

**DRAFT RED HERRING PROSPECTUS**

Please read Section 60B of the Companies Act, 1956

March 24, 2010

100% Book Built Issue

**RUSHIL DECOR LIMITED**

(Our Company was incorporated on May 24, 1993 as "Rushil Decor Private Limited" under the provisions of the Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra & Nagar Haveli and subsequently, the name of our Company changed to "Rushil Decor Limited" on December 4, 2007 vide a fresh certificate of incorporation on becoming a public limited company. Our Company has been allocated Corporate Identification Number U25209GJ1993PLC019532. For details of changes in our registered office, see the section "History and Other Corporate Matters" beginning on page no 126 of this Draft Red Herring Prospectus)

**REGISTERED OFFICE:** S.No. 125, Near Kalyanpura Patia, Gandhinagar Mansa Road, Village Ilta, Tal: Kalol, District: Gandhinagar – 382845 Gujarat, India, **Tel. No.** + 91 – 2764 – 287 487, 287 777;

**Fax No.** + 91 – 2764 – 287 700; **Website:** www.rushil.com; **Email:** ipo@rushil.com;

**Corporate Office:** 1, Krinkal Apartment, Mahalaxmi Society, Paldi, Ahmedabad – 380 007, Gujarat, India. **Tel No:** +91-79-2665 1346/ 2662 2 323; **Fax No:** +91-79-2664 0969; **Email id:** ipo@rushil.com; **website:** www.rushil.com; **Company Secretary & Compliance Officer:** Mr. Hasmukh Kanubhai Modi

**PROMOTERS OF THE COMPANY: MR. GHANSHYAMBHAI AMBALAL THAKKAR, MR. KRUPESH GHANSHYAMBHAI THAKKAR, MRS. KRUPA KRUPESH THAKKAR, M/S RUSHIL INTERNATIONAL, GHANSHYAMBHAI A. THAKKAR (HUF) AND KRUPESH THAKKAR (HUF)**

**Public Issue of 56,43,750 Equity Shares of Rs. 10/- each of Rushil Decor Limited (hereinafter referred to as the "Company" or "Issuer" or "RDL") at a price of Rs. [●] per Equity Share for cash aggregating Rs. [●] Lakhs (hereinafter referred to as the "Issue") including Promoter's Contribution of 2,43,750 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share for cash aggregating Rs. [●] Lakhs (hereinafter referred to as the "Promoter's Contribution") and issue to the public of 54,00,000 Equity Shares at a price of Rs. [●] per Equity Share aggregating Rs. [●] Lakhs (hereinafter referred to "Net Issue"). The Net Issue will constitute 37.50 % of the post Issue paid-up capital of our Company.**

**THE ISSUE PRICE: RS. [●] Per Equity Share of Face Value of Rs. 10/- each. The Issue Price is [●] Times the Face Value**

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 10 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 Limited (the "BSE") and The National Stock Exchange of India Limited (the "NSE"), by issuing a press release and by indicating the change on the websites of the Book Running Lead Manager (the "BRLM"), the Co- Book Running Lead Manager (the "CBRLM") and the terminals of the member(s) of the Syndicate.

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue (subject to mandatorily minimum 10%) will be allocated to Qualified Institutional Buyers (QIBs) on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, atleast 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and atleast 35% of the Net Issue 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.

The Issue is being made in terms of clause 26 (2) (a) (ii) & (b) (i) of SEBI (ICDR) Regulations, 2009, wherein the "Project" has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the Appraiser(s). In addition to this, at least 10% of the Issue size shall be allotted to QIBs, failing which, the full subscription money shall be refunded. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

**RISK IN RELATION TO FIRST ISSUE**

This being the first issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The Face Value of the Equity Shares is Rs.10/- and the Issue Price is [●] times of the Face Value. The Issue Price (has been determined and justified by the BRLM, CBRLM and the Issuer as stated under the chapter on "Basis for Issue Price" beginning on page 68 of the Draft Red Herring Prospectus) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

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 (the "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 13 of this Draft Red Herring Prospectus.**

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Issuer, having made all reasonable inquiries, accepts responsibility for and confirm that this Draft 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 Draft 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 Draft 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 [●] and has been assigned the "IPO Grading [●]", indicating [●]. For Details kindly refer 'General Information' beginning on page 35 and 'Material Contracts and Documents for Inspection' beginning on page 329 of this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE vide their letters dated [●] and [●] respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

**BOOK RUNNING LEAD MANAGER**

  
**CORPORATE STRATEGIC ALLIANZ LIMITED**  
402, Samedh Complex, Near Associated Petrol Pump,  
C.G. Road, Ahmedabad – 380 006,  
Gujarat- India.  
Tel No: + 91-079- 2642 4138 / 2656 2165  
TeleFaxNo : + 91-079- 4002 4670  
Sebi Regn No: INM 000011260  
Email Id: info@csapl.com; Website: www.csapl.com  
Contact Person: V.R. Amit Kumar

**CO-BOOK RUNNING LEAD MANAGER**

  
**Indbank**  
Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)  
**INDBANK MERCHANT BANKING SERVICES LTD**  
11, Varma Chambers, Hornji Street,  
Fort Mumbai – 400 001  
Tel No: +91- 22 2263 4601  
Fax No: +91- 22 2265 8270  
Sebi Reg. No: MB/INM000001394  
Email: mba@indbankonline.com  
Website: www.indbankonline.com  
Contact Person: Mr. Amit Wagle

**REGISTRAR TO THE ISSUE**

  
**BIGSHARE SERVICES PRIVATE LIMITED**  
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,  
Andheri (East) Mumbai – 400 072  
Tel No: +91-22-40430200  
Fax No: +91-22-28475207  
Sebi Reg. No: INR000001385  
Email: fclipo@bigshareonline.com  
Website: www.bigshareonline.com  
Contact Person: Mr. Ashok Shetty

**ISSUE PROGRAM\*****BID / ISSUE OPENS ON : [●]****BID / ISSUE CLOSES ON : [●]**

\*Our Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid Opening Date.

## TABLE OF CONTENTS

CONTENTS	PAGE NO
<b>SECTION I – GENERAL</b>	
• Definitions And Abbreviations	2
• Company Related Terms	2
• Issue Related Terms	3
• Technical and Industry Terms	8
• Conventional and General Terms / abbreviations	8
• Presentation of Financial Industry and Market Data	11
• Forward Looking Statements	12
<b>SECTION II - RISK FACTORS</b>	13
<b>SECTION III - INTRODUCTION</b>	25
• Summary of Industry	25
• Summary of Business	27
• Brief Details of the Issue	30
• Summary of Financial Information	31
• General Information	35
• Capital Structure	43
• Objects of the Issue	56
• Basic Terms of the Issue	67
• Basis for Issue Price	68
• Statement of Tax Benefits	70
<b>SECTION IV - ABOUT US</b>	76
• Industry Overview	76
• Business Overview	82
• Key Industry Regulations & Policies	121
• History and Other Corporate Matters	126
• Our Management	131
• Our Promoters and their Background	149
• Currency of Presentation	152
• Dividend Policy	153
<b>SECTION V - FINANCIAL STATEMENTS</b>	154
• Auditors' Report and Financial Information of Our Company	154
• Financial Information of Group Companies	182
• Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements	187
<b>SECTION VI – LEGAL AND OTHER REGULATORY INFORMATION</b>	194
• Outstanding Litigations, Material Developments and Other Disclosures	194
• Government and Other Statutory Approvals	200
• Other Regulatory and Statutory Disclosures	206
<b>SECTION VII – ISSUE RELATED INFORMATION</b>	
• Terms of the Issue	215
• Issue Structure	218
• Issue Procedure	221
<b>SECTION VIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION</b>	263
• Main Provisions of Articles of Association	263
<b>SECTION IX – OTHER INFORMATION</b>	329
• Material Contracts and Documents for Inspection	329
• Declaration	332

**SECTION I – GENERAL****Definitions and Abbreviation**

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

Term	Description
“Our Company” or “Company” or “Rushil Decor Limited” or “RDL” or “we” or “our” or “us” or “Issuer”	Unless the context otherwise requires these words refer to Rushil Decor Limited, a public limited company incorporated under the Companies Act, 1956

**Company Related Terms**

Term	Description
Articles / Articles of Association	Articles of Association of our Company
Auditors	The Statutory auditors of our Company, being M/s. D.R. Thakkar & Co; Chartered Accountants
Board of Directors/Board	The Board of Directors of our Company or a committee constituted thereof
Director(s)	Director(s) of our Company unless otherwise specified
MD	Managing Director
Memorandum/Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Objects of the Issue	The Present issue is being made to raise the funds for the following purposes:  1. Setting up of New Medium Density Fibre Board (MDF) plant at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka  2. Margin for Working Capital Requirement  3. Public Issue Expenses  4. General Corporate Purpose.
Promoters	Promoters of our Company, namely <ul style="list-style-type: none"> <li>• Mr. Krupesh Ghanshyambhai Thakkar</li> <li>• Mr. Ghanshyambhai Ambalal Thakkar</li> <li>• Mrs. Krupa Thakkar</li> <li>• M/s Rushil International</li> <li>• Ghanshyambhai Ambalal Thakkar (HUF) and</li> <li>• Krupesh Ghanshyambhai Thakkar (HUF)</li> </ul>
Promoter – Directors	Promoter Directors of our Company namely Mr. Krupesh Ghanshyambhai Thakkar and Mr. Ghanshyambhai Ambalal Thakkar
Promoter Group Entities/ Group Companies / Associate Companies	<ul style="list-style-type: none"> <li>• Vertex Laminates Private Limited</li> <li>• Shri Krupa Decorative Veneer Private Limited</li> <li>• Shri Krupa Ecoproducts Private Limited</li> <li>• Decoply Agency</li> <li>• Ghanshyam Sales Agency</li> </ul>
Registered Office	The Registered office of our Company, located at S.No. 125, Near Kalyanpura Patia, Gandhinagar - Mansa Road, Village Itla, Tal: Kalol, District: Gandhinagar, Gujarat



