Application Form*

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply only for within seven working days of finalisation of basis of allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the SEBI.

In terms of the SEBI Regulations, QIB bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Day.

Bidding/Issue Programme

BID/ISSUE OPENS ON:	April 28, 2010
BID/ISSUE CLOSES ON:	April 30, 2010



The Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid Closing Date, Bids (excluding ASBA Bidders) shall be accepted only between 10 a.m. and 3 p.m. and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs.100,000 and (ii) until 5.00 pm such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders (including ASBA Bidders) where the Bid Amount is up to Rs.100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that due to clustering of last day applications, as is typically experience in public offerings, some Bids may not be uploaded due to lack of sufficient time to upload; such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, the BRLM and the Syndicate Members shall not be responsible. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE. Bids will be accepted only on working days, i.e. Monday to Friday (excluding any public holidays).

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges for uploading the Bids received taking into account the total number of Bids received upto the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations. The Cap on the Price Band shall not be more than 20% of the floor of the price band. Subject to compliance with the immediate preceding sentence, the floor of the price band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision of the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLM and at the terminals of the Syndicate.



ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process, wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB portion shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allotted to QIB Bidders, then the entire application money will be refunded forthwith.

Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. ASBA Investors intending to subscribe to the Issue, shall submit a completed ASBA Form to a designated branch of the SCSB, with whom the bank account to be blocked, is maintained. We, in consultation with the BRLM, reserve the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and Bidders under the Employee Reservation portion, our Company would have a right to reject the Bids only on technical grounds. The primary responsibility of building the book shall be that of the lead book runner.

Investors should note that Allotment of Equity Shares to all successful Bidders would only be in the dematerialized form. Bidders 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 dematerialized segment of the Stock Exchange.

Bid-cum-Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum 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 Bidder.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholder to make the necessary changes in the Red Herring 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 Bidder.



The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-Cum-Application Forms
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors	White
ASBA Form	White

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural /legal guardians in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of sole or first Bidder: 'XYZ Hindu Undivided Family' applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs, other than Eligible NRIs are not eligible to participate in this Issue;
- Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI Regulations and regulations, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and Bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts / Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts / societies and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and / or industrial research organisations authorized to invest in equity shares;
- Insurance companies registered with the Insurance Regulatory and Development Authority, India;
- Subject to applicable law, Provident Funds with a minimum corpus of Rs.250 million and who are authorized under their constitution to hold and invest in equity shares;
- Pension funds with a minimum corpus of Rs.250 million and who are authorized under their constitution to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India

As per existing policy of the Government of India, OCBs cannot participate in this Issue.

In accordance with the SEBI Regulations, all investors (except QIBs) can participate by way of ASBA process.

In accordance with SEBI Regulations, only QIBs can participate in the Anchor Investor Portion.

Participation by BRLM and Syndicate Members

The BRLM and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe to Equity Shares in the Issue either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The information below is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 250,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

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 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 sectors or industry-specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs

Bid-cum-Application Forms (blue in colour) have been made available for Eligible NRIs at our Registered Office and members of the Syndicate.

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 (white in colour).

In accordance with the SEBI Regulations, NRI can subscribe to this Issue under ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of 30,044,000 Equity Shares of Rs. 10 each). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

Subject to compliance with all applicable Indian laws, rules, guidelines, regulations and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended by the SEBI (Foreign Institutional Investors) (Amendment) Regulations, 2008 ("SEBI Regulations"), an FII, as defined in the SEBI Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instrument are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI Regulations.

Bids by the 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. Further, According to the SEBI ICDR Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the red herring prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, the Selling Shareholders and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by ASBA Investor

For ASBA process, please refer to section titled 'ASBA Process' beginning on page 234

Information for the Bidder:

- (a) Our Company will file the Red Herring Prospectus with the RoC at least three (3) days before the Bid/Issue Opening Date;
- (b) The Company, BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and the same shall also be published in three newspapers (one each in English, Hindi and regional news paper). Further, the Price Band shall be disclosed atleast two working days prior to Bid/Issue Opening Date by way of announcement in all the news papers in which the pre-issue advertisement was released by our Company and/or the BRLM;
- (c) The members of the Syndicate will circulate copies of the Bid-cum-Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus;
- (d) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid-cum-Application Form can obtain such documents from our Registered Office or from any member of the Syndicate or their authorized agent(s) to register their Bids;
- (e) The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (f) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the member of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.
- (g) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding / Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in three newspapers (one each in English and Hindi) and one Regional Language newspaper, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members;
- (h) Our Company in consultation with the BRLM reserves the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Regulations. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately

preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band;

- (i) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

Maximum and Minimum Bid Size

- a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs.100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.100,000. In case the Bid Amount is over Rs.100,000 due to a revision in the Bid or revision of the Price Band or on exercise of 'Cut-off' option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The 'Cut-off' option is an option given only to Retail Individual Bidders indicating their agreement to the Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and in multiple of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable laws. **Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.100,000 or less due to a revision in the Bids or a revision in the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion provided such Bids are from individuals. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the 'Cut-off' Price.

- c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least Rs. 100 million and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period.**

Bidders are advised to ensure that any single Bid 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 the Red Herring Prospectus.

Method and Process of Bidding

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.
- (b) The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bid Date, i.e. one day prior to the Bid Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. The Members of the Syndicate shall accept Bids from all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.
- (c) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi)



and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

- (d) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.
- (e) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph “Bids at Different Price Levels” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- (f) The Bidder cannot Bid on another Bid-cum-Application Form after Bid(s) on one Bid-cum-Application Form has been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build up of the Book and Revision of Bids”.
- (g) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (“TRS”) for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.
- (h) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- (i) Along with the Bid-cum-Application Form, all Bidders will make payment into the “Escrow Account”.

Bids at Different Price Levels

- (a) The Bidders can Bid at any price within the Price Band, in multiples of Re.1 (Rupee One). The Bidder has to bid for the desired number of equity shares at a specified price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs.100,000 may bid at Cut-Off Price. However, bidding at ‘Cut-off’ price is prohibited for QIB and Non-institutional Bidders and such bids shall be rejected.
- (b) Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account.
- (c) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs.100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the Syndicate members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to the revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

- (e) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs.7,000.
- (f) In case of an upward revision in the Price Band announced as above, the ASBA Bidders could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs.100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price..
- (g) During the Bidding/ Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (h) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
- (i) The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- (j) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (k) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the BRLM and/or the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (l) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (White colour for Resident Indians, Blue colour for NRIs and FIIs and applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.



- (e) Eligible NRIs for a Bid Amount of up to Rs.100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs.100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Amount exceeds Rs. 100,000.
- (f) Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- (g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorized agents during the Bidding/Issue Period. Syndicate members can also set up facilities for off-line electronic registration of Bids 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 Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchange(s). Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded may not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday)
- (c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on an hourly basis, consolidated and displayed on-line at all bidding centres as well as on the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding/Issue Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s). (Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form);
 - Investor category – Individual, Corporate, NRI, FII, Mutual Fund, etc.;
 - Numbers of Equity Shares bid for;
 - Bid Amount;
 - Bid-cum-Application Form number;
 - Whether Margin Amount, as applicable, has been paid upon submission of Bid-cum-Application Form; and
 - Depository participant identification number and client identification number of the beneficial account of the Bidder.
- (e) A system-generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/allotted either by the members of the Syndicate or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.



- (g) In case of QIB Bidders, the BRLM and/or the members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in the Red Herring Prospectus.
- (h) The permission given by BSE and NSE 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 the Company and/or the BRLM are cleared or approved by BSE and NSE; 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 Promoters, our management or any scheme or project of our Company.
- (i) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE.
- (j) It is also to be distinctly understood that the approval given by the Stock Exchange(s) should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the Stock Exchange(s); nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promotes, our Management or any scheme or project of the Company.
- (k) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply;
- (b) Read all the instructions carefully and complete the applicable Bid-cum-Application Form;
- (c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;
- (d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- (e) Ensure that you have been given a TRS for all your Bid options;
- (f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (g) Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act;
- (h) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- (i) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not bid/revise Bid Price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;



- (e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not Bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders for bid amount in excess of Rs.100,000);
- (g) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid 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;
- (h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders 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 Bidders at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders 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 Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid-cum-Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the bank particulars recorded in the depository account and/or the address registered with the depository participant is incorrect. 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 Bidder in the Bid cum Application Form would be used only to ensure re-dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder 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 Bidders (including the order of names of joint holders), the Depository Participant's Identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our 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 Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, interests, if any, on delayed payment of refund and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders 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 Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs, FII's and foreign venture capital funds and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

- (a) In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, 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 along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.
- (b) In case of Bids made pursuant to a power of attorney by FII's, 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 their SEBI registration certificate must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.
- (c) In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.
- (d) In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.
- (e) In case of Bids made by provident funds with minimum corpus of Rs.250 million (subject to applicable law) and pension funds with minimum corpus of Rs.250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.
- (f) Our Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application form, subject to such terms and conditions that the Company and the BRLM may deem fit.



PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Bidders 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 Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, and the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms.

1. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders, shall provide the applicable Margin Amount, with the submission of the Bid-cum-Application Form, by drawing a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 206. The maximum Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form based on the highest Bidding option of the Bidder.
2. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount payable on application, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the respective members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Retail and Non Institutional Bidders: "Escrow Account - THFL IPO - Retail - R"
 - In case of Non Resident Retail and Non Institutional Bidders: "Escrow Account - THFL IPO - Retail - NR"
 - In case of Resident QIB Bidders: "Escrow Account - THFL IPO - QIB - R"
 - In case of Non-Resident QIB Bidders: "Escrow Account - THFL IPO - QIB - NR"
 - In case of Resident Anchor Investors: "Escrow Account - THFL IPO - Anchor Investor - R"
 - In case of Non Resident Anchor Investors: "Escrow Account - THFL IPO - Anchor Investor - NR"
4. In case of Bids 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 Bidder bidding 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. In case of Bids by Eligible NRIs applying on non 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 authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance, or out of Non-Resident Ordinary (NRO) Account of Non Resident Bidder bidding on a non repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting the NRE Account or FCNR Account or NRO account.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable by the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.
7. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
8. 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 Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.
9. Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with Bid cum Application Form.
10. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

SUBMISSION OF BID CUM APPLICATION FORMS

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of members of the Syndicate will acknowledge the receipt of the Bid cum Application Form or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

An ASBA bidder shall submit an ASBA physically or electronically through internet banking facility to the SCSB with whom the bank account to be blocked is maintained. For further details, please refer to section on 'Issue process for ASBA Bidders' beginning on page 234.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository. **Multiple Bids**



A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i) All applications are electronically strung on first name, address (1st line) and applicant's status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/husband's name to determine if they are multiple applications.
- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid 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.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. ANY BID CUM APPLICATION FORM WITHOUT THE PAN IS LIABLE TO BE REJECTED.**

Unique Identification Number ("UIN")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

GROUND FOR REJECTIONS

In case of QIB Bidders, the Company in consultation with the BRLM have the right to reject the Bids provided that the reason for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual who bid, our Company has a right to reject Bids based on technical grounds.