ROC	Registrar of Companies, Gujarat, situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat
WTD	Whole Time Director

**Issue Related Terms**

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue
Application Form	The form in terms of which the investors shall apply for the equity shares of our Company
Allottee	A successful Bidders to whom Equity shares are allotted
Anchor Investor	A Qualified Institutional Buyer, making an application for a value of Rupees Ten Crore or more in the Public Issue made through the Book Building process in accordance with SEBI (ICDR) Regulations, 2009
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager
Anchor Investor Margin Amount	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 30% of the portion available to QIBs.
Anchor Investor Bid/Issue Period	The date one working day prior to the Bid/Issue Opening Date i.e. [●], 2010, on which bidding by Anchor Investors shall open and shall be completed
Application Supported by Blocked Amount/ ASBA	Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank
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 Applicants
ASBA Bidders/Investor	A Bidder / an Investor other than QIB Bidder, who intends to apply through ASBA process
ASBA Form / ASBA BCAF	The Bid-cum-Application Form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Red Herring Prospectus
ASBA Bid Revision Form	The form used by ASBA Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Bid	<p>An indication to make an offer made during the Bidding Period by a prospective investor or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid-cum-Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto</p> <p>For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by any Bidder other than QIB Bidder pursuant to the submission of an ASBA Bid-cum-Application Form to subscribe to the Equity</p>



Bid Lot/ Minimum bid lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter.
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 for this Issue
Bid/ Issue Closing Date	Except in relation to Anchor Investor, the date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English and Hindi national newspapers, and a regional language newspaper.
Bid-cum-Application Form / Bid Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus
Bid/ Issue Opening Date	Except in relation to Anchor Investor, the date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English and Hindi national newspapers and a regional language newspaper.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, including an ASBA Bidder and Anchor Investor.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bid/ Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders (excluding Anchor Investors) can submit their Bids including any revisions thereof.
Book Building Process	Book Building Process as provided under Schedule XI of SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made
BRLMs / Book Running Lead Manager	Corporate Strategic Allianz Limited
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate
CAN/ Confirmation of Allocation Note	Except in relation to Anchor Investor, 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, including any revisions thereof. In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof.
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 in this case being Rs. [•]
CBRLM / Co-Book Running Lead Manager	Indbank Merchant Banking Services Ltd
Cut-off /Cut-off Price	Any price within the Price Band finalized by our Company in consultation with the Book Running Lead Manager A bid submitted at the Cut-off Price is a valid Bid at all price levels within the Price Band.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchange(s) and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant	NSDL and CDSL



Depositories Act	Depositories Act, 1996 as amended from time to time
Designated Branches	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the physical ASBA Form can be submitted by an ASBA Investor.
Designated Date	The date on which funds are transferred from the Escrow Account of our Company to the Public Issue Account after the Red Herring Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders
Designated Stock Exchange	BSE
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus dated [●], 2010, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue, which was filed with the SEBI and Stock Exchanges. 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 the Issue. It will become a Red Herring Prospectus after filing with the RoC after determination of the Issue Price
Electronic ASBA Application / Bid	Submission of ASBA Bid-cum-Application Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	Equity shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	An Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the Book Running Lead Manager, Co- Book Running Lead Manager and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders
FII	Foreign Institutional Investors and sub-accounts, as defined under the FII Regulations and registered with the SEBI under applicable laws in India.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted in this case being Rs. [●]
IPO Grading Agency	[●], the credit rating agency appointed by our Company for grading this Issue.
Issue	Public issue of 56,43,750 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.[●] Lakhs (the 'Issue')
Issue Management Team	The team managing this Issue as set out in the chapter titled ' <i>General Information</i> ' in the Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in term of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date
Issue Period	The Issue period shall be [●], 2010 being the Bid/Issue Opening date, to [●], 2010 being the Bid/Issue Closing date





Issue Proceeds	The proceeds of the Issue that will be available to our Company being upto Rs. [●] Lakhs
Margin Amount	The amount paid by the Bidder (except ASBA Investor) at the time of submission of his/her Bid, which may range from 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	That portion of the Issue, being 5% of the QIB portion (assuming that the QIB portion is 50% of the Net Issue to Public ( <i>subject to mandatory allotment of 10% to the Net Issue size to QIBs</i> )) available for allocation on a proportionate basis to Mutual Funds only.
Net Issue	The Issue other than the Promoters' Contribution, in this being 54,00,000 Equity Shares aggregating Rs. [●] lakhs.
Net Issue Proceeds	The Issue Proceeds less the Issue expenses.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000/-.
Non Institutional Portion	The portion of this Issue being atleast 15% of the Net Issue consisting of 8,10,000 Equity Shares of Rs. 10/- each aggregating Rs. [●] Lakhs, available for allocation to Non Institutional Bidders.
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 and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% Margin Amount at the time of bidding, as applicable and which shall with respect to Anchor Investors, be a date not later than two days after the Bid Closing Date.
Pay-in-Period	This term means (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, (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date as specified in the CAN and (iii) With respect to Anchor Investors, the Anchor Investor Bidding Date and the last date specified in the CAN which shall not be later than two days after the Bid Closing Date.
Physical ASBA Application / Bid	ASBA Bid-cum-Application Forms submitted by an ASBA Investor physically with the designated branches of the SCSBs.
Price Band	Being the Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLM and CBRLM and advertised by us in all editions of the national newspapers (one each in English and Hindi) at least two days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM & CBRLM finalizes the Issue Price
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and accounts of ASBA Investors for this



	Issue on the Designated Date.
Qualified Institutional Buyers or QIBs	<p><b>“Qualified Institutional Buyer” means:</b></p> <p>(i) a mutual fund, venture capital fund and foreign venture capital investor registered with the Board;</p> <p>(ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board;</p> <p>(iii) a public financial institution as defined in section 4A of the Companies Act, 1956;</p> <p>(iv) a scheduled commercial bank;</p> <p>(v) a multilateral and bilateral development financial institution;</p> <p>(vi) a state industrial development corporation;</p> <p>(vii) an insurance company registered with the Insurance Regulatory and Development Authority;</p> <p>(viii) a provident fund with minimum corpus of twenty five crore rupees;</p> <p>(ix) a pension fund with minimum corpus of twenty five crore rupees;</p> <p>(x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</p> <p>(xi) Insurance funds set up and managed by Army, Navy or Air Force of the Union of India</p>
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	Consists of upto 27,00,000 Equity Shares of Rs. 10/- each aggregating Rs. [●] Lakhs being upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Net Issue size to QIBs), available for allocation to QIBs. 5% of the QIB Portion i.e. 1,35,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only.
Refund Account	The no-lien account maintained by the Refund Bank(s) to which the surplus money shall be transferred on the Designated Date.
Refund Bank	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors (except ASBA Investors) either through the electronic mode as prescribed by SEBI and / or physical mode in accordance with the procedure contained in the Chapter titled “ <i>Issue Procedure</i> ” beginning on page 221 of the Draft Red Herring Prospectus.
Resident Retail Individual Investor /Resident Retail Individual Bidder	A Retail Individual Bidder who is a “person resident in India” (as defined in Foreign Exchange Management Act, 1999)
Retail Portion	The portion of this Issue being not less than 35% of the Issue i.e. 18,90,000 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particular of the price at which the Equity Shares are offered and the size of 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 Red Herring Prospectus after filing with the RoC after determination of the Issue Price
Registrar to the Issue or Registrar	In this case being Bigshare Services Private Limited
Self Certified Syndicate Bank (SCSB)	Self Certified Syndicate Bank (SCSB) is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of ASBA, including blocking of bank





	account and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Syndicate	The BRLM, CBRLM and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into between our Company, BRLM, CBRLM and the Syndicate Member(s), in relation to the collection of Bids in this Issue
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLM, CBRLM in this case being [●]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of registration of the Bid on the online system of BSE/NSE.
Underwriters	The BRLM, CBRLM and the Syndicate Member(s).
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.