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
- Age of First Bidder not given;
- 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN number not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional, QIB Bidders bidding;

- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/ money order/ postal order/ cash;
- Signature of sole and/or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLM, or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar prior to the finalization of the basis of allotment;
- Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Bids by OCBs;
- Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids not uploaded in the Book would be rejected;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Bids or revisions thereof by QIB Bidders and Non Institutional Bidders where the Bid Amount is in excess of Rs.100,000, uploaded after 4.00 pm on the Bid/Issue Closing Date, unless specific extension has been granted by the Stock Exchange(s);
- Bids from Corporate(s) in the retail category.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels.
- (b) Our Company in consultation with the BRLM shall finalise the 'Issue Price'.
- (c) The allocation to QIBs will be at least 50% of the net issue and allocation to Non – Institutional and Retail Individual Bidders will be not less than 15% and 35% of the net issue, respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price
- (d) Under-subscription, if any, in any category of the Net Issue, would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 250,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. If at least 50% of the Net Issue is not allocated to QIBs, the entire subscription monies shall be refunded.
- (e) Allocation to Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law and terms and conditions stipulated by the DIPP and RBI, while granting permission for allotment of Equity shares to them in this Issue.
- (f) The BRLM, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.



- (g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- (h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) The Company, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s)/Allotment to the Bidders.
- (b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.
- (c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.
- (d) Subject to Section 66 of the Companies Act, 1956 the Company shall after the filing of the Red Herring Prospectus prescribed by the SEBI Regulations, shall publish advertisement in three news papers (one each in English, Hindi and regional language).
- (e) The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- (b) The BRLM or members of the Syndicate would dispatch a CAN to their Bidders 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 Bidder to pay the entire Issue Price as may be called by the Company for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount payable on application into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated/Allotted Equity Shares and who have already paid the Bid Amount payable on application into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price as may be called by the Company for Allotment to such Bidder.
- (d) The Issuance of CAN is subject to "Notice to Anchor Investor – Allotment Reconciliation and Revised CANs" and "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth herein under the Chapter 'Terms of the Issue'.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the physical book and at the discretion of the BRLMs, select Anchor Investors may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investors to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN.

Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid(s) registered. Based on the electronic book, QIBs will be sent a CAN within two working days of the Bid/Issue Closing Date, indicating the number of Equity Shares that may be allocated to them. This CAN is provisional and the final allocation is subject to (i) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue; (ii) the approval of the final basis of allocation by the Designated stock exchange and (iii) allotment by the Board of Directors. Subject to SEBI Regulations, certain Bid applications may be rejected/not considered for processing due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc. As a result, revised CANs may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may therefore be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price as may be called by the Company for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- (a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Electronic credit of the Equity Shares to the allotted shall be completed within two working days of the approval of the basis of allocation.
- (b) In accordance with the SEBI Regulations, Equity Shares will be issued, and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to rematerialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.
- (c) **Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.**

BASIS OF ALLOTMENT

(A) For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 3,500,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 3,500,000 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum [●] equity shares. For the method of proportionate basis of Allotment, refer below.

(B) For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.



- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,500,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 1,500,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment refer below.

(C) For QIB Bidders

- Bids received from the QIB bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the issue price.
- The QIB portion shall be available for allocation to QIB bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

- i. In the event that Mutual Fund Bids exceed 5% of the QIB portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB portion.
- ii. In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
- iii. Equity shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

(b) In the second instance allocation to all QIB's shall be determined as follows:

- i. In the event that the oversubscription in the QIB portion, all QIB bidders who have submitted bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB portion.
- ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Share on a proportionate basis along with other QIB Bidders.
- iii. Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB bidders on a proportionate basis.

(c) The aggregate allocation to QIB Bidders shall be at least 5,000,000 Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

(A) Issue Details

Sr. No.	Particulars	Issue Details
1.	Issue Size	200 million equity shares
2.	Allocation to QIB (50%)	100 million equity shares
	Of which:	
	a. Allocation to Mutual Funds (5%)	5 million equity shares
	b. Balance for all QIBs including MFs	95 million equity shares
3.	No of QIB applications	10
4.	No of shares applied for	500 million equity shares



(B) Details of QIB Bids

Sr. No.	Type of QIB Bidders #	No of shares Bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
Total		500

A1-A5: (QIB Bidders other than MFs), MF1-MF5 (QIB Bidders which are Mutual Funds)

(C) Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in million)				
Type of QIB Bidders	Shares Bid for	Allocation of 5 million Equity Shares to MF proportionately (see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (See note 3 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.6	0
A2	20	0	3.8	0
A3	130	0	24.9	0
A4	50	0	9.6	0
A5	50	0	9.6	0
MF1	40	1.0	7.5	8.5
MF2	40	1.0	7.5	8.5
MF3	80	2.0	15.0	17.0
MF4	20	0.5	3.7	4.2
MF5	20	0.5	3.7	4.2
500		5.0	95.0	42.4

Please Note:

- The illustration presumes compliance with the requirements specified in this Prospectus in the section titled "Issue Structure" beginning on page 206.
- Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.
- The balance 95 million Equity Shares (i.e. 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).
- The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= No. of shares Bid for (i.e. in column II) X 95 / 495
 - For Mutual Funds (MF1 to MF5)= [(No. of shares Bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95 / 495
 - The numerator and denominator for arriving at allocation of 95 million shares to the 10 QIBs are reduced by 5 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.



(D) For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the following requirements:
 - (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;
 - (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors;
 - (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.
- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid Opening Date by intimating the stock exchanges and uploading the said details on the websites of the BRLMs and on the terminals of the members of the Syndicate.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made subject to minimum lot size in marketable lots, on a proportionate basis as explained below:

- (a) Bidders will be categorised according to the number of Equity Shares applied for.
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares.
- (e) If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.
- (g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLM.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as registered with their depository participant. Hence Bidders 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 Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder 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 not necessarily in the following order:

ECS – Payment of refund would be undertaken through ECS for applicants residing in areas covered by RBI approved ECS centres. This mode of payment of refunds would be subject to availability of complete and correct bank account details including the MICR code, from the Depositories. The payment of refunds through ECS will be undertaken for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum 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.

RTGS – Applicants, whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form in the boxes meant for them. In the event the same is not provided, refund shall be made through any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank branch is NEFT enabled and has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR code. Wherever the applicants have registered their nine digit MICR code 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 and the past experience of the Registrars to the Issue. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs.1,500 and through Speed Post/Registered Post for refund orders of Rs.1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank(s) and shall be payable at par at places where Bids are received. Bank charges, if any, for collection of such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of allotment. Applicants residing at sixty eight centers where clearing houses are managed by the RBI, will get refunds through ECS subject to adequate details being available in the demographic details received from the depositories, except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom



refunds are made through electronic transfer of funds will be send a letter through ordinary post, intimating them about the mode of credit of refund within 15 days of closure of Bid/Issue.

In accordance with the Companies Act, the requirement of the Stock Exchanges and the SEBI Regulations, the Company undertakes that:

- Allotment of Equity Shares will be made only in dematerialised form with in 15 days from the Bid/Issue Closing Date; and
- Dispatch of refund order shall be done within 15 days from the Bid/Issue Closing Date; and
- The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for collection of such cheques, pay orders or demand drafts at other centres will be borne by the Bidders.

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 Bidders who receive refunds through electronic transfer of funds) or instructions to the SCSBs by the Registrar to the Issue in ASBA process and give benefit to the beneficiary account with Depository Participants within two working days of date of approval of the basis of allocation by the designated Stock Exchange.

Where refunds are made through ECS, direct credit or RTGS, the refund instructions will be given to the refund banker within 15 days from the Bid/Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/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 all the Stock Exchanges where the Equity Shares are proposed to be listed, are done within seven working days from the approval of the basis of Allotment by the Designated Stock Exchange.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and

The Company shall pay interest at 15% p.a. for any delay beyond the 15 (fifteen) day 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 instructions to SCSB and/or demat credits are not made to investors within the 15 (fifteen) days time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Regulations.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

(b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,
Shall be punishable with imprisonment for a term which may extend to five years.”

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/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;
- That the certificates of the securities/refund orders to the eligible non-resident Indians or FIIs shall be despatched within specified time; and
- No further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc. and
- The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/ transferred to a separate bank account as referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- Our Company shall comply with the requirements of Clause 49 of the 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 trading of the equity shares from the Stock Exchanges(s) where listing is sought has been received.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before allotment of equity shares, without assigning any reason thereof. 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 within 7 days of finalization of the basis of allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the SEBI.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.



EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a 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:

- (a) Agreement dated September 24, 2009 between NSDL, the Company and the Registrar to the Issue;
 - (b) Agreement dated September 24, 2009 between CDSL, the Company and the Registrar to the Issue.
- All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.
- (a) A Bidder 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 Bid.
 - (b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
 - (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
 - (d) Names in the Bid cum 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.
 - (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
 - (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
 - (g) 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.
 - (h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof. 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.

Anchor Investor Portion

The Company may consider participation by Anchor Investor in the Net Issue for up to 1,500,000 Equity Shares in accordance with the applicable SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

- (a) Anchor Investors shall be QIBs as defined in the SEBI Regulations.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.
- (c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.
- (d) The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.
- (e) The Company, in consultation with the BRLM, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.

- (f) The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before the Bid/Issue Opening Date.
- (g) Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares Allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/ Issue Closing Date.
- (h) In case the Issue Price is greater than the price at which Equity Shares are allocated to Anchor Investors, the additional amount being the difference between the Issue Price and the price at which Equity Shares were allocated to the Anchor Investors shall be paid by the Anchor Investors. In the event the Issue Price is lower than the price at which Equity Shares are allocated to Anchor Investors, the allotment to Anchor Investors shall be at the higher price i.e. the price at which Equity Shares were allocated under the Anchor Investor Portion.
- (i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of allotment in the Issue.
- (j) The BRLM or any person related to the BRLM / Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (l) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: "Escrow Account - THFL IPO - Anchor Investor - R"
 - In case of Non-Resident Anchor Investor: "Escrow Account - THFL IPO - Anchor Investor - NR"

The Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforesaid paragraphs, to the extent applicable.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided at <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A bidder (other than a QIB) shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid 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 Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. 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 Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the ASBA Bidders within one day of receipt of such notification.



ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. On submission of the ASBA Bid cum Application Form, the ASBA Bidders are deemed to have authorised (i) the SCSB to do all acts as are necessary to make the Application in the Offer, including uploading his/her Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, transfer of funds to the Public Issue Account on receipt of instruction from the Registrar to the Issue after finalisation of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA Bid cum Application Form, upon finalisation of the basis of Allotment.

Upon filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus 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 Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, a Bidder (other than a QIB) can submit their application through ASBA process to Bid for the Equity Shares of our Company.

A QIB is not permitted to submit an application through the ASBA Process to Bid for the Equity Shares of the Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. ASBA Bidders who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders.

Information for the ASBA Bidders:

- a. The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.
- b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.
- c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- d. ASBA Bid cum Application Forms should bear the stamp of the Syndicate Member and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

- e. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch. In case the amount available in the bank account specified in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the application.
- f. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
- g. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Method and Process of Bidding

- a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR Regulations and Red Herring Prospectus.
- b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.
- c. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- d. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- e. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generates a Transaction Registration Slip ("TRS"). The TRS shall be furnished to the ASBA Bidder on request.
- f. An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue.

Bidding

- a. The Price Band The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form.
- b. In accordance with the SEBI Regulations, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.