### Technical and Industry Terms

Term	Description
CEC	Central Empowered Committee
ECB	Export Commercial Borrowings
GEB	Gujarat Electricity Board
GPCB	Gujarat Pollution Control Board
HDF	High Density Fibre Board
KIADB	Karnataka Industrial Areas Development Board
LPD	Liters Per Day
LIBOR	London Interbank Offering Rate
M <sup>3</sup>	Cubic Meter
MDF	Medium Density Fibre Board
MESC	Mangalore Electricity Supply Company
MF	Melamine Formaldehyde
MIS	Management Information System
MW	Mega Watt
MM	Millimeter
NOC	No Objection Certificate
PF	Phenol Formaldehyde
QC	Quality Control
SITB	Specialized Integrated Treasury Branch
SQ.MTS	Square Meters
Unit – I	Plot No. 608, GIDC, Mansa District. Gandhinagar – 382 845, Gujarat
Unit – II	S. No. 125, Near Kalyanpura Patia, Gandhinagar- Mansa Road, Village Itla, Tal: Kalol, District: Gandhinagar – Gujarat
Unit – III	Dholakuva Patia, Gandhinagar – Mansa Road, Dist. Gandhinagar, Gujarat
Unit – IV	Survey No. 270, Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat

### Conventional and General Terms/ Abbreviations

Term	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
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange Limited
CBRLM	Co- Book Running Lead Manager
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
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
DER	Debt Equity Ratio
DIN	Director's Identification Number
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
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



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Draft Red Herring Prospectus, the terms “We”, “Us”, “Our”, the “Company”, “our Company”, “Rushil Decor Limited”, “Rushil” or “RDL”, unless the context otherwise indicates or implies, refers to Rushil Decor Limited.

For additional definitions used in this Draft Red Herring Prospectus, see the section “Definitions and Abbreviations” beginning on page 2. In the section “*Main Provisions of Articles of Association of Association of “Rushil Decor 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 Draft 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 six months period ended September 30, 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. D.R. Thakkar & Co, Chartered Accountants, included in this Draft 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 Draft 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 Draft 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 Draft Red Herring Prospectus, currency figures have been expressed in “Lakhs /Lacs” 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 Draft 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 Draft 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 Draft 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 Draft 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 Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements*” beginning from page 13, 82 and 187 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. Our Company, BRLM and CBRLM are obliged to update the Red Herring Prospectus and, in accordance with SEBI requirements, our Company BRLM and CBRLM 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 Draft 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 82 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements*” beginning on page 187, as well as, the financial and the other information contained in this Draft 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 shall be determined on the basis of their materiality. In determining the materiality of risk factors, the following shall be considered:

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

### Internal Risk Factors

#### i) Risk related to our Company

- 1) ***Our Company, its Promoters & Promoter Group Entities are involved in certain legal and other proceedings, which if decided against them could have an adverse decision on our business and results of operations.***

Our Company, its Promoters & Promoter Group Companies are involved in certain legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. . Should any new developments arise, such as a change in Indian law or rulings against us by courts or tribunals, we may need to make provisions in our financial statements, which could have an impact on the profitability of our Company. We cannot assure that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business and results of operations.

A classification of the legal proceedings (including show cause and summons notices) instituted by and against our Company, promoters, directors and group and the monetary amount involved in these legal proceedings is given in the following:

**Following are the cases filed by our Company:**

S. No	Case Type	No. of Cases	Amount ( to the extent quantifiable) (in Rs.)
1	Criminal Cases	3	6,68,709
2	Civil Cases	1	6,07,787
3	Other Cases if so (mention the details)	-	-





	<b>TOTAL</b>	<b>4</b>	<b>12,76,496</b>
--	--------------	----------	------------------

Following are the cases filed against our Company:

<b>S. No</b>	<b>Case Type</b>	<b>No. of Cases</b>	<b>Amount ( to the extent quantifiable) (in Rs.)</b>
1	Civil Cases	-	-
2	Criminal Cases	-	-
3	Income Tax Cases	4	1,18,259
4	Other Cases (Service Tax)	4	2,44,164
	<b>TOTAL</b>	<b>8</b>	<b>3,62,423</b>

Following are the cases filed against the Promoter of our Company, Mr. Krupesh Ghanshyambhai Thakkar:

<b>S. No</b>	<b>Case Type</b>	<b>No. of Cases</b>	<b>Amount ( to the extent quantifiable) (in Rs.)</b>
1	Civil Case ( Under The Arbitration Act)	2	15,00,000
	<b>TOTAL</b>	<b>2</b>	<b>15,00,000</b>

Following are the cases filed against the Promoter of our Company, Mr. Ghanshyambhai Ambalal Thakkar:

<b>S. No</b>	<b>Case Type</b>	<b>No. of Cases</b>	<b>Amount ( to the extent quantifiable) (in Rs.)</b>
1	Civil Case ( Under The Arbitration Act)	2	15,00,000
	<b>TOTAL</b>	<b>2</b>	<b>15,00,000</b>

Following are the cases filed by the Promoter Group Entities of our Company:

<b>S. No</b>	<b>Case Type</b>	<b>No. of Cases</b>	<b>Amount ( to the extent quantifiable) (in Rs.)</b>
	Criminal Cases	2	3,00,000
	Civil Cases	1	2,82,154
	Other Cases ( Income Tax & Service Tax)	4	68,27,234
	<b>TOTAL</b>	<b>7</b>	<b>74,09,388</b>

Following are the cases filed against the Promoter Group Entities of our Company:

<b>S. No</b>	<b>Case Type</b>	<b>No. of Cases</b>	<b>Amount ( to the extent quantifiable) (in Rs.)</b>
1.	Civil Case ( Under The Arbitration Act)	2	15,00,000
	Other Cases ( Income Tax)	2	NIL
	<b>TOTAL</b>	<b>4</b>	<b>15,00,000</b>

For more information regarding these legal proceedings, please refer to the chapter "Outstanding Litigation and Material Developments" beginning on page 194 of this Draft Red Herring Prospectus.

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

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

Particulars	For the year 2005-06	For the year 2006-07	For the year 2007-08	For the year 2008- 09	For the Month of September 30, 2009
Net Cash Generated from Investing Activities	(346.46)	(499.25)	(187.66)	(355.43)	(1539.71)
Net Cash Generated from Financing Activities	-	-	(69.47)	-	-

*For further details please refer to the Section titled “Financial Information” and Chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements” beginning on pages 154 and 187 of the Prospectus.*

- 3) ***Some of our Promoter Group Companies have incurred losses in the past.***

Our Promoter Group companies, Vertex Laminate Private Limited and Shri Krupa Eco products Private Limited incurred losses . The details of the same are disclosed as under:

Name of the Entities	(Rs. In lakhs)		
	Loss for the year Ended		
	2009	2008	2007
Vertex Laminate Private Limited	219.66	203.44	0.50
Shri Krupa Eco Products Private Limited	0.009	Nil	Nil

- 4) ***The object clauses of our Promoter Group Companies viz, Vertex Laminate Private Limited, Shri Krupa Decorative Veneer Private Limited and Shri Krupa Eco Products Private Limited permit them to undertake business similar to our business and thereby causing a potential conflict of interest.***

The object clause of the respective memorandum and associations of Our Promoter Group Companies namely, Vertex laminate Private Limited, Shri Krupa Decorative Veneer Private Limited and Shri Krupa Eco Products Private Limited are similar to those of our Company. This may result a conflict of interest with respect to business strategies of our Company.

- 5) ***Our Company have limited protection of our Intellectual Property. Failure to adequately protect our intellectual property could substantially harm our business and results of operations***

Some of our trademarks & logo’s under our flagship are yet to be registered. Although we have filed various trademark applications for our trademarks, name & logo with the Registrar of Trademarks, the same is pending for acceptance, no assurance can be provided that such applications would be approved. Until such time that we receive registered trademarks, we can only protect our trademark, name and logo through any action under relevant common laws, including seeking any relief against “passing off”, which is the unauthorized use of a mark considered to be similar to another’s registered or unregistered trademarks.



Our Company operates in a competitive environment where generating and maintaining brand recognition is a significant element of our business strategy. If our Company fails to successfully obtain or enforce our trademark or our logo, our Company may need to amend or change our logo. Any such change could require us to incur additional costs and could have a material adverse effect on our brand equity, business, financial condition and prospects.

- 6) ***Our Company has certain contingent liabilities not provided for which may adversely affect our financial condition***

The Company has the following contingent Liabilities:

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
Letter of Credit issued by Bank	247.97	131.71	325.31	215.64	NA	NA
Central Excise and Customs	7.70	7.70	7.70	7.70	7.70	
<b>TOTAL.....</b>	<b>255.67</b>	<b>139.41</b>	<b>333.01</b>	<b>223.34</b>	<b>7.70</b>	<b>0.00</b>

For further details, see the section titled “Financial Statements” beginning on page 154 of this Draft Red Herring Prospectus.

- 7) ***Raw Materials include Phenol, Methanol and Melamine, which are petrol based products, any variation in price may affect profitability of our Company***

Our Company mainly depends on raw materials like Phenol, Methanol and Melamine which are petro products and are highly price sensitive. In case of any change or fluctuation in the price could adversely affect profitability of our Company.

- 8) ***Our Company does not have any long-term contracts with our dealers/retailers/distributors 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. 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 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.

- 10) ***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 either price conscious or trend oriented. Laminate is a globally accepted product and every year there is new trend and fashion introduced in order to satisfy designers creative needs. It is very important to monitor trend going on in the market and getting updated with this trend. Our inability to meet the trends/ fashions may adversely affect the growth of our business. Further, growing competition may force us to reduce the prices of our products, which may reduce the revenues and margins and/or also decrease our market share, either of which could have an impact on the business, financial and operations of our Company.