- c. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the members of the Syndicate.
- d. Our Company in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.
- f. In case of an upward revision in the Price Band, announced as above, the ASBA Bidders who had Bid at Cut-off Price could either (i) revise their ASBA Bid or (ii) instruct to block additional amount based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the CB or DB of the SCSBs to whom the original ASBA Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional amount blocked) exceeds Rs. 100,000 for Retail Individual Bidders will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the ASBA Bidder does not either revise the ASBA Bid or instruct to block additional amount and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional amount would be required to be blocked from the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum 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 Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders 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 Bid 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 Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
 - (i) it has received the ASBA in a physical or electronic form; and
 - (ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

- b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.
- c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
 - Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Details of bid option, (a) number of equity shares for each bid, (b) bid rate for each bid;
 - Depository Participant identification No.; and
 - Client identification No. of the Bidder's beneficiary account.
- e. In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).
- f. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.
- g. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- h. It is to be distinctly understood that 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 or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.
- i. The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- j. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

- a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- b. The book gets built up at various price levels. This information will be available with the BRLM and the Stock Exchanges on a regular basis.
- c. During the Bid/Issue Period, any ASBA Bidder who has registered his/ her or its interest in the Equity Shares at a particular price level is free to revise his/ her or its Bid within the Price Band using the printed



ASBA Revision Form, which is a part of the ASBA Bid cum Application Form. Revisions can be made in both the desired number of Equity Shares and the Bid Amount (including the price per Equity Share) by using the ASBA Revision Form. Apart from mentioning the revised options in the revision form, the ASBA Bidder must also mention the details of all the options in his/ her or its ASBA Bid cum Application Form or earlier ASBA Revision Form. For example, if an ASBA Bidder has Bid for three options in the ASBA Bid cum Application Form and he is changing only one of the options in the ASBA Revision Form, he is required to fill in the details of the remaining two options that are not being revised, in the ASBA Revision Form. The SCSB will not accept incomplete or inaccurate Revision Forms.

- d. The ASBA Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the SCSB with whom he/she or it holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.
- e. Any revision of the Bid shall be accompanied by an instruction to block the incremental amount on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be unblocked by the SCSB.
- f. When an ASBA Bidder revises his/her or its Bid, he/she or it shall surrender the earlier TRS and get a revised TRS from the SCSBs. **It is the responsibility of the ASBA Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- g. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.
- h. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs to determine the demand generated at different price levels.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation and a regional language newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

Once the basis of allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (a) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in sub para(ii) above, shall be transferred to the Public Issue Account, (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. The SCSBs shall then unblock the relevant bank accounts for, (a) the transfer of the requisite money to the Public Issue Account against each valid ASBA, (b) the withdrawn/rejected/unsuccessful ASBA Bids, (c) the excess amount, if any, in the ASBA Account. However, the Bid 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 finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date.
- (b) As per the SEBI Regulations, **Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees.** Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- a. Check if you eligible to Bid under ASBA process.
- b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- d. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.
- e. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM.
- f. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- g. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- h. Ensure that you have funds equal to the Bid Amount available in ASBA account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- i. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- j. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- k. Ensure that you have mentioned your Permanent Account Number ("**PAN**") allotted under the I.T. Act.
- l. Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.
- m. Ensure that the Demographic Details are updated, true and correct, in all respects.

**Don'ts:**

- a. Do not submit an ASBA Bid if you are a QIB.
- b. Do not Bid for lower than the minimum Bid size.
- c. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- d. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- e. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- f. Do not submit more than five ASBA bid cum application forms per bank account for the Issue..
- g. Do not submit the GIR number instead of the PAN Number.
- h. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- a. Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
- b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
- d. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount does not exceed the maximum investments limits prescribed under law.
- e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME AND PAN GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained

from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

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 ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall encure deletion of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of the Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one ASBA Bid cum Application Form. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder 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 described in "Issue Procedure-Multiple Bids" on page 222.



Permanent Account Number

For details, see “Permanent Account Number or PAN” on page 223.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under “Grounds for Rejection” on page 223, applications under the ASBA process are liable to be rejected on, inter alia, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Submission of more than five ASBA Bid cum Application forms per account;
3. Age of first Bidder not given;
4. Bid made by QIBs;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. PAN not stated, or GIR number furnished instead of PAN. See “Issue Procedure - PAN or GIR Number” on page 223;
7. Bids for number of Equity Shares, which are not in multiples of [●];
8. Authorisation for blocking funds in the ASBA Bidder’s bank account not ticked or provided;
9. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
10. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
11. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
12. ASBA Bid cum Application Form does not have the Bidder’s depository account details;
13. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
14. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;
15. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), PAN, the DP ID and the beneficiary account number; and
16. ASBA Bid cum Application forms not being signed by the account holder, if the account holders is different from the bidder.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was

submitted and bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with obligations under applicable SEBI Regulations. ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre-issue or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled “Issue Procedure- Impersonation” on page 231.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section “Issue Procedure- Basis of Allocation” on page 226.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under “Issue Procedure- Undertaking by our Company”, with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see section “Issue Procedure- Utilization of Issue Proceeds” on page 231.



SECTION IX - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restriction on transfer and transmission of Equity Shares / Debenture and/or their consolidation / splitting are detailed below.

SHARE CAPITAL AND VARIATION OF RIGHTS

5.	<p>(a) The Authorised Share Capital of the Company shall be such as mentioned in clause V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and / or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.</p> <p>(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up.</p>
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INCREASE REDUCTION AND ALTERATION OF CAPITAL

6.	The Company may from time to time in General Meeting increase its Share Capital by the issue of new shares of such amounts as it thinks expedient.
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ON WHAT CONDITIONS THE NEW SHARES MAY BE ISSUED

	<p>(a) Subject to the provisions of sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the General Meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.</p>
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FURTHER ISSUE OF SHARES

	<p>(b) Where at any time after the expiry of two years from the formation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then</p> <p>(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital paid up on those shares at that date.</p> <p>(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(iii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right.</p>
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	<p>(iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of directors may dispose of them in such manner as they think most beneficial to the Company.</p> <p>(c) Notwithstanding anything contained in the preceding sub-clause (1), the further shares aforesaid may be offered to any persons [whether or not those persons include the persons referred to in clause sub-clause (1)] in any manner whatsoever:-</p> <p>(i) if a special resolution to that effect is passed by the company in general meeting, or</p> <p>(ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>(d) Nothing in clause (c) above shall be deemed -</p> <p>(i) to extend the time within which the offer should be accepted, or</p> <p>(ii) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> <p>(e) Nothing in this article shall apply -</p> <p>to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company -</p> <p>(i) to convert such debentures or loans into shares in the company, or</p> <p>(ii) to subscribe for shares in the company;</p> <p>Provided that the terms of issue of such debentures or the terms of such loans includes a term providing for such option and such term:</p> <p>(a) either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules 197, if any, made by that Government in this behalf; and</p> <p>(b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.</p>
	SHARES AT THE DISPOSAL OF THE DIRECTORS
	<p>(e) Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.</p>
	SAME AS ORIGINAL CAPITAL
	<p>(f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares shall be considered as part of the original Capital and shall be subject to the provisions herein contained with reference to the</p>



	payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.
	REDUCTION OF CAPITAL
9.	<p>The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be:</p> <p>(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;</p> <p>(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up Share Capital which is lost or is unrepresented by available assets; or</p> <p>(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up Share Capital which is in excess of the wants of the Company;</p> <p>and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its Share Capital and of its shares accordingly.</p>
	DIVISION, SUB-DIVISION, CONSOLIDATION, CONVERSION AND CANCELLATION OF SHARES
10.	<p>Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say it may:</p> <p>(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;</p> <p>(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;</p> <p>(c) covert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;</p> <p>(d) cancel, shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled.</p>
	NOTICE TO REGISTER OF CONSOLIDATION OF SHARE CAPITAL, CONVERSION OF SHARES INTO STOCKS ETC.
11.	<p>(a) If the Company has :</p> <p>(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;</p> <p>(ii) converted any shares into stock;</p> <p>(iii) reconverted any stock into shares;</p> <p>(iv) sub-divided its share or any of them;</p> <p>(v) redeemed any redeemable preference shares; or</p> <p>(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,</p> <p>the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.</p> <p>(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.</p>
	MODIFICATIONS OF RIGHTS
	If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise, is



12.	divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to General Meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be quorum.
	SHARES AND CERTIFICATES
	ISSUE OF FURTHER SHARES NOT TO AFFECT RIGHT OF EXISTING SHARE HOLDERS
13.	The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking <i>pari passu</i> therewith.
	REGISTER OF MEMBERS AND DEBENTURE HOLDERS
15.	(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act. (b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filling of Annual Returns. (c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, Copies of Annual Returns and giving inspection thereof and furnishing copies thereof.
	SHARES TO BE NUMBERED PROGRESSIVELY AND NO SHARES TO BE SUBDIVIDED
18.	The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
	SHARES AT THE DISPOSAL OF THE DIRECTORS
19.	Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
	EVERY SHARE TRANSFERABLE ETC.
20.	(i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles. (ii) Each share in the Company shall be distinguished by its appropriate number. (iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be <i>prima facie</i> evidence of the title of the member of such shares.
	APPLICATION OF PREMIUM RECEIVED ON ISSUE OF SHARES



21.	<p>(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the Share Premium Account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the Share Premium Account were paid-up Share Capital of the Company.</p> <p>(b) The Share Premium Account may, notwithstanding, anything in clause (a) above, be applied by the Company.</p> <p>(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;</p> <p>(ii) in writing off the preliminary expenses of the Company;</p> <p>(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or</p> <p>(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.</p>
	SALE OF FRACTIONAL SHARES
22.	<p>If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
	BUY BACK OF SHARES
22A	<p>Notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77 A and 77 B of the Act and Securities & Exchange Board of India (Buy back of Securities) Regulations 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resell any of its own fully/partly paid or redeemable Preference Shares or Equity Shares and any other security as may be specified under the Act, Rules and regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the Board may in its discretion decide and deem fit. Such Shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.</p>
	ACCEPTANCE OF SHARES
23.	<p>An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.</p>
	DEPOSITS AND CALLS ETC. TO BE A DEBT PAYABLE IMMEDIATELY
24.	<p>The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt, due to and recoverable by the</p>



	Company from the allottee thereof, and shall be paid by him accordingly.
	TRUSTS NOT RECOGNIZED
25.	Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.
	ISSUE OF CERTIFICATES OF SHARES TO BE GOVERNED BY SECTION 84 OF THE ACT ETC.
26.	(a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any Stock Exchange where the shares of the Company may be listed for the time being.
	CERTIFICATE OF SHARES
	(b) The Certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time. (c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.
	LIMITATION OF TIME FOR ISSUE OF CERTIFICATE
27.	(a) Every member shall be entitled, without payment, to one or more Certificate in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide. or within two months of the receipt of application of registration of transfer transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors may prescribe or approve provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders. (b) The Company shall not entertain any application for split of share / debenture certificate for less than 10 (Ten) Equity Shares / 10 (Ten) debentures (all relating to the same series) in market lots as the case may be. Provided however this restriction shall not apply to an application made by the existing members or debenture holders for split of share / debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company. (c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulations) Act, 1956 as may be applicable.
	ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED
28.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or