- 11) ***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.

- 12) ***Our business is not seasonal in nature, but some of the raw materials like Cotton Stalk is seasonal in nature and hence we require substantial working capital for its storage during off season.***

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

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

Our Company rely on certain labour contractors who provide us on-site labour for performance of some of our operations. In case of failure in complying with statutory obligations by the labour contractors the same has to be fulfilled by our Company which may eventually result in an increase in our wage cost and may affect our profitability

- 14) ***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.

- 15) ***Any change in interest rates and banking policies may have an adverse impact on our Company's profitability.***

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.

- 16) ***Availability of inadequate 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.



- 17) ***Our success depends in large part upon our Promoters and senior management team and the loss of members of this team could negatively impact our business.***

We are highly dependent on our Promoters and the senior members of our management team for the management of our daily operations and the planning and execution of our business strategy. If we loose the services of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired.

- 18) ***Our Company has availed unsecured loans amounting to Rs 81,000 from Shri Krupa Decorative Veneer Private Limited, one of our Promoter Group company as on September 30, 2009, which are repayable on demand. Any demand for repayment of such unsecured loans, may affect our business operations and financial condition.***

As per our standalone financial statements, as on September 30, 2009, we have unsecured loan of Rs. 81,000 which is repayable on demand. For further details of these unsecured loans, please refer to section 'Financial Statements' beginning on page 154 of this Draft Red Herring Prospectus. Any demand from for repayment of such unsecured loans, the cash outgo, may affect our business operations.

- 19) ***Our lenders have imposed certain restrictive conditions on us under our financing arrangements***

Under certain of our existing financing arrangements, the lenders have the right to withdraw the facilities in the event of any change in circumstances, including but not limited to, any material change in the ownership or shareholding pattern or management of the Company. Further, our Company is also required to obtain the prior consent from our lenders for, among other matters, any prepayment of certain loan facilities, effecting any merger, amalgamation, reconstruction or consolidation, encumbering or seeking to encumber the mortgaged property under the loan agreement, or declaring or paying any dividend after the occurrence of an event of default.

- 20) ***Audit Report of our Company has certain qualifications***

We have not maintained proper records of inventory in the case of process stock and the same has been qualified by our statutory auditors in the audit report.

ii) **Risks related to our projects**

1. ***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. 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.

2. ***The Areas of threats and weaknesses as mentioned by Bank of Baroda in appraisal is as follows:***

**Weaknesses:**

- Imported Technology/ Plant & Machinery first time in India, the project is likely to face initial teething problem;
- Novice in MDF manufacturing;
- Delay in project implementation; and
- RDPL will be competing with other established players

### Threats

- Survival of fittest- in terms of quality, size, delivery and cost;
- Dumping of cheaper products from abroad;
- Health concerns on resin uses;
- High value of substitution; and
- Increase in rawmaterial price may strain the profitability margins

3. ***The objects of the issue includes to part finance MDF Project which includes import of Plant & Machineries and any fluctuation in foreign currency may lead to enhance the cost of the project***

Our propose to import plant & Machineries from other countries. The total cost of such plant & machinery constitutes approximately 48% of the total project cost. Any fluctuation in foreign currency of that country may increase the cost of plant & machinery resulting into increase in the cost of project.

4. ***Our Company has not made arrangement for Working Capital requirements for the proposed project. Our delay/inability to arrange for working capital for the proposed project may result in adverse financial condition.***

Our Company has been sanctioned a term loan of Rs. 4400 Lakhs for the proposed project by Bank of Baroda. However, no working capital facilities/funding for the proposed project has been arranged till date. Our delay/inability to arrange for working capital for the proposed project may result in adverse financial condition.

5. ***Central Empowered Committee Permission***

As per the letter dated November 7, 2009 by The Principal Chief Conservator of Forest and the Chairman of the expert committee of Karnataka in order to get the license for establishment of Medium Density Fiber Board Unit in Amble II Phase Industrial Area, Chickmagalur in accordance with Karnataka Forests Acts & Rules, the unit has to comply the following conditions:

1. The Purchase / Lease of the land and order for the plant and machinery shall be placed within a period of six months failing which the approval will automatically be deemed to have been cancelled.
2. The ownership of the unit will not be transferred including by way of transfer of majority shareholding or change of partners before the unit starts commercial production.
3. The industrial unit should be located in an approved industrial estate.
4. The terms and conditions as narrated in I.A. No. 1797 in W.P. (C ) No. 202/1995 cited under reference (1) should be followed.
  - (i) The applicant will deposit an amount of Rs. 30.00 Lakhs for establishment of MDF Plant. This amount will be kept a designated account outside the consolidated fund and will be used by the forest department for activities identified and related to conservation and protection of forest
  - (ii) The Purchase / Lease of the land and order for the plant and machinery shall be placed within a period of six months failing which the approval will automatically be deemed to have been cancelled.





- (iii) The ownership of the unit will not be transferred including by way of transfer of majority shareholding or change of partners before the unit starts commercial production.
- (iv) It will be confirmed by the Government of Karnataka in the forest department that as per the existing rules/ guidelines there is no restriction on the establishment for MDF Plant within a distance of 10 Km from the boundary of nearby forest.
- (v) The industrial unit should be located in an approved industrial estate.
- (vi) As recommended by the State Level Committee, presently, grant of permission upto five MDF Board units in Kolan/ Chikkaballapur Districts and upto to 10 units in the remaining districts will be considered for clearance on the principle of first come first serve with a view to ensure spatial distribution to the extent practical and feasible.

Any breach of the above condition make the license for manufacturing MDF board invalid and the unit has to close the operations.

6. ***In case of any delay in implementation schedule of the proposed Project which is in the initial stages of implementation could adversely affect our future profitability.***
7. ***Our company will require the following approvals for the proposed project. Delay or non receipt of the same may delay the production***

S. No	License
1	License from The Principal Chief Conservator of Forests & Chairman of the Expert Committee of Karnataka, Government of Karnataka for establishment of MDF Plant.
2	Registration under the Karnataka State Tax on Professions, Trades, Callings and Employments Act, 1975 for registration as an employer
3	Registration under the Employees' Provident Funds and Miscellaneous Provisions Act 1952, Karnataka.
4	Employee State Insurance Corporation Certificate, Karnataka.
5	Industrial License issued by the Ministry of Commerce and Industry, Government of India
6	Factory License by the Chief Inspector of factories, Karnataka
7	Central Excise Registration Certificate, Karnataka
8	Registration under the Contract Labour (Regulation and Abolition) Act, 1970 Karnataka
9	Authorization for handling hazardous wastes, Karnataka
10	Permission to run a Generating Set, Karnataka
11	Test Certificate for Generator, Karnataka
12	Karnataka Forest Department, Karnataka
13	Permission from Karnataka State Pollution Control Board.

### iii) Other Incidental Risks

1. ***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 as well as delivery of finished products. Our company rely on fleet of trucks. In the event of non availability of fleet of trucks, due to strike or any other reason may have an adverse impact on the receipt of supplies of raw material and delivery of the finished products thereby adversely affecting our operations



## **2. 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.

## **3. 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.

## **External Risk Factors**

### **1. Exchange Rate Fluctuations may have impact on the performance of the Company.**

The Company is exposed to exchange rate fluctuations. Uncertainties in the global financial market may have an adverse impact on the exchange rate between Rupee vis-à-vis other currencies. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Such fluctuations can have a serious impact on the cost structure of the Company.

### **2. Political situation and changes in the Government of India may affect the performance of the Company.**

The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization. There is no guarantee that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. A significant change in India's economic liberalization and deregulation policies could disrupt the business and economic conditions in India.

### **3. Natural disasters could disrupt our operations and result in loss of revenues and increased costs.**

The business of the Company is exposed to man-made and natural disasters such as earthquakes, storms and floods as well as to terrorist attacks or other enemy actions. The occurrence of a man-made or natural disaster, terrorist attack, enemy action or other accidents could disrupt the operations of the business of the Company and result in loss of revenues and increased costs.

### **4. The acts of violence and terrorist attacks or war involving India could adverse impact on the Company's business.**

There have been instances of terrorist attacks in many parts of the world and also in India in the recent past. Any recurrence of such events or other acts of violence/war may negatively impact on the Indian Capital Market and may also adversely affect performance of our scrip in the stock exchanges. These acts may also result in a loss of business confidence. Any recurrence of events of terrorist attacks or other acts of violence may adversely impact the desire of corporate executives to travel to India for business purposes and thereby adversely impacting business prospects. These uncertainties make it difficult for us and our customers to accurately plan future business activities.

### **5. 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 impact on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges



introduced on a permanent or temporary basis from time to time. Currently we benefit from certain tax benefits that results in a decrease in the effective tax rate compared to the tax rates that we estimate would have applied if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

**6. After this Issue, the price of the Equity Shares may be highly volatile or there may be no active market for the Equity Shares which may be due to various reasons including the following:**

- Volatility in the Indian and Global Securities Market;
- The results of operations and performance of our Company;
- Adverse media reports on us or the Industry segments in which the company operates;
- Performance of the Indian Economy;
- Significant developments in India's economic liberalization and deregulation policies

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.

**Prominent Notes:**

1. Investors may contact the Book Running Lead Manager, Co Book Running Lead Manager, Registrar, the Compliance Officer for any compliant/ clarification/ information pertaining to the Issue, who will be obliged to attend the same.
2. Pre- Issue Net Worth of our Company as on March 31, 2009 is 2103.98 Lakhs and September 30, 2009 is Rs. 2304.21 Lakhs.
3. The Issue of 5400000 Equity Shares of Rs 10/- each at Issue Price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share), aggregating Rs. [●] Lakhs (The "Net Issue".)

**4. The average cost of acquisition of Equity shares of our Promoters:**

Name of Our Promoters	Average Cost of Acquisition ( Rs.)
Mr. Ghanshyambhai Ambalal Thakkar	15.20
Mr. Krupesh Ghanshyambhai Thakkar	19.20
Ghanshyambhai Ambalal Thakkar (HUF)	2.25
Krupesh Ghanshyambhai Thakkar (HUF)	2.45
Krupa Thakkar	0.44
Rushil International	12.30

*For further details relating to the allotment of Equity Shares to our Promoters, Promoter Group and other entities, please refer to the Chapter "Capital Structure" beginning on page 43 of the Draft Red Herring Prospectus.*

5. The Book value per Share as on March 31, 2009 is Rs 24.03 per Equity Share and as on September 30, 2009 is Rs 26.32 per Equity Share.

**6. Summary of Related Party Transactions**

The details of the business interest of our Group Companies are appearing under *Related Party Transactions*, "Annexure 11" beginning on Page No. 169 under Chapter "Auditors Report and Financial Information of Our Company".

**7. Our Company has entered into following transactions with our group companies for the financial year 2009:**



S. No	Particulars	Nature of Transaction	Amount (Rs. In Lakhs)
1	Vertex Laminate Private Limited	Sale of Goods	0.42
2	Shri Krupa Decorative Veneer Private Limited	Loan Taken	0.81

8. Our Company was incorporated on May 24, 1993 as “Rushil Decor Private Limited” under the provisions of the Companies Act, 1956 with Registrar of Companies, Gujarat , Dadra & Nagar Haveli and subsequently, the name of our Company changed to “Rushil Decor Limited” on December 4, 2007 vide a fresh certificate of incorporation on becoming a public limited company.
9. No part of the Issue Proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Companies.
10. Contingent liabilities as on March 31, 2009, except as mentioned in “Annexure 15” *beginning on page 179 under Chapter “Auditor’s Report And Financial Information of our Company” beginning on page 154 of the Draft Red Herring Prospectus.*
11. Investors may note that the event of Over- Subscription in the Issue, allotment shall be made on proportionate basis, in consulting with BSE, The Designated Stock Exchange.
12. Trading in Equity Shares of our Company for all the Investors shall be in dematerialized form only.
13. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing Draft Red Herring Prospectus with the Board.
14. 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 154.
15. The Investors are advised to refer to the Para on “Basis for Issue Price” on Page 68 before making any investment in this Issue.
16. An over subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Issue. Consequently, the actual allotment may go up be a maximum of 10% of the Net Issue as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of allotments so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in.
17. In case of Under Subscription in the Qualified Institutional Buyers Portion (i.e. Subscription less than 10% mandatory of the Net Issue Size) the full subscription monies shall be refunded.
18. There are no material events occurring after the Balance Sheet date, which have an impact on the Financial Statements as on September 30, 2009; except as stated under the head “ Managements Discussion and Analysis” beginning on page 187
19. Our Company, the BRLM and CBRLM 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.



20. Bidders should note that on the basis of name of the Bidder, Depository'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, demographic details of the Applicants such as address, bank account details for printing on refund orders and occupation. Hence, applicants should carefully fill in their Depository Account details in the Bid-cum-Application Form and also update their demographic details with their respective depository participant.



### SECTION III: INTRODUCTION

*You should read the following summary together with the Risk Factors and the more detailed information about us and our financial data included in the Draft Red Herring Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports & data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, please refer to Chapter "Forward Looking Statements" and "Presentation of Financial Industry and Market Data" beginning on page 12 & 11 respectively of the Draft Red Herring Prospectus.*

### SUMMARY ABOUT THE INDUSTRY

#### **Plywood**

Plywood is manufactured by pressing required number of cores depending upon thickness (pre-spread with the glue) over each other and top, bottom comprising of face veneer. Peeling of the prime quality plank of the tree makes the cores. The manufacturing of plywood in commercial scale had started in India in the beginning of the century and the industry grew impressively and diversified in manufacturing different grades of plywood. Due to the legislation applicable to use of wood for industrial purpose and high taxes and duty, the industry has remained unorganized.

#### **Particleboard**

It is a composite panel product consisting of cellulosic particles of various sizes that are bonded together with a synthetic resin under heat and pressure. Particleboard assumes importance in the wood panel products industry from the point of view of conservation of scarce forest resources in a country. Today's particleboard gives industrial users the consistent quality and design flexibility needed for fast, efficient production lines and quality consumer products. Particleboard panels are manufactured in a variety of dimensions and densities, providing the opportunity to design the end product with the specific particleboard needed.

#### **Medium Density Fiber board**

Fiberboard is a board made from refined or partially refined wood fibers or other vegetable fibers. Bonding agents are incorporated in the manufacture to increase strength, resistance to moisture, fire or decay. The surface of MDF is flat, smooth, uniform, dense and free of knots and grain patterns, all of which make finishing operations easier and more consistent, especially for demanding uses such as direct printing and thin laminates. The homogeneous density profile of MDF allows intricate and precise machining and finishing techniques for superior finished products. Trim waste is significantly reduced when using MDF compared to other subtracts. Stability and strength are important assets of MDF, and it holds precise tolerances in accurately cut parts. Medium Density Fiberboard (MDF) is widely used in the manufacture of furniture, cabinets, door parts, moldings, millwork and laminate flooring. MDF panels are manufactured in a variety of dimensions and densities, providing the opportunity to design the end product with the specific MDF needed.

#### **The interrelation of wood based panel industry**

The growth of the wood industry depends on the demand of furniture which is closely correlated with the real estate development and improvement in purchasing power taking place within a country. This augurs well for the wood industry as both in India are set to grow at a phenomenal pace. Particle boards and MDF boards are normally used to make modular furniture and most of the demand of modular furniture at present is met through imports due to the lack processing capabilities among domestic manufacturers and poor awareness among consumers. This allows the domestic manufacturers the comfort of a large demand supply gap, as their costs are significantly lesser than the imports and delivery time is also less.



## Uses of wood based panel products

The principal usage of MDF/Particle board is in the construction of cupboards, shutters and wardrobes, shelves, table tops, cabinets, household and office furniture, computer furniture, panels in doors, beaded doors, partitions and floorings. These items also find application in carom board, photo frame, shoe hills, stationeries, display etc.

## Cost of the wood based panel product

MDF/Particle Boards are cheaper as compared to Plywood due to lower cost of wood required and higher utilization of the raw material. MDF/Particle Boards utilize close to 90% of the tree as compared to Plywood, which uses only the center of high quality logs leading to about 60% utilization of the tree. The cost of wood used for Plywood is approximately nearly 2 times of cost for MDF/Particle Board. MDF/Particle Boards are also quicker and more flexible to make furniture with machines in comparison to time required for Plywood. MDF boards and particle boards can be pre-laminated at factory, whereas plywood requires lamination at site with the help of decorative laminates. The cost of Pre-lamination for MDF board /Particle board is Rs 10-12/SQ feet as against over Rs 30 to 50/ SQ feet in case of plywood.

## Worldwide production and consumption of wood based panels

The worldwide production and consumption of wood based panels according to estimates of FAO for various regions show strong growth for Asia as below:

Region	Amount (million m <sup>3</sup> )					Average annual change (%)			
	Actual			Projected		Actual		Projected	
	1965	1990	2005	2020	2030	1965-1990	1990-2005	2005-2020	2020-2030
<b>Production</b>									
Africa	1	2	3	4	5	4.6	3.8	2.1	2.4
Asia and the Pacific	5	27	81	160	231	6.9	7.5	4.6	3.7
Europe	16	48	73	104	129	4.5	2.8	2.4	2.2
Latin America and the Caribbean	1	4	13	21	29	7.4	7.6	3.3	3.2
North America	19	44	59	88	110	3.4	2.0	2.7	2.2
Western and Central Asia	0	1	5	11	17	6.8	8.9	5.4	4.7
<b>World</b>	<b>41</b>	<b>127</b>	<b>234</b>	<b>388</b>	<b>521</b>	<b>4.6</b>	<b>4.2</b>	<b>3.4</b>	<b>3.0</b>
<b>Consumption</b>									
Africa	0	1	3	4	5	4.8	5.3	1.9	2.4
Asia and the Pacific	4	24	79	161	236	7.4	8.2	4.8	3.9
Europe	16	53	70	99	122	4.9	1.9	2.4	2.1
Latin America and the Caribbean	1	4	9	12	15	7.0	5.7	2.2	2.3
North America	20	43	70	96	115	3.1	3.3	2.1	1.8
Western and Central Asia	0	2	9	18	28	8.1	10.6	4.5	4.5
<b>World</b>	<b>42</b>	<b>128</b>	<b>241</b>	<b>391</b>	<b>521</b>	<b>4.6</b>	<b>4.3</b>	<b>3.3</b>	<b>2.9</b>

NOTE: Data presented are subject to rounding.  
SOURCES: FAO, 2008a; FAO, 2008c.