	<p>destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under these Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or Rules applicable in this behalf.</p>
29.	The provisions of these Articles shall mutatis mutandis apply to debentures of the Company.
	CALLS
	DIRECTORS MAY MAKE CALLS
31.	The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares / debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members / debenture holders in respect of all moneys unpaid on the shares / debentures held by them respectively and such members / debenture holders shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Directors. A Call may be made payable by installments. A call may be postponed or revoked as the Board may determine. The option or right to call of shares shall not be given to any of the person except with the sanction of the Issuer in general meeting.
	CALLS TO DATE FROM RESOLUTION
32.	A call shall be deemed to have been made at the time when the resolution of the Directors authorising such Call was passed and may be made payable by members / debenture holders on a subsequent day to be specified by the Directors.
	NOTICE OF CALL
33.	Thirty days notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members / debenture holders revoke the same.
	DIRECTORS MAY EXTEND TIME
34.	The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members / debenture holders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member / debenture holder shall be entitled to such extension, save as a matter of grace and favour.
	SUMS DEEMED TO BE CALLS
35.	Any sum, which by the terms of issue of a share / debenture becomes payable on allotment or at any fixed date whether on account of the nominal value of the share / debenture or by way of premium, shall for the purposes of these Articles be deemed to be a Call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a Call duly made and notified.
	INSTALLMENTS ON SHARES TO BE DULY PAID
36.	If by the condition of allotment of any shares the whole or part of the amount of 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 and from time to time, shall be the registered holder of the share or his legal representative.
	CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS
37.	Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. Explanation: For the purpose of this provision, shares of the same nominal value on which different amount have been paid up shall not be deemed to fall under the same class.
	LIABILITY OF JOINT HOLDERS OF SHARES
38.	The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.
	WHEN INTEREST ON CALL OR INSTALLMENT PAYABLE
39.	If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to time of actual payment but the Directors may waive payment of such interest wholly or in part.
	PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE
40.	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
	PROOF ON TRIAL OF SUITS FOR MONEY DUE ON SHARES
41.	On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
	PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST
42.	(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him beyond the sum actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced. (b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
43.	The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.



LIEN	
	COMPANY'S LIEN ON SHARES/DEBENTURES
44.	The Company shall have first and paramount lien upon all the shares / debentures (other than fully paid up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any shares / debentures shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this Clause.
	AS TO ENFORCING LIEN BY SALE
45.	For the purpose of enforcing such lien, the Board may sell the shares / debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and / or debentures and may authorize one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member / debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and / or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
	APPLICATION OF PROCEEDS OF SALE
46.	(a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and / or debentures at the date of the sale.
	OUTSIDERS LIEN NOT TO AFFECT COMPANY'S LIEN
	(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.
FORFEITURE	
	IF CALL OR INSTALLMENT NOT PAID NOTICE MUST BE GIVEN
47.	(a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any shares or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
	FORM OF NOTICE
	(b) The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or



	instalment or such part or other moneys is or are payable will be liable to be forfeited.
	IN DEFAULT OF PAYMENT SHARES OR DEBENTURES TO BE FORFEITED
48.	If the requirements of any such notice as aforesaid are not complied with any share / debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actual paid before the forfeiture.
	ENTRY OF FORFEITURE IN REGISTER OF MEMBERS/DEBENTURE HOLDERS
49.	When any shares / debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or Debenture Holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
	FORFEITED SHARE/DEBENTURE TO BE PROPERTY OF COMPANY AND MAY BE SOLD
50.	Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.
	POWER TO ANNUAL FORFEITURE
51.	The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annual forfeiture thereof upon such conditions as they think fit.
	SHAREHOLDERS OR DEBENTURE HOLDERS STILL LIABLE TO PAY MONEY OWING AT TIME OF FORFEITURE AND INTEREST
52.	Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.
	EFFECT OF FORFEITURE
53.	The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.
	CERTIFICATE OF FORFEITURE
54.	A certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made and that forfeiture of the share or debenture was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.
	VALIDITY OF SALES UNDER ARTICLES 45 AND 50
55.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be



	entered in the Register of Members or Register of Debenture Holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of Members or Debenture Holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.
	CANCELLATION OF SHARE/DEBENTURE CERTIFICATE IN RESPECT OF FORFEITED SHARES/DEBENTURES
56.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.
	TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES/DEBENTURES
57.	The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.
	SURRENDER OF SHARES OR DEBENTURES
58.	The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.
	TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES
	REGISTER OF TRANSFERS
59.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.
	FORM OF TRANSFER
60.	The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
	'DEMATERIALIZATION OF SECURITIES'
60A	<p>(1) The provisions of this Article shall apply notwithstanding any thing to the contrary contained in any other Article of these Articles.</p> <p>(2) (i) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>(ii) Option for Investors: Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities. If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.</p> <p>(iii) Securities in Depository to be in fungible form:- All Securities of the Company held by the Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C & 372A of the Act shall</p>

	<p>apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</p> <p>(iv) Rights of Depositories & Beneficial Owners:-</p> <p>(a) Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>(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 which are held by a depository.</p> <p>(v) Service of Documents:-</p> <p>Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>(vi) Transfer of Securities:-</p> <p>Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>(vii) Allotment of Securities dealt with in a depository:-</p> <p>Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>(viii) Register and Index of Members:-</p> <p>The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>
	INSTRUMENT OF TRANSFER TO BE EXECUTED BY TRANSFEROR AND TRANSFEE
61.	Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.
	DIRECTORS MAY REFUSE TO REGISTER TRANSFER
62.	(a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion any by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either; alone or jointly with any account whatsoever except when the company has lien the shares. Transfer of shares/debentures in whatever lot shall



	<p>not be refused.</p> <p>(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.</p>
	TRANSFER OF SHARES
63.	<p>(a) An application of registration of the transfer of shares 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 partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, 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 of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.</p> <p>(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.</p> <p>(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.</p> <p>(d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.</p> <p>(e) The Company shall accept all applications for transfer of shares / debentures, however, this condition shall not apply to requests received by the Company.</p> <p>(A) for splitting of a share or debenture certificate into several scripts of very small denominations;</p> <p>(B) proposals for transfer of shares / debentures comprised in a share / debenture certificate to several parties involving, splitting of a share / debenture certificate into small denominations and that such split / transfer appears to be unreasonable or without any genuine need.</p> <p>(i) transfer of equity shares / debentures made in pursuance of any statutory provisions or an order of a Competent Court of law;</p> <p>(ii) the transfer of the entire equity shares / debentures by an existing shareholder / debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.</p> <p>(iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) Debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares / 10 (ten) debentures.</p> <p>(iv) the transfer of less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) to the existing share holder / debenture holder subject to verification by the Company.</p>



	<p>Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).</p> <p>(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.</p>
	CUSTODY OF INSTRUMENT OF TRANSFER
64.	<p>The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.</p>
	TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED
65.	<p>The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.</p>
	TRANSFER TO MINORS ETC.
66.	<p>Only fully paid shares or debentures shall be transferred to a minor acting through his / her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.</p>
	TITLE TO SHARES OF DECEASED HOLDER
67.	<p>The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.</p>
	REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER
68.	<p>(a) Subject to the provisions of Articles 67 and 77(d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.</p> <p>(b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.</p>
	'NOMINATION'
	<p>(c) (1) Every Shareholder or Debenture holder or Deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the</p>



	<p>event of his death in such manner as may be prescribed under the Act.</p> <p>(2) Where the Shares or Debentures or Deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under Section 58A (11) and 109A of the Act.</p> <p>(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or Deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.</p> <p>(4) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or Deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.</p>
	'TRANSMISSION OF SHARES OR DEBENTURES'
	<p>(d) (1) A nominee, upon production of such evidence as may be required by the Board and subject to provisions of Section 109B of the Act and as hereinafter provided, elect, either –</p> <p>(a) to register himself as holder of the Share or Debenture, as the case may be; or</p> <p>(b) to make such transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.</p> <p>(2) if the nominee elects to be registered as holder of the Share or Debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.</p> <p>(3) a nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.</p> <p>provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.</p>
	CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE
69.	<p>The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interest, bonuses or other moneys payable in respect of the share unit the requirements of the notice have been complied with.</p>
	PERSONS ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS MEMBER
70.	<p>A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may</p>



	give a discharge for any dividends, bonuses or other moneys payable in respect of the share / debenture.
71.	Article 70 shall not prejudice the provisions of Articles 44 and 55.
	REFUSAL TO REGISTER NOMINEE
72.	The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
	DIRECTORS MAY REQUIRE EVIDENCE OF TRANSMISSION
73.	Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
	NO FEES ON TRANSFER OR TRANSMISSION
74.	No fees shall be charged for registration of transfer transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death of Marriage, Power of Attorney or similar other document.
	THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER
75.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give affect thereto if the Directors shall so think fit.
76.	The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.
	JOINT HOLDERS
	JOINT-HOLDERS
77.	Where two or more persons are registered as the holders of any shares / debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
	NO TRANSFER TO MORE THAN FOUR PERSONS AS JOINT HOLDERS
	(a) The joint holders of any share / debenture shall be liable severally four persons as the holders of any share / debentures.
	TRANSFER BY JOINT HOLDERS
	(b) In the case of a transfer of shares / debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.
	LIABILITY OF JOINT HOLDERS
	(c) The joint holders of any share / debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share / debenture.
	DEATH OF ONE OR MORE JOINT HOLDERS
	(d) On the death of any one or more of such joint holders the survivor / survivors shall be the only person or persons recognised by the Company as having any title to the share /



	debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares / debentures held by him jointly with any other person.
	RECEIPT OF ONE SUFFICIENT
	(e) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share / debenture.
	DELIVERY OF CERTIFICATE AND GIVING OF NOTICES TO FIRST NAMED HOLDER
	(f) Only the person whose name stands first in the Register of Members / debenture holders as one of the joint holders of any shares / debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice which expression shall be deemed to include all documents as defined in Article (2)(a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.
	VOTE OF JOINT HOLDERS
	(g) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.
	BONDS, DEBENTURES ETC. TO BE SUBJECT TO THE CONTROL OF DIRECTORS
80.	Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company. Provided that bonds, debentures, debenture stocks or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution.
	SECURITIES MAY BE ASSIGNABLE FREE FROM EQUITIES
81.	Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
	ISSUE AT DISCOUNT ETC. OR WITH SPECIAL PRIVILEGES
82.	Any bonds, debenture stocks, or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following :
	DEBENTURES WITH VOTING RIGHTS NOT TO BE ISSUED
	(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business. (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act. (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act. (d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in section 125 of the Act. (e) The term 'charge' shall include mortgage in these Articles. (f) A contract with the Company to take up and pay for any debentures of the Company may



	be enforced by a decree for specific performance.
	LIMITATION OF TIME FOR ISSUE OF CERTIFICATE
	<p>(g) The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide.</p> <p>The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.</p>
	RIGHT TO OBTAIN COPIES OF THE INSPECT TRUST DEED
	<p>(h) (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.</p> <p>(1) In the case of a printed Trust Deed of the sum of Rupee One and</p> <p>(2) In the case of a Trust Deed which has not been printed of thirty seven paise for every one hundred words or fractional part thereof required to be copied.</p> <p>(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.</p>
	MORTGAGE OF UNCALLED CAPITAL
83.	If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled Capital in trust for the person in whose favour such mortgage or security is executed.
	INDEMNITY MAY BE GIVEN
84.	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
	REGISTRATION OF CHARGES
85.	<p>(a) The provisions of the Act relating to registration of charges shall be complied with.</p> <p>(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.</p> <p>(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.</p> <p>(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any persons acquiring such property or any part thereof or any share as interest therein shall be deemed to have notice of the charge as from the date of such registration.</p> <p>(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.</p> <p>(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.</p> <p>(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.</p>



	<p>(h) The Provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.</p> <p>(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.</p> <p>(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.</p> <p>(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Managers as therein provided.</p> <p>(l) The Company shall also comply with the provisions of section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.</p> <p>(m) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case :</p> <p>(i) a short description of the property charged;</p> <p>(ii) the amount of the charge; and</p> <p>(iii) except in the case of securities to bearer, the names of persons entitled to the charge.</p> <p>(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.</p>
	TRUST NOT RECOGNIZED
86.	No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.
	SHARE WARRANTS
	POWER TO ISSUE SHARE WARRANTS
87.	The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the board may from time to time require issue a share warrant.
	DEPOSIT OF SHARE WARRANT
88.	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of Members as the holder of the share included in the deposited warrant.</p> <p>(b) Not more than one person shall be recognised as depositor of the share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>
	PRIVILEGES AND DISABILITIES OF THE HOLDERS OF SHARE WARRANT
89.	<p>(a) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any of privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.</p>



	ISSUE OF NEW SHARE WARRANT OR COUPON
90.	The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
	CONVERSION OF SHARES INTO STOCK AND RECONVERSION
	SHARES MAY BE CONVERTED INTO STOCK
91.	The Company in general meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.
	RIGHTS OF STOCK HOLDERS
92.	The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profit of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privileges or advantages.
	GENERAL MEETINGS
	ANNUAL GENERAL MEETING
93.	Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that if the Registrar for any special reason extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.
	SUMMARY OF ANNUAL GENERAL MEETING
	Company may in any one general meeting fix the place for its any annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Director's Report the audited statements of accounts and auditor's report (if any, not already incorporated in the audited statement of accounts). The proxy registered with the Company and Register of Director's Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
	TIME AND PLACE OF ANNUAL GENERAL MEETING
94.	Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.
	SECTIONS 171 TO 186 OF THE ACT SHALL APPLY TO MEETINGS.
95.	Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general meetings of the Company.



	POWERS OF DIRECTOR'S TO CALL EXTRAORDINARY GENERAL MEETING
96.	Directors may call an extraordinary general meeting of the Company whenever they think fit.
	CALLING OF EXTRA ORDINARY GENERAL MEETING ON REQUISITION
97.	<p>(a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.</p> <p>(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.</p> <p>(c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.</p> <p>(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.</p> <p>(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.</p> <p>(f) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called:</p> <p>(i) by the requisitionists themselves;</p> <p>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.</p> <p>Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 189 of the Act.</p> <p>(g) A meeting, called under clause (f) above, by the requisitionists or any of them:</p> <p>(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but</p> <p>(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.</p> <p>Explanation: Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.</p> <p>(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.</p> <p>(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
	LENGTH OF NOTICE FOR CALLING MEETING
98.	<p>(a) A general meeting of the Company may be called by giving not less than twenty one days' notice in writing.</p> <p>(b) A general meeting of the Company may be called after giving shorter notice than that</p>



	<p>specified in clause (a) above, if consent is accorded thereto;</p> <p>(i) in the case of an annual general meeting by all the members entitled to vote thereat; and</p> <p>(ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety five) per cent of such part of the paid up capital of the Company as gives a right to vote at the meeting;</p> <p>Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.</p>
	CONTENTS AND MANNER OF SERVICE OF NOTICE AND PERSONS ON WHOM IT IS TO BE SERVED
99.	<p>(a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(b) Notice of every meeting of the Company shall be given :</p> <p>(i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;</p> <p>(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;</p> <p>(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member of members of the Company and</p> <p>(iv) to all the Directors of the Company</p> <p>Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p> <p>(c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.</p>
	EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE
100.	<p>(A) For the purpose of this Article:</p> <p>(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to</p> <p>(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.</p> <p>(b) the declaration of a dividend;</p> <p>(c) the appointment of Directors in the place of those retiring, and</p> <p>(d) the appoint of and the fixing of the remuneration of the auditors, and</p> <p>(ii) in the case of any other meetings, all business shall be deemed special.</p> <p>(B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.</p> <p>Provided that where any item of special business as aforesaid to be transacted at a</p>



	meeting of the Company relates, to or affects, any other Company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act. (C) Where any item of business consist of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.
	QUORUM FOR MEETING
101	(a) Five members personally present shall be the quorum for a general meeting of the company.
	IF QUORUM NOT PRESENT MEETING TO BE DISSOLVED OR ADJOURNED
	(b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved. (ii) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place, as the Board may determine.
	ADJOURNED MEETING TO TRANSACT BUSINESS
	(c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.
	PRESENCE OF QUORUM
102.	(a) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.
	BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILST CHAIR VACANT
	(b) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.
	CHAIRMAN OF GENERAL MEETING
	(c) (i) The chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of the themselves to be the Chairman. (ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen) minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.
	CHAIRMAN WITH CONSENT MAY ADJOURN THE MEETING
	(d) The Chairman with the consent of the meeting may adjourn any meeting from time to time and place to place in the city, town or village where the registered office of the Company is situate.
	BUSINESS AT ADJOURNED MEETING
	(e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
	NOTICE OF ADJOURNED MEETING
	(f) When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.
	IN WHAT CASES POLL TAKEN WITH OR WITHOUT ADJOURNMENT
	(g) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other



	than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
	PROXIES
103.	<p>(a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting. Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.</p> <p>(b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.</p> <p>(c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.</p> <p>(d) The instrument appointing a proxy shall:</p> <ul style="list-style-type: none"> (i) be in writing, and (ii) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
	FORM OF PROXY
	<p>(e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form.</p> <p>(f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.</p> <p>(g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.</p>
	VOTES OF MEMBERS
	RESTRICTIONS ON EXERCISE OF VOTING RIGHTS OF MEMBERS WHO HAVE NOT PAID CALLS
104.	<p>(a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.</p> <p>(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.</p>
	RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID
105.	A member is not prohibited for exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.
	EQUAL RIGHTS OF SHARE HOLDERS
106.	Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
	VOTING TO BE BY SHOW OF HANDS IN FIRST INSTANCE
	At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded



107.	under Section 179 of the Act be decided on a show of hands.
108.	(a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.
	NO VOTING BY PROXY ON SHOW OF HANDS
	(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.
	HOW MEMBERS NON COMPOS MINUTES AND MINOR MAY VOTE
	(c) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
	VOTES IN RESPECT OF SHARES OF DECEASED OR INSOLVENT MEMBERS ETC.
	(d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
	CUSTODY OF INSTRUMENT
	(e) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.
	VALIDITY OF VOTES GIVEN BY PROXY NOTWITHSTANDING DEATH OF MEMBERS ETC.
	(f) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.
	TIME FOR OBJECTIONS FOR VOTE
	(g) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.
	CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF ANY VOTE
	(h) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
	CHAIRMAN'S DECLARATION OF RESULT OF VOTING BY SHOW OF HANDS TO BE CONCLUSIVE
109.	A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company,



	shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
	DEMAND FOR POLL
110.	<p>(a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.</p> <p>(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>
	TIME OF TAKING POLL
111.	<p>(a) A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>
	RIGHT OF A MEMBER TO USE HIS VOTES DIFFERENTLY
112.	On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.
	SCRUTINEERS AT POLL
113.	<p>(a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.</p> <p>(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.</p> <p>(c) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.</p>
	MANNER OF TAKING POLL AND RESULT THEREOF
114.	<p>(a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.</p> <p>(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.</p>
	CASTING VOTE
115.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.
	REPRESENTATION OF BODY CORPORATE
116.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.
	REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS
117.	(a) The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.



	(b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.
	PUBLIC TRUSTEE
	(c) The Company shall observe the provisions of Section 187B of the Act, in regard to the Public Trustee.
	CIRCULATION OF MEMBER'S RESOLUTION
118.	The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolution.
	RESOLUTION REQUIRING SPECIAL NOTICE
119.	The company shall comply with provisions of section 190 of the act relating to resolution requiring special notice.
	RESOLUTIONS PASSED AT ADJOURNED MEETING
120.	The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.
	REGISTRATION OF RESOLUTIONS AND AGREEMENTS
121.	The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.
	MINUTES OF PROCEEDINGS OF GENERAL MEETING AND OF BOARD AND OTHER MEETINGS
122.	<p>(a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>(i) the names of the Directors present at the meetings, and</p> <p>(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>(g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>(i) is or could reasonably be regarded, as defamatory of any person</p> <p>(ii) is irrelevant or immaterial to the proceedings; or</p> <p>(iii) is detrimental to the interests of the Company.</p>



	The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.
	MINUTES TO BE CONSIDERED TO BE EVIDENCE
	(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.
	PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED
123.	Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.
	INSPECTION OF MINUTES BOOKS OF GENERAL MEETINGS
124.	<p>(a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>(i) be kept at the registered office of the Company, and</p> <p>(ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.</p>
	PUBLICATION OF REPORTS OF PROCEEDING OF GENERAL MEETINGS
125.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.
	BOARD OF DIRECTORS
	NUMBER OF DIRECTORS
127.	Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than three and not more than twelve.
	DEBENTURE DIRECTORS
130.	Any Trust Deed for securing debentures or debenture stocks, may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of debentures or debenture stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
	APPOINTMENT OF CHAIRMAN
137.	The Directors may from time to time elect among themselves a chairman of the Board and determine the period for which he is to hold office if at any meeting of the Board, the chairman is not present within fifteen minutes after the time appointed for holding the same, the directors present may choose one of their members to be chairman of the meeting.
	DIRECTORS NOT TO ACT WHEN NUMBER FALLS BELOW MINIMUM



143.	When the number of Directors in Office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.
	ELIGIBILITY
144.	A Person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.
	LIMIT OF DIRECTOR'S NUMBERS
166.	Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.
	SEAL
177.	<p>The seal its custody and use</p> <p>(a) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of the Directors previously given, and in the presence of one Director or a Committee of the Directors previously given, and in the presence of one Director at the least, who shall sign every instrument to which the Seal is so affixed in his presence.</p> <p>(b) Seal abroad The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such powers shall accordingly be vested in the Directors.</p>
	DIVIDENDS
	DIVISION OF PROFITS
179.	The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.
	DIVIDEND PAYABLE TO REGISTERED HOLDER
180.	No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.
	TIME OF PAYMENT OF DIVIDEND
181.	Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.
	CAPITAL PAID UP IN ADVANCE AND INTEREST NOT TO EARN DIVIDEND
182.	Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.
	DIVIDENDS IN PROPORTION TO AMOUNT PAID UP
183.	<p>(a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.</p> <p>(b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.</p>
	COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS
184.	The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.