## Drivers for growth

**Indian Economy** - India's economy is on an ever-increasing growth curve, with positive indicators such as a stable 8% annual growth, amazing demographic changes, rising foreign exchange reserves, FDI in real Estate, INCREASE IN PURCHASE POWER OF Indians, Large population of Middle and upper middle income group and a booming capital market. India has emerged stronger on the global investment radar in and has become the second most attractive FDI destination in the world.

**Real Estate Industry** - The Indian real estate landscape has undergone a paradigm shift over the past few years. With economic liberalization, administrative reforms, increased globalization, improvement in purchase power and the consequent increase in business opportunities, India's real estate sector is on an upward surge. 800 million sq. mtrs of SEZ's, 600 large malls, residential complexes, hotels, hospitals, office complexes and other commercial complexes are all fuelling the growth of the real estate sector and in turn the wood and furniture industry. Urban India alone requires 12 million housing units with scope for 400 townships in 5 years across 30-35 cities, each



with a population of 5 million. The median age of homebuyers has declined by 10 years to 28. Demand for office space by IT/ITES is expected to pick up again after stabilization of economy

(Source: Indian Prelam Board Industry Association)

## SUMMARY ABOUT OUR COMPANY'S BUSINESS

Rushil Decor Limited is the flagship company of the Rushil Group. Our Promoters have been associated with laminated production near about two decades under the brand "Vir Laminate". Our Company was incorporated in the year 1993 and today, we are modern state-of-art manufacturers of Decorative Laminated Sheets with a network of branches, distributors and dealers across India.

Our Company is dedicated to constantly expanding and updating our product range in order to stay ahead of the market. Our Company offers comprehensive engineered interior products which include:

1. Decorative Laminate Sheets
2. Plain Particle Boards

All the products are manufactured by our Company in integrated multi-product modern facilities strategically located at Gujarat, Western part of India. Our manufacturing facilities have machineries from the renowned manufacturers of equipment for this industry.

In order to consolidate the efforts and for better administration, our group companies Viz Mica Rushil Private limited and Rushil High Pressure laminates Private limited engaged in the same line of activity have been amalgamated with our Company with effect from April 1, 2005 pursuant to order of Gujarat High court dated January 23, 2007. The combined installed capacity of the company is 30.00 Lakhs Sheets per annum.

Mr. Krupesh Ghanshyambhai Thakkar, Managing Director of our Company has more than a decade of experience in trading and manufacture of plywood, laminates and allied products. He has been conferred with accolades which include "Rajiv Gandhi Shiromani Award" and "Indira Gandhi Shadbhava Award" in the year 2007, acknowledging his achievement in their field of work and contribution to the Nation.

### Our Products and installed capacities are as follows:

Manufacturing Unit	Product	Installed Capacity	Our Major Brands
S. No.125, Near Kalyanpura Patia, Gandhinagar – Mansa Road, Village Itla, Tal: Kalol, District: Gandhinagar, Gujarat	Decorative Laminated Sheets	4,80,000 Sheets	Vir Laminate
608, G.I.D.C. Mansa, District: Gandhinagar, Gujarat	Decorative Laminated Sheets	8,40,000 Sheets	Vir Laminate
Dholakuva Patia, Gandhinagar – Mansa Road, Dist. Gandhinagar, Gujarat	Decorative Laminated Sheets	16,80,000 Sheets	Vir Laminate
Survey No. 270, at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	Plain Particle Board	13,76,000 Square Meter	Vir Board
* Plot No. 58 & 59, Amble Industrial Area, Taluka and District:	Medium Density Fibre Board	90,000 Cubic Meter	-



Chikmagalur, Karnataka			
---------------------------	--	--	--

*\*the Proposed Project*

Our Company has set up a large distribution network and operates through 5 marketing offices, 10 Consignment agents and 61 distributors. As on March 31 2009, we have a network of 1957 dealers who intum supply to sub dealers/ retailers giving a Vir Laminate presence for marketing of our products. This ensures the availability of our products off-the-shelf in any corner of India. Our Company has the manpower strength of 49 who are deployed for marketing.

**Competitive strengths**

**We believe our competitive strengths are:**

**(a) Strong Brand**

The plywood and the laminates industry is a fragmented and an unorganized industry. We believe that our brand "Vir Laminate" has created a niche for ourselves in the Industry. We have been able to sustain the demand for our brands by offering a continuous flow of value additions such as new designs and finishes. We believe that our products enjoy easy recall and help us enhance our market share. Our brands give us a broader platform to market our products to our customers.

**(b) Entry Barrier**

We hold production licenses in segments regulated by the government which restrict and regulate the grant of new licenses for the manufacture of wood based products. Government regulations represent a large entry barrier in the interiors infrastructure segment in India. Pursuant to the order of the Hon'ble Supreme Court dated October 29, 2002, unlicensed saw mills, veneer and plywood industries are not permitted to operate in India. Further, opening of a new saw mill, veneer or plywood industry requires a prior permission from the Central Empowered Committee. The grant of a license is further subject to strict compliance with the prescribed regulatory norms and relaxation of any of the norms is not permitted. These complexities in obtaining new licenses make it difficult for new players to enter the market. We therefore believe that our production license gives us a competitive edge.

**(c) Proven and Experienced Management Team**

Our Promoters have over Sixteen years of experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the interior infrastructure sector. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product, increasing profitability and improved margins which gives us a competitive edge.

**(d) Cost Effective sourcing and locational advantage**

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to time our procurement of raw materials and being a large player in the industry we are also able to source these materials at a competitive price. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs.



Our manufacturing units are situated at Gujarat which has sufficient raw materials which enable us to cover not only Western markets but also Indian and Global Markets.

***(e) Our Sales and Marketing Network***

Our Sales, distribution and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. We have a team of 49 sales executives, 5 marketing offices, 10 Consignment agents, 61 distributors and 1957 dealers across India, who focuses on creating brand awareness through print and electronic media, in-store visibility and carpenter meets. Apart from this our company has strong relationships with interior architects and designers, contractors and carpenters, as well as retailers.

***(f) Modern Infrastructure and Integrated Facilities***

Our investment in modern infrastructure and our ability to enhance capacity utilization in excess of installed capacities in manufacturing leads to economies of scale. Moreover, our energy efficient manufacturing processes result in relatively lower operating cost and enhanced profitability. Some of our manufacturing units manufacture multiple product range under one roof which results in cost savings in terms of shared overheads and resources across different product categories. It also reduces transportation costs and improves logistics management as our dealers can place orders for multiple products resulting in single truck load delivery enabling them to replenish stocks at regular intervals. The by-products from plywood manufacture constitute around 40 – 50% of the raw material for the manufacture of particle board.

**Our Business Strategy**

***Capacity expansion and manufacture of new products***

Our Company for better prospects amalgamated two of our group companies Mica Rushil Private Limited and Rushil High Pressure laminates Private Limited which is in the same line of activity. Additionally, we have commenced one more unit at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat, for manufacture of Plain Particle Board. Apart from this our company is under the process of commissioning an additional plant for Medium Density Fibreboard (MDF) through the proposed Initial Public Offer.

Our diversification into MDF manufacture is in furtherance of our strategy of increasing our share in the mid market segment, which is the largest segment of the market.

***To continue brand building and strengthening of the distributor network***

The industry is seeing a shift in market share from the unorganised to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands.

Since the industry is highly unorganized, a good distribution network is essential in this industry. We are focusing on expanding on our distributorship network by opening new marketing offices or by way of appointment of new distributors, including smaller towns and rural areas. We believe that smaller towns in suburban India would be the new emerging realty hubs for development of residential and commercial complexes and intend to position ourselves to capitalize on these emerging opportunities.

***Tapping large real estate developers and corporate bodies***

As organised real estate development started growing in India, we realised that it was imperative to tap large real estate players. Since the buyers in organised real estate market are more sophisticated with better understanding of the market and pricing, a direct marketing approach to them was adopted. We approach large corporate houses to market our products and ensure secondary sales through our dealers and distributors.