	POWER OF DIRECTORS TO LIMIT DIVIDEND
185.	No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.
	DIVIDENDS ONLY TO BE PAID OUT OF PROFITS
186.	<p>No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that:</p> <p>(a) If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;</p> <p>(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.</p> <p>Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.</p> <p>Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.</p>
	DIRECTORS' DECLARATION AS TO NET PROFITS CONCLUSIVE
187.	The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
	INTERIM DIVIDENDS
188.	The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
	RETENTION OF DIVIDEND UNTIL COMPLETION OF TRANSFER UNDER ARTICLE
189.	The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under the clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
	NO MEMBER TO RECEIVE DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THEREFROM
190.	Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.
	TRANSFERRED SHARES MUST BE REGISTERED
191.	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
	DIVIDEND HOW REMITTED
	Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or re



192.	having the force of a cheque or warrant sent through ordinary post to the registered address of member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost by the member or person entitled thereto by the forged endorsement of any cheque or warrant or by fraudulent or improper recovery thereof by any other means.
	UNPAID OR UNCLAIMED DIVIDEND
193.	<p>(a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of TARA HEALTH FOODS LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.</p> <p>(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund account of the Central Government.</p> <p>No claim for such transferred amount will lie against the Company or Central Government.</p> <p>(c) No unpaid or unclaimed dividend shall be forfeited by the Board.</p>
	DIVIDEND AND CALL TOGETHER
194.	Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.
	DIVIDEND TO BE PAYABLE IN CASH
195.	No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.
	CAPITALISATION
	CAPITALISATION
196.	<p>(a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any money's investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised;</p> <p>(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or</p> <p>(ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.</p> <p>Provided that any amounts standing to the credit of the Share Premium Account may be applied in;</p> <p>(1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;</p> <p>(2) in writing off the preliminary expenses of the Company;</p>



	<p>(3) in writing of the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or</p> <p>(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.</p> <p>(b) Such issue and distribution under sub-clause (a)(i) above and such payment to the credit of unpaid share capital under sub-clause (a)(ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a)(i) or payment under sub-clause (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.</p> <p>(c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a)(ii) above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.</p> <p>(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.</p> <p>(e) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.</p>
197.	When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.
	RIGHT OF MEMBERS TO COPIES OF BALANCE SHEET AND AUDITOR'S REPORT
207.	A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by Law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before of the meeting.



AUDIT	
	ACCOUNTS TO BE AUDITED
209.	Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
	APPOINTMENT AND QUALIFICATION OF AUDITORS
210.	<p>(a) The Company at the annual general meeting each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting, and shall, within seven days of the appointment, give intimation thereof to every auditor so appointed.</p> <p>(b) At any annual general meeting, a retiring Auditor, by whatever authority appointed, shall be reappointed unless:</p> <ul style="list-style-type: none"> (i) he is not qualified for reappointment; (ii) he has given the Company notice in writing of his unwillingness to be reappointed; (iii) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed, or (iv) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with. <p>(c) Where at an annual general meeting no auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.</p> <p>(d) The Company shall, within seven days of the Central Government's power under sub-clause (c) becoming exercisable give notice of that fact to the Government.</p> <p>(e) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy be caused by the resignation of an auditor, the vacancy shall only be filled by the Company in general meeting.</p> <p>(f) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of the Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and the provisions of Section 225 of the Act shall apply in the matter. The provision of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.</p> <p>(g) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.</p> <p>(h) None of the persons mentioned in Section 226 of the Act as being not qualified for appointment as Auditors shall be appointed as Auditors of the Company.</p>
	REMUNERATION OF AUDITORS
212.	The remuneration of the Auditors shall be fixed by the Company in general meeting in such manner as the Company may in general meeting determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.
DOCUMENTS AND NOTICES	
	SERVICE OF NOTICE BY MEMBER
215.	<p>A notice may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a Certificate or posting or by registered post or by leaving it at its Registered Office.</p> <p>The term "Notice" in this and the following clauses shall include summons, notice, requisition, order, judgement or other legal papers and any document.</p>
	SERVICE OF NOTICE ON REGISTER
216.	A notice may be served on the Registrar by sending it to him at his office by post under a



	certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.
	SERVICE OF NOTICE ON MEMBER BY THE COMPANY
217.	<p>(a) A Notice may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving Notice to him.</p> <p>(b) Where a Notice is sent by post:</p> <p>(i) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and</p> <p>(ii) Such service shall be deemed to have been effected :</p> <p>(1) in the case of a Notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted, and</p> <p>(2) in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p>
	BY ADVERTISEMENT
	(c) A Notice advertised in a newspaper circulating in neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of Notice to him.
	ON JOINT HOLDER
	(d) Any notice may be served by the Company on the Joint-holders of a Share/debenture by serving it on the joint holder named first in the Register of member / debenture holders in respect of the share/debenture.
	ON PERSONAL REPRESENTATIVE
	(e) A Notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.
	NOTICE BY COMPANY AND SIGNATURES THERETO
218.	Any Notice given by the Company shall be signed by a Director, or by such Officer as the Directors may appoint and the signatures thereto may be written printed or lithographed.
	WINDING UP
	DISTRIBUTION OF ASSETS
220.	<p>(a) Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.</p> <p>(b) But this clause will not prejudice the rights of the holders of shares issued upon special</p>



	terms and conditions.
221.	Subject to the provisions of the Act.
	DISTRIBUTION IN SPECIE OR KIND
	<p>(a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributors, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.</p> <p>(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.</p> <p>(c) In case any shares to be divided as aforesaid involved a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.</p>
	RIGHTS OF SHAREHOLDERS IN CASE OF SALE
222.	Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.
	SECRECY CLAUSE
223.	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to this knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to required discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.</p>
	POSTAL BALLOT
228.	The Company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the company in accordance with the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof, for the time being in force or any amendments made thereto from time to time).



SECTION X - OTHER INFORMATION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated from 10.00 a.m. to 02.00 p.m. on working days from the date of the filing of this Red Herring Prospectus until the Bid / Issue Closing Date.

A. Material Contracts:

1. Memorandum of Understanding dated October 10, 2009 between our Company and the BRLM.
2. Memorandum of Understanding dated September 30, 2009 entered into with M/s. Bigshare Services Pvt Ltd. to act as Registrar to the Issue.
3. Syndicate Agreement dated [•] between our Company, the BRLM and the Syndicate Members.
4. Escrow Agreement dated [•] between our Company, the BRLM, the Syndicate Members, Escrow collection Banks and Registrar to the Issue.
5. Underwriting Agreement dated [•] between our Company, the BRLM and the Syndicate Member.

B. Documents for Inspection.

1. Certificate of Incorporation dated February 28, 1977 in the name of Angora Wool Combers Private Limited
2. Certificate of Incorporation dated December 02, 1986 consequent to change in name from Angora Wool Combers Private Limited to Ram Sahai Wool Combers Private Limited.
3. Certificate of Incorporation dated September 02, 2004 consequent to change in name from Ram Sahai Wool Combers Private Limited to Tara Feeds Private Limited
4. Certificate of Incorporation dated October 05, 2005 consequent to change in name from Tara Feeds Private Limited to Tara Feed Limited
5. Certificate of Incorporation dated June 11, 2008 consequent to change in name from Tara Feeds Limited to Tara Olive India Limited
6. Certificate of Incorporation dated November 24, 2008 consequent to change in name from Tara Olive India Limited to Tara Health Foods Limited
7. Memorandum and Articles of the Company as amended from time to time.
8. Tripartite agreements dated September 24, 2009 and September 24, 2009 with NSDL and CDSL respectively.
9. Copy of the resolution passed by the Board of Directors at their meeting held on July 01, 2009 approving the proposed public issue.
10. Copy of the special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956 in the Annual General Meeting of the Company held on August 06, 2009 approving the Initial Public Offering.
11. Consents of the Promoters, Directors, Auditors, Book Running Lead Managers, Legal Advisor, Registrar, Syndicate Members, Bankers to the Company, Bankers to the Issue, Company Secretary & Compliance Officer to act in their respective capacities and for inclusion of their names.
12. Resolution passed by the shareholders at the Annual General Meeting held on August 6, 2009 appointing M/s Raj Kumar Jindal & Co, Chartered Accountants as the Statutory Auditors of the Company.
13. Copies of the resolution passed by the shareholders at the Annual General Meeting held on January 2, 2009 appointing Mr. Balwant Singh as the Managing Director and Mr. Tejinder Singh as the Whole Time Director of the company.
14. Copies of Quotations obtained for purchase of equipments;
15. Certificate dated April 10, 2010 from M/s.Raj Kumar Jindal & Co, Chartered Accountants regarding the Statement of Tax Benefits.
16. Report of the Auditors dated April 10, 2010 on restated financial statements for the last five financial years period ended on March 31, 2009 and nine months period ended December 31, 2009 and his consent for inclusion of his report in the.



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17. Annual Reports of the Company for the last five Financial Years ended March 31, 2009 and nine months period ended December 31, 2009.
 18. Due Diligence certificate dated October 12, 2009 to SEBI from Atherstone Capital Markets Ltd.
 19. Application made for in-principle listing approval dated October 16, 2009 to the BSE and NSE.
 20. In-principle listing approval for this Issue dated January 05, 2010 from BSE and March 12, 2010 NSE.
 21. IPO Grading Report of Fitch Ratings India Private Limited dated April 16, 2010
 22. SEBI Observation Letter CFD/DIL/ISSUES/SK/EHM/ /2010 dated April 06, 2010.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the 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 certify that all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines issued, as the case may be. And that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Jaswant Singh

Mr. Balwant Singh

Mr. Tejinder Singh

Dr. Jaspinder Singh Kolar

Mr. Parshotam Bansal

Mr. Rajneesh Kumar

Mr. Shankar Jadvav
(Chief Executive Officer)

Mr. Jarnail Singh
(Chief Financial Officer and Compliance Officer)

Mr. Mohit Jindal
(Company Secretary)

Date: April 19, 2010

Place: Punjab

* Through his constituted power of attorney

Tara Health Foods Limited
Village Jitwal Kalan,
The. Malerkotla - 148203
District Sangrur, Punjab.

April 16, 2010

Dear Sir,

Re: IPO Grading for Tara Health Foods Limited, in connection with an initial public offering of 10,000,000 equity shares of INR 10 each (the "Shares")

You have requested the IPO Grading described above from Fitch Ratings India Pvt. Ltd. ("Fitch India"). This IPO Grading is a point-in-time assessment and does not constitute a credit rating by Fitch India of *Tara Health Foods Limited* or, for the avoidance of doubt, of the Shares. Our procedures for issuing a credit rating differ from the procedures used to issue the IPO Grading. In addition, a point-in-time assessment will not be monitored by Fitch India and therefore will not be updated to reflect changed circumstances or information that may affect the IPO Grading referred to in this letter.

This letter notifies you that, based largely upon our assessment of the fundamental financial strength of Tara Health Foods Limited, Fitch India assigns an IPO Grading for Tara Health Foods Limited of '2(ind)', out of a maximum of '5(ind)'.

This IPO Grading is based on the information and documents provided to us by you and other parties. Fitch India relies on all these parties for the accuracy of such information and documents. Fitch India did not audit or verify the truth or accuracy of such information and does not take responsibility for the appropriateness of the information provided and used in our analysis. Fitch India provides this IPO Grading "as is" and does not represent, warrant or guarantee (i) the accuracy, correctness, integrity, completeness or timeliness of any part of this IPO Grading, or (ii) that this IPO Grading and the information and analyses contained in, and constituting a part of, this IPO Grading will fulfill any of your or any third party's particular purposes or needs.

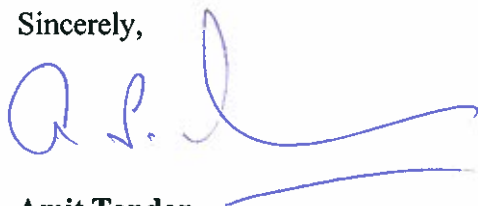
Fitch India is not your advisor, nor is Fitch India providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. This IPO Grading should not be viewed as a replacement for such advice or services. Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between you and us or between us and any third party, including, without limitation, any user of this IPO Grading.



As set out in the Fitch India fee letter, dated 22 February 2010, (i) Fitch India is not responsible for any underwriting, credit, loan, purchase, strategic or investment decision, or damages or other losses resulting from use of this IPO Grading and (ii) none of Fitch India, its officers, employees, affiliated companies and their officers and employees shall have any liability in contract, tort, or otherwise (including, without limitation, for any direct indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits) in relation to the use of this IPO Grading by any third party. The report providing this IPO Grading is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by you and your agents in connection with the sale of the Shares. In providing this IPO Grading, Fitch India is not making any recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan, or security of any issuer. This IPO Grading does not comment on the suitability of the issue process, the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Any person who uses this IPO Grading does so entirely at its own risk. Investors are advised to obtain individual financial advice based on their risk profile before taking any action based on this IPO Grading.

We are pleased to have had the opportunity to provide this IPO Grading to you. If we can be of further assistance, please contact either of the undersigned at 022 4000 1740.

Sincerely,



Amit Tandon
Managing Director



Rakesh Valecha
Senior Director

Food, Beverage & Tobacco/India IPO Grading report

Tara Health Foods Limited

Fitch IPO Grade 2(ind)

Fitch has assigned a grade of '2 (ind)' out of a maximum of '5 (ind)' to the proposed IPO of Tara Health Foods Limited. The grade indicates the below-average fundamentals of the issue relative to other listed equity securities in India

IPO Details

Tara Health Foods Limited proposes an IPO of 10,000,000 equity shares of INR10 each. The issue would constitute 33.28% of the post-issue paid-up capital of the company

Analysts

Himanshu Nayyar
+91 22 4000 1715
Himanshu.nayyar@fitchratings.com

Nikhil Gupta
+91 22 4000 1732
Nikhil.gupta@fitchratings.com

Related Research

Applicable Criteria

- [Corporate Rating Methodology](#)
(November 2009)

Shareholding Pattern

	Pre-issue		Post-issue	
	No. of shares	(%)	No. of shares	(%)
Promoter Group A				
Balwant Singh	5,619,900	28.04	5,619,900	18.71
Jaswant Singh	5,424,100	27.06	5,424,100	18.05
Kulwant Singh	4,779,500	23.85	4,779,500	15.91
Promoter Group B				
Tejininder Singh	187,000	0.93	187,000	0.62
Rajvir Kaur	132,000	0.66	132,000	0.44
Parminder Kaur	132,000	0.66	132,000	0.44
Ranjit Kaur	132,000	0.66	132,000	0.44
Balwant Singh HUF	297,000	1.48	297,000	0.99
Jaswant Singh HUF	297,000	1.48	297,000	0.99
Kulwant Singh HUF	297,000	1.48	297,000	0.99
Gurmukh Singh	550,000	2.74	550,000	1.83
Gurwinder Kaur	165,000	0.82	165,000	0.55
Tara Health Care Products	2,031,5500	10.14	2,031,5500	6.76
Total Promoter Holding	20,044,000	100.00	20,044,000	66.72
Public Issue			10,000,000	33.28
Total			30,044,000	100.00

Source: Company, Fitch

Grading Rationale

- The grading assigned to Tara Health Foods Limited (Tara) factors in its aggressive business growth over the past three years, although working capital requirements have also increased significantly in line with revenue growth. The company has moved from being a small cattle-feed manufacturer in 2005 to an integrated cattle feed manufacturer and edible oil refiner, after setting up its own refinery and solvent extraction plant. In turn, a positive demand environment for both cattle feed and edible oil has helped the company reach optimum utilisation levels in the nine-month period ending December 2009, as reflected in a significant increase in turnover and improving margin profile. Tara's strong distribution network in the rural areas of northern India, and a strong brand image, has helped increase its market share in a highly "unorganised" cattle feed market, and to gain acceptability for its blended oils.
- Fitch Ratings expects future growth to be largely dependent on the company's policies regarding purchasing and working capital management. Tara has a limited track record of setting up and managing operations on a large scale, although management is confident of maintaining operational performance even with expanded capacity in both its business segments. To mitigate the risk of commodity price volatility — with the raw materials being seasonal in nature — the company endeavours to procure inventories for the whole year during peak supply periods, and stores it after initial processing for use during the year.
- Tara's established distribution channels, branding strategy and product differentiation have helped it face competition from unorganised players, and to generate margins higher than the industry average. However, the company faces challenges due to its concentration in northern India, the need to increase acceptability of its products outside its key markets, and liquidity constraints on account of high inventory and receivable requirements. The plan to raise equity to meet a portion of its working capital requirements could provide a cushion to its overall liquidity.

- The '2(ind)' grading factors in Tara's inherent cost advantage given its proximity to both raw material sources and end-markets — which results in significant savings in freight costs. The grading also takes into account the expansion in the company's EBITDAR margin to 24.2% in 9MFY10 (FY09: 15.6%), due to a combination of low-cost inventory and full utilisation of current capacities resulting in higher efficiencies. Revenue growth has been high over the past three years, with sales of INR2,311m in 9MFY09 versus INR314m in FY07. Tara has been able to improve its credit metrics, with net debt/EBITDA improving to 2.98x in FY09 from 5.6x in FY07, and interest cover also improving — to 3.98x in FY09 compared with 3.22x in FY07.
- Tara is among the few Punjab-based organised players in the rice bran oil and cattle/poultry feed industry. It sells its products in Punjab, Haryana, Delhi and Jammu & Kashmir.

Company Background

Present management took over a company called Ram Sahai Wool Combers in 2004, with a view to undertaking cattle-feed manufacturing activities in a corporate structure under "Tara Health Foods" — as against scaling-up the existing cattle-feed activity which had been carried out in their partnership firm Tara Feeds Factory since 2001.

Management

The company's founders are Chairman Mr Jaswant Singh and Managing Director Mr Balwant Singh. The six-member board includes three independent members.

Board of Directors

Name	Age Designation
Jaswant Singh	47 Chairman
Balwant Singh	44 Managing Director
Tejinder Singh	29 Whole Time Director
Jaspinder Singh Kolhar	65 Independent Director
Parshotam Bansal	55 Independent Director
Rajneesh Kumar	28 Independent Director

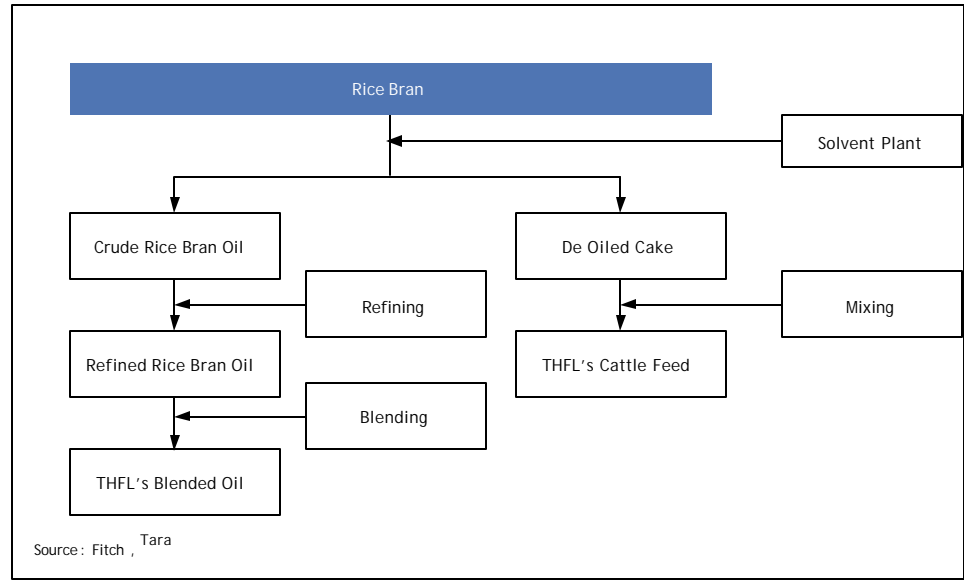
Source: Company Data

Business Overview

Catering to the needs of both human and animal nutrition, the company is focused on providing healthy and relatively cheaper products in both its business segments. It has tried integration of its operations by setting up a refinery and a solvent extraction plant in addition to its cattle-feed manufacturing plant. As of April 2010, the company has a 250 Tonnes Per Day (TPD) cattle feed plant, a 250TPD solvent extraction plant, and a 120 TPD edible oil refinery in Maler Kotla, Punjab, and another 250TPD cattle-feed plant in Uttaranchal. Cattle feed contributes about 60% of total revenue, and refined edible oils the rest 40%.

The company buys rice bran from the open market, and manufactures crude rice bran oil and rice bran de-oiled cakes in its solvent extraction plant. Rice bran gives out 85% of de-oiled cakes and 15% of rice bran oil (RBO) during the extraction process. This 85% of the output is used as the key ingredient for manufacturing cattle feed; and at current capacity, is enough to fulfil the entire requirements of the company in its Punjab plant, although the company has to purchase de-oiled cakes for its Uttaranchal cattle feed plant. The remaining 15% of crude rice bran oil is refined to make various types of refined edible oils, which include Rice Bran Oil, Olive Blended Oil and Cottonseed Oil. The oil from the solvent extraction plant is sufficient for about 33% of the company's RBO requirement. The 67% balance of crude rice bran oil is purchased locally from the open market.

Process Flow



Product Segments

The company's products can be divided into two major segments:

- **Oil**
 - Pure Refined Oil
 - ? Rice Bran Oil
 - ? Olive Oil
 - ? Cottonseed Oil
 - Blended **Refined Oil**
- **Animal Feed**
 - Cattle Feed
 - Poultry Feed

The animal feed segment contributes more to both total revenue and profit, as it is a higher-margin business — with the higher degree of value-addition being done in terms of product mixing, distribution and brand image. As far as rice bran and blended oils are concerned, prices are mostly market-dependent — which reduces the margins that Tara can generate from this segment.

Outlook for Demand and Pricing

The demand outlook for both segments in which the company operates is positive — given the increasing consumption of milk in the country, and the recent demonstration in consumer eating habits towards a shift from conventional edible oils to health-focussed edible oils. Cattle feed demand depends on the level of farmers' awareness and the increase in milk yield from using the cattle feed. The company is trying to increase awareness levels by organising regular seminars in villages. The R&D efforts are also going on simultaneously, to continuously improve the quality of the feed by obtaining regular feedback from farmers concerning the milk yield. The daily feed requirement also provides much downside support to demand, and makes demand inelastic to a certain extent.

In the edible oil segment, the major challenge is to shift consumers from traditional edible oils — like mustard, groundnut and sunflower — to rice bran and blended oils, which have been proved to be good for health. But as awareness increases, demand

is expected to pick up for this segment as well.

Pricing for edible oils is essentially market-driven, but the company can charge some premium for the value-addition and the patented refining process. But pricing for cattle feed is pretty flexible, and it is not very difficult to pass on any increases in raw material price to end-users — as has been demonstrated in the past.