**BRIEF DETAILS OF THE ISSUE**

Present Issue by our Company	5643750 Equity Shares of face value of Rs. 10/- each at a Issue Price of Rs. [●]/- per Equity Share (including a Premium of Rs. [●] per Equity Share) aggregating to Rs. [●] lakhs
<b>Of Which</b>	
Contribution by Promoters	243750 Equity Shares of Face Value of Rs. 10/- each at a Issue Price of Rs. [●]/- per Equity Share (including a Premium of Rs. [●]/- Equity Share) aggregating to Rs. [●] Lakhs
Net Offer to the Public	5400000 Equity Shares of Face Value or Rs. 10/- each at a Issue Price of Rs. [●] per Equity Share(including a Premium of Rs. [●]/- Equity Share) aggregating to Rs. [●] Lakhs
<b>Of Which</b>	
Qualified Institutional Buyers Portion	2700000 Equity Shares aggregating Rs. [●] lakh, constituting upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue to QIBs).  5% of the QIB Portion i.e. 135000 Equity Shares aggregating Rs. [●] lakh shall be available for allocation proportionately to mutual funds.  The balance 2565000 Equity Shares shall be available to QIBs, including Mutual Funds.
Non Institutional Portion	810000 Equity Shares aggregating Rs. [●] lakh, constituting not less than 15% of the Net Issue that will be available for allocation to Non-Institutional Bidders.
Retail Portion	1890000 Equity Shares aggregating Rs. [●] lakh constituting not less than 35% of the Net Issue that will be available for allocation to Retail Individual Bidders.
Equity Shares outstanding prior to the Issue	8756250 Equity Shares of Face Value Rs. 10/- each
Equity Shares outstanding after the Issue	14400000 Equity Shares of Face Value of Rs. 10/- each
Use of Issue Proceeds	Please see the section titled" Objects of the Issue" on Page No. 56 of this Draft Red Herring Prospectus

**Note:**

*Under subscription, if any, in the Non-Institutional Portion and Retail Portion shall be allowed to be met with spillover from the other categories, at the sole discretion of our Company, the Book Running Led Manager. In case of under subscription in the QIB Portion (i.e. subscription less than 10% mandatory of Issue), the same shall not be available to other categories and full subscription monies shall be refunded.*

**SUMMARY OF FINANCIAL INFORMATION**

The following summary of financial data have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report of our statutory auditor's, M/s. D.R. Thakkar & Co, Chartered Accountants 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 six months period ended September 30, 2009 including the Notes thereto and the Reports thereon, which appears under Section 'Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements' beginning on page 154 and 187 respectively this Draft Red Herring Prospectus,.

**Summary Statement of Assets and Liabilities as Restated****(Rs. In Lakhs)**

PARTICULARS	30-Sep-09	As at March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
A. FIXED ASSETS :						
Gross Block	4465.99	2564.97	2556.10	2388.42	1540.88	297.69
Less : Depreciation	657.53	591.87	472.94	357.90	281.06	74.61
<b>Net Block</b>	<b>3808.46</b>	<b>1973.10</b>	<b>2083.16</b>	<b>2030.52</b>	<b>1259.82</b>	<b>223.08</b>
<b>CAPITAL WORK IN PROGRESS</b>	<b>60.71</b>	<b>424.35</b>	<b>13.50</b>	<b>2.18</b>	<b>388.16</b>	<b>0.00</b>
C <b>Investment :</b>	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>	<b>0.75</b>	<b>0.75</b>	<b>0.65</b>
D <b>Current Assets, Loans and Advances;</b>						
Inventories	2579.98	2856.55	3081.00	2540.17	2156.32	554.89
Sundry Debtors	2815.98	3202.65	1980.90	1115.41	1046.33	460.56
Cash and bank Balances	399.38	401.91	227.73	125.95	107.95	9.16
Loans and Advances	948.25	1297.73	635.88	690.31	918.02	191.31
<b>Sub Total .....1</b>	<b>6743.59</b>	<b>7758.84</b>	<b>5925.51</b>	<b>4471.84</b>	<b>4228.62</b>	<b>1215.92</b>
Liabilities and Provisions :	2983.2	3247.81	2926.26	1982.72	2283.66	322.21
Deferred Tax Liability	289.65	289.65	270.51	241.52	201.16	51.27
<b>Sub Total .....2</b>	<b>3272.85</b>	<b>3537.46</b>	<b>3196.77</b>	<b>2224.24</b>	<b>2484.82</b>	<b>373.48</b>
Net Current Assets (1 - 2)	<b>3470.74</b>	<b>4221.38</b>	<b>2728.74</b>	<b>2247.60</b>	<b>1743.80</b>	<b>842.44</b>
E. Loans Funds :						
Secured Loans	3856.57	3503.27	2415.32	1945.32	1129.17	348.93
Unsecured Loans	1179.93	1012.38	856.92	817.76	1502.81	584.38
<b>Total.....</b>	<b>5036.50</b>	<b>4515.65</b>	<b>3272.24</b>	<b>2763.08</b>	<b>2631.98</b>	<b>933.31</b>
F. <b>Networth (A+B+C+D-E)</b>	<b>2304.21</b>	<b>2103.98</b>	<b>1553.96</b>	<b>1517.97</b>	<b>760.55</b>	<b>132.86</b>
G. Represented by						
1. Share Capital	875.62	875.62	795.63	796.12	87.00	20.00
2. Reserves	1459.98	1262.63	869.94	763.04	673.69	112.86
<b>Total.....</b>	<b>2335.60</b>	<b>2138.25</b>	<b>1665.57</b>	<b>1559.16</b>	<b>760.69</b>	<b>132.86</b>
Less : Misc. Expenditure	31.39	34.27	111.61	41.19	0.14	0.00
<b>Total.....</b>	<b>2304.21</b>	<b>2103.98</b>	<b>1553.96</b>	<b>1517.97</b>	<b>760.55</b>	<b>132.86</b>





## Summary Statement of Profit and Loss as Restated

(Rs. In Lakhs)

PARTICULARS	30-Sep-09	As at March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Sales</b>						
Domestic	1636.83	4070.04	7048.34	6822.88	6538.89	1818.35
Export	2954.52	4697.04	228.25	0.00	0.00	0.00
<b>TOTAL.....</b>	<b>4591.35</b>	<b>8767.08</b>	<b>7276.59</b>	<b>6822.88</b>	<b>6538.89</b>	<b>1818.35</b>
Other Income	240.36	793.22	481.88	469.91	631.13	108.74
Increase (Decrease) in Inventories	-290.19	119.32	313.50	633.44	136.97	108.10
<b>TOTAL.....</b>	<b>4541.52</b>	<b>9679.62</b>	<b>8071.97</b>	<b>7926.23</b>	<b>7306.99</b>	<b>2035.19</b>
<b>Expenditure</b>						
Cost of Material	2952.38	6568.25	5510.85	5731.35	5489.71	1564.74
Manufacturing and Other expenses	483.34	892.22	800.09	646.31	507.91	216.29
Employee Cost	104.50	221.19	223.71	141.19	77.47	19.87
Administrative, Selling distribution and Other Expenses	464.48	884.60	720.58	588.98	565.80	125.89
Interest and Other Finance charges	211.75	496.29	372.63	267.52	289.29	64.84
Director's Remuneration	21.42	42.84	41.00	60.00	36.00	7.80
Depreciation	66.30	120.46	117.45	82.13	71.96	13.15
<b>TOTAL.....</b>	<b>4304.17</b>	<b>9225.85</b>	<b>7786.31</b>	<b>7517.48</b>	<b>7038.14</b>	<b>2012.58</b>
Net Profit before tax and extraordinary items	237.35	453.77	285.66	408.75	268.85	22.61
Taxation	40.00	157.05	49.66	108.77	74.88	3.42
Deferred Tax Liability	0.00	19.13	28.99	40.36	12.67	2.35
Profit After Taxation	197.35	277.59	207.01	259.62	181.30	16.84
Carry forward from previous year	438.25	395.54	289.14	640.67	112.86	103.50
Carry forward from previous year of transferor Companies					360.19	
Prior Period Adjustment of Tax						-5.22
Profit available for appropriation	635.60	673.13	496.15	900.29	654.35	115.12
General Reserve	0.00	30.00	0.00	600.00	0.00	
Dividend	0.00	175.12	79.56	9.42	12.00	2.00
Dividend tax	0.00	29.76	13.52	1.73	1.68	0.26
capital Redemption Reserve	0.00		0.50	0.00	0.00	
Gratuity Provision			7.03			
Balance carried to balance sheet	635.60	438.25	395.54	289.14	640.67	112.86



### Cash Flow Statement

PARTICULARS	For the period ended 30.9.09 (Rs in lakh)	TOTAL (Rs in lakh)	2008-2009 (Rs in lakh)	TOTAL (Rs in lakh)	2007-2008 (Rs in lakh)	TOTAL (Rs in lakh)	2006-2007 (Rs in lakh)	TOTAL (Rs in lakh)	2005-2006 (Rs in lakh)	TOTAL (Rs in lakh)
<b>(A) Cash Flow From Operating Activities</b>										
Profit before tax		237.35		453.77		285.66		408.75		268.85
Adjustments for										
Depreciation	66.30		120.46		117.45		82.13		71.96	
Interest paid	211.75		496.29		372.63		267.52		289.29	
Loss on Sale of Fixed Assets	0.55		3.49		3.50		4.06		2.69	
Preliminary Exp., W/off	2.88		5.76		3.97		3.21		0.02	
Misc. Assets W/off	1.15	282.63	2.27	628.26	2.71	500.26	0.00	356.92	0.00	363.96
Operating Profit Before Working Capital Changes		519.98		1,082.03		785.92		765.67		632.81
Adjustment for Change In:										
Inventories	276.58		224.45		-540.83		-388.64		27.85	
Receivable	386.67		-1,221.75		-865.49		-63.24		-358.68	
Loans & Advances	349.48		-659.36		66.98		237.85		133.38	
Current liabilities	-72.19		141.90		1,070.59		-347.12		-17.39	
Provisions	22.42	962.96	25.02	-1,489.74	-25.53	-294.28	-2.00	-563.15	40.51	-174.34
Income Taxes Paid (including F.B.T.)		1482.94		-407.71		491.64		202.52		458.47
Less : Income Tax Refund	-152.40		-29.15		-132.80		-94.92			-23.94
		-152.40	0.00	-29.15	0.08	-132.72				
Net Cash Generated From Operations		<b>1330.53</b>		<b>-436.86</b>		<b>358.92</b>		<b>107.60</b>		<b>434.53</b>
<b>(B) Cash flow from Investing activities</b>										
Purchase Of Fixed Assets	-1542.56		-343.98		-189.39		-484.03		-484.50	
Proceeds From Sale Of Fixed Assets	2.85		0.74		1.78		13.11		2.66	
Sale Of Investments	0.00		0.00		-0.05		0.00		135.38	
Pre-Project Expenses	0.00		-12.19		0.00		-28.32		0.00	
Net Cash Generated From Investing Activities		<b>-1539.71</b>		<b>-355.43</b>		<b>-187.66</b>		<b>-499.25</b>		<b>-346.46</b>
<b>(C) Cash Flow From Financing Activities</b>										
New Shares Issued	0.00		80.00		0.00		110.00		0.00	
Security Premium On Newly Issued Shares	0.00		320.00		0.00		440.00		0.00	
Secured Loans	353.30		1,087.95		470.00		952.17		-260.38	
Unsecured Loans	167.54		155.47		-91.95		-784.24		570.15	
Interest Paid	-211.75		-496.29		-372.63		-267.52		-289.29	
Interim - Dividend Paid (Including Tax on	0.00		-87.56		0.00		-11.14		0.00	