Raw Material Sourcing Dynamics

The raw material for cattle feed entails various oil seeds cakes like rice bran, soybean, sunflower, mustard, maize, bajra, mineral mixtures and molasses. The company is located in the largest rice-producing district in Punjab, which is in turn the largest rice-producing state in India. Rice bran is purchased from rice millers based in Punjab, which ensures easy availability, competitive pricing and good quality. Other raw materials are available in Punjab or other neighbouring states like UP and Haryana.

In the case of edible oils, the company requires rice bran, crude olive oil and cotton seed oil. Rice bran oil and cotton seed oil is sourced from vendors within the country, whereas olive oil is imported from EU nations. As the availability of raw materials is seasonal in nature, the company has made warehousing arrangements to store sufficient raw materials.

The company has been quite successful in managing raw material price volatility in the last three years, by passing on any price increases to end-users. The company has revised its selling prices of cattle feed eight times in the last 12 months. There is no similar flexibility to change prices as far as edible oils are concerned, which explains the lower margins in that segment. According to the company, it can sustain around 25% margins in the cattle feed segment (which is about the industry average), and about 15% margins for edible oils — which is higher than the industry average due to the fact that the company gets a premium from the value-addition and blending with olive oil.

Distribution

Tara's major strength lies in its 2,500+ dealers spread over the northern Indian states of Punjab, Delhi, Himachal Pradesh and J&K, especially in rural areas. Distribution reach and brand image in rural areas is considered one of the biggest entry barriers in the cattle feed industry. The company has its own fleet of 35 trucks used for the delivery of end-products to the dealers/retailers at desired locations. Owning and operating its own fleet was considered necessary, with the extensive dealership network in remote villages and towns.

Sales and Marketing

Tara has been using a combination of various marketing techniques to establish its brand image and push through higher sales volumes. *Tara Gold*, a budget RBO brand, is sold through the retail format and has been able to gain market penetration due to its competitive price and quality. *Zaitoon Tara*, a premium blended oil brand, is marketed with selected organised and unorganised players, with the target audience being high-end localities in Metros and Tier 2 cities. The company has distributors in Delhi, Punjab and Himachal Pradesh, and is in the process of setting up distribution points in other areas as well.

Competition

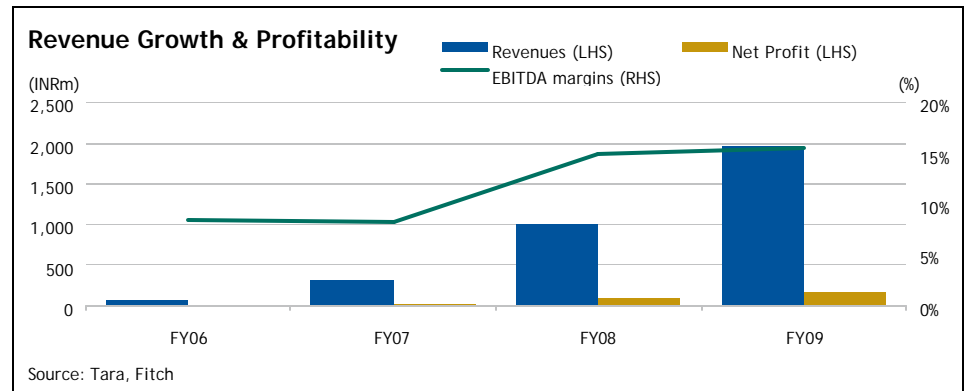
Competition depends on the product segments offered by other companies in the organised segment, besides other factors like quality, price, and capacity to deliver. The company has established its own brands to mitigate that risk. In the organised segment, major competitors could be Cargill India Pvt Ltd, Markfed, KS Oils Ltd and Sanwaria Agro Oils Ltd.

Financial Overview

Growth & Profitability

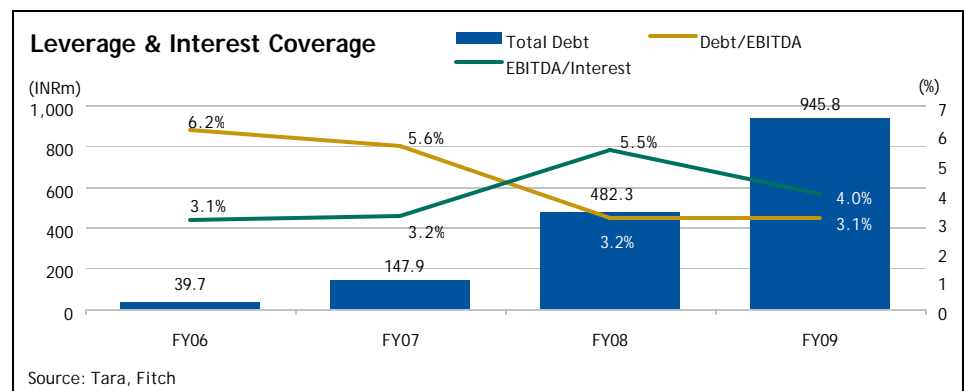
Revenue grew strongly over FY07-FY09, with sales of INR2,311m in 9MFY10 compared with INR314m in FY07. This has also been accompanied by an expansion in EBITDAR margin to 24.2% in 9MFY10, from 15.6% in FY09, due to a combination of low-cost inventory and full utilisation of current capacities resulting in higher efficiencies.

The company has a high dependence on the Punjab region, which contributed over 70% to revenue over FY09 and 9MFY10.

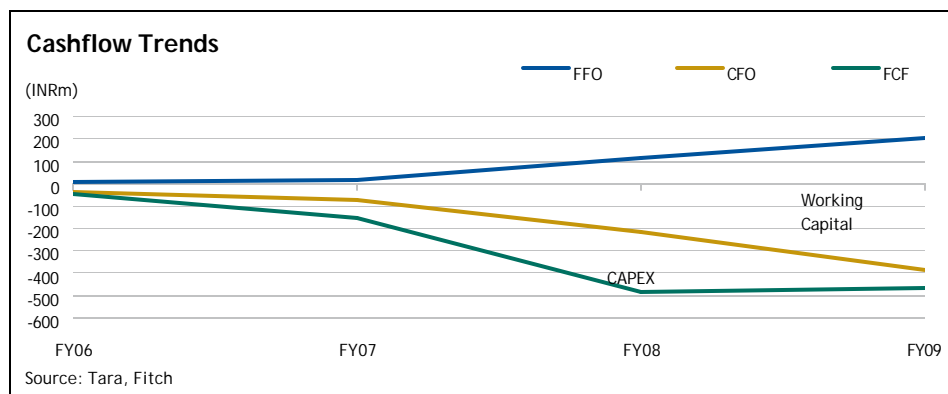


Leverage and interest cover

The company has had a trend of improving leverage levels and interest cover, as the expanded capacities have started generating revenue. Total debt in FY09 was INR 945.8m. Net debt/EBITDAR over the last two years has been slightly more than 3.0x (FY09: 3.1x and FY08: 3.2x), while interest cover remained comfortable at 4.0x in FY09.



With both businesses being working capital-intensive, cash from operations (CFO) has been negative from FY06-FY09, and Fitch expects it to remain that way in the medium term. With the company also incurring capex in the last three years, liquidity gets stretched further – with free cash flows (FCF) being negative. This is mainly attributed to the seasonality aspect where significant raw material inventories need to be maintained during the peak season, and also due to the retail products of the company where sufficient finished good stock of various product lines needs to be maintained with various dealers.



Expansion plans -Substantial Investment in Refining Capacity

The company has investment plans of INR1,298m over FY11. The entire fundraising requirement of funds is proposed from the proceeds of the IPO; and shortfalls, if any, would be financed through internal accruals.

Estimated Funding Requirement

Particular	(INRm)
300 TPD Edible Oil Refining Plant at current location	1253.18
250 TPD expansion of cattle feed plant at current location	45.20
Augmenting Long Term Working Capital Requirement	389.60
Total	1688.00

Source: DRHP

The major portion of this capex for the edible oil refining capacity and the fund deployment schedule will be as follows:

Funds Deployment Schedule

Particulars (INRm)	FY11				Total
	Q1	Q2	Q3	Q4	
Edible Oil Refining Plant	345.27	30.22	385.8	491.89	1253.18
Cattle Feed Plant	14.22	16.08	14.91	0	45.21
Total	359.49	46.3	400.71	491.89	1298.39

Source: DRHP

Annex 1

Financial Summary (INRm)

	FY09	FY08	FY07
Income Statement			
Revenues	1951.8	1012.2	314.0
Revenue Growth	92.8	222.3	349.1
EBIT	277.4	143.0	23.0
Interest Expense Net of Interest Income	76.4	27.6	8.1
Net Income	170.0	90.1	14.2
Balance Sheet			
Cash and Equivalents	39.7	10.3	2.2
Total Assets	1613.0	893.7	267.0
Short-term Debt	721.4	219.8	97.9
Senior Long-Term Debt	224.4	262.5	50.1
Subordinated Debt	0.0	0.0	0.0
Total Debt	945.8	482.3	148.0
Off-Balance Sheet Debt	0.0	0.0	0.0
Total Adjusted Debt	945.8	482.3	148.0
Preferred Stock + Minority Interests	0.0	0.0	0.0
Common Equity	541.4	333.6	82.4
Total Adjusted Capitalisation	1487.2	815.9	230.3
Cash Flow			
Operating EBITDAR ("Op. EBITDAR")	304.1	151.6	26.1
Cash Interest Paid, Net of Interest Received	76.4	27.6	8.1
Cash Tax Paid	21.0	14.7	1.5
Associate Dividends	0.0	0.0	0.0
Other Changes before Funds From Operations****	0.5	0.6	-0.1
Funds from Operations	207.2	109.9	16.4
Working Capital	-592.1	-328.7	-89.7
Cash Flow from Operations	-384.9	-218.9	-73.3
Non-Operational Cash Flow***	0.0	0.0	0.0
Capital Expenditure	85.6	267.4	77.6
Dividends Paid	0.0	0.0	0.0
Free Cash Flow	-470.5	-486.2	-150.9
Receipts from Asset Disposals	0.0	0.0	0.0
Business Acquisitions	0.0	0.0	0.0
Business Divestments	0.0	0.0	0.0
Exceptional & Other Cash Flow Items	0.0	0.0	0.0
Net Cash In/Outflow	-470.5	-486.2	-150.9
Equity Issuance/(Buyback)	36.4	160.0	41.5
FX movement	0.0	0.0	0.0
Other Items Affecting Cash Flow****	0.0	0.0	0.0
Net Cash Flow Available for Financing	-434.1	-326.2	-109.4
Closing Net Debt	906.1	472.0	145.8
Profitability			
Op. EBITDAR/Revenues (%)	15.6	15.0	8.3
EBIT/Revenues (%)	14.2	14.1	7.3
FFO Return on Adjusted Capital (%)	19.1	16.9	10.4
Credit Ratios			
Funds From Operations/Gross Interest Expense (x)	3.7	5.0	3.0
FFO Fixed Charge Cover (x)	3.7	5.0	3.0
Op. EBITDAR/Net Fixed Charges (x)	4.0	5.5	3.2
Adjusted Leverage/FFO (x)	3.3	3.5	6.2
Total Adjusted Debt Net of Cash/Op. EBITDAR (x)	3.0	3.1	5.7
Total Adjusted Debt/Total Adjusted Capitalisation (%)	63.6	59.1	64.2

Source: DRHP

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