## Rushil Decor Limited

Interim Dividend)										
Dividend Paid (Including Tax On Dividend)	-102.44		-93.08		0.00		-13.68		-13.57	
Preference Share Capital Redeemed	0.00		0.00		-0.50		0.00		0.00	
Amalgamation & Preliminary Exp.	0.00		0.00		-74.39		-15.93		0.00	
Net Cash Generated From Financing Activities		<b>206.65</b>		966.48		-69.47		409.65		6.90
<i>Net Increase In Cash &amp; Cash Equivalents</i>		<b>-2.53</b>		174.19		101.79		18.00		94.97
<i>Cash &amp; Cash Equivalents At The Beginning Of The Period</i>		<b>401.91</b>		227.73		125.94		107.95		12.98
<i>Cash &amp; Cash Equivalents At The End Of The Period</i>		<b>399.38</b>		401.91		227.73		125.94		107.95

**GENERAL INFORMATION****Incorporation**

Our Company was incorporated on May 24, 1993 as “Rushil Decor Private Limited ” under the provisions of the Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra & Nagar Haveli and subsequently, the name of our Company was changed to “Rushil Decor Limited ” on December 4, 2007 vide a fresh certificate of incorporation on becoming a public limited company

**Our Corporate Identity No. is U25209GJ1993PTC019532.**

**Registered Office:****Rushil Decor Limited**

S. No.125, Near Kalyanpura Patia,  
Gandhinagar – Mansa Road, Village Itla,  
Tal: Kalol, Dist. Gandhinagar – 382845,  
Gujarat, India.

**Tel. No.** + 91 – 2764 – 287 487, 287 777;

**Fax No.** + 91 – 2764 – 287 700;

**Contact Person:** Mr. Hasmukh Kanubhai Modi, Company Secretary & Compliance Officer

**Email:** ipo@rushil.com;

**Website:** [www.rushil.com](http://www.rushil.com);

For details of change in name and registered office, please refer to the Chapter “History and Other Corporate Matters” beginning on page 126 of the Draft Red Herring Prospectus.

**Address of ROC****Registrar of Companies**

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad – 380 013  
Gujarat, India.

**Tel:** 91-079- 2743 7597

**Fax:** 91-079-2743 8371

**Email:** roc.ahmedabad@mca.gov.in

**Board of Directors of our Company**

**The composition of our Board of Directors is as under:**

S. No	Board of Directors	Designation	Status	DIN
1	Mr. Ghanshyambhai Ambalal Thakkar	Executive Chairman	Executive Director	00208843
2	Mr. Krupesh Ghanshyambhai Thakkar	Managing Director	Executive Director	01059666
3	Mr. Narendra Kumar Jain Kabdi	Independent Director	Independent Non - Executive Director	02718121
4	Mr. Harshadbhai Navnitlal Doshi	Independent Director	Independent Non- Executive Director	01928520
5	Mr. Shankar Prasad Bhagat	Independent Director	Independent Non- Executive Director	01359807

For detailed profile of our Directors, please refer to the Chapter “Our Management” and “Our Promoters and their Background” beginning on pages 131 & 149 respectively of the Draft Red Herring Prospectus.



---

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Mr. Hasmukh Kanubhai Modi**

1, Krinkal Apartment, Mahalaxmi Society, Paldi,  
Ahmedabad – 380 007, Gujarat, India  
Tel No: +91-79-2665 1346 / 2662 2323  
Fax No: + 91-79-2664 0969  
**Website:** www.rushil.com  
**Email:** ipo@rushil.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, non-receipt of refund orders, non receipt of funds by electronic mode etc.**

**Bankers to our Company**

**Bank of Baroda**

Kalol Branch, M.G. Road,  
Kalol – 382 721,  
District: Gandhinagar, Gujarat,  
India  
**Tel. No.:** +91-2764 223909  
**Fax No.:** +91-2764 223103  
**E-mail:** kalol@bankofbaroda.com  
**Website:** www.bankofbaroda.co.in  
**Contact Person:** Mr. Naresh Sharma

**Allahabad Bank**

Navin House, off: C.G. Road,  
Opp S P Seva Samaj Hall  
S.P. Nagar Branch,  
Ahmedabad - 380006  
**Tel. No.:** +91- 079-26460354  
**Fax No.:** +91- 079-26468450  
**E-mail:** br.spnagar@allahabadbank.in  
**Website:** www.allahabadbank.com  
**Contact Person:** Mr. C.R. Varma

**Statutory Auditors to our Company**

**M/s. D.R. THAKKAR & CO**

**Chartered Accountants**

B- 102, Adhunik Apartment, 58, Pritamnagar Society, Ellisbridge,  
Ahmedabad – 380 006,  
Gujarat,  
India.  
Tel No: +91-079-2644 1029/ 2646 1979  
FaxNo: +91-079- 2675 4852  
Email id:drt@drthakkarandcompany.com  
Contact Person: Mr. Dipak R. Thakkar



## ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER	CO- BOOK RUNNING LEAD MANAGER
<b>Corporate Strategic Allianz Limited</b> <b>Sebi Regn No:</b> INM 000011260 402, Samedh Complex, Near . Associated Petrol Pump, C.G. Road, Ahmedabad – 380 006, Gujarat- India. Tel No: + 91-079- 2642 4138 / 2656 2165 TeleFaxNo : + 91-079- 4002 4670 Email Id: <a href="mailto:info@csapl.com">info@csapl.com</a> Website: <a href="http://www.csapl.com">www.csapl.com</a> Contact Person: Mr. V.R. Amit Kumar	<b>Indbank Merchant Banking Services Ltd</b> <b>Sebi Reg. No:</b> MB/INM000001394 11, Varma Chambers, Homji Street, Fort Mumbai – 400 001 Tel No: +91- 22 2263 4601 Fax No: +91- 22 2265 8270 Email: <a href="mailto:mba@indbankonline.com">mba@indbankonline.com</a> Website: <a href="http://www.indbankonline.com">www.indbankonline.com</a> Contact Person: Mr. Amit Wagle
REGISTRARS TO THE ISSUE	LEGAL ADVISORS TO THE ISSUE
<b>BIGSHARE SERVICES PRIVATE LIMITED</b> E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East) Mumbai – 400 072 Sebi Reg. No: INR000001385 Tel No: +91-22-40430200 Fax No: +91-22-28475207 Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> Email: <a href="mailto:fclipo@bigshareonline.com">fclipo@bigshareonline.com</a> Contact Person: Mr. Ashok Shetty	<b>M/s. Thakkar Associates</b> 71, New York Tower – A, Below Hotel Signor, Thaltej Char Rasta, Ahmedabad – 380 054, Tel No: +91-79-26855101, Fax No: +91-79- 26855105, Email: <a href="mailto:nkpahwa2001@yahoo.com">nkpahwa2001@yahoo.com</a> Contact Person: Mr. Navin Pahwa
SYNDICATE MEMBERS	BANKER TO THE ISSUE AND ESCROW COLLECTION BANK
<b>[•]</b> The Syndicate Member(s) will be appointed prior to filing the Red Herring Prospectus with RoC.	<b>[•]</b> The Bankers to the issue will be appointed prior to filing the Red Herring Prospectus with RoC.
REFUND BANKER TO THE ISSUE	SELF CERTIFIED SYNDICATE BANKS
<b>[•]</b> The Refund Banker to the issue will be appointed prior to filing the Red Herring Prospectus with RoC.	<b>[•]</b> The Self Certified Syndicate Banks will be appointed prior to filing the Red Herring Prospectus with RoC.

## Statement of Inter-Se Allocation of Responsibilities

The BRLM & CBRLM shall be responsible for the following:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	CSAL	IBMBS
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing.	CSAL & IBMBS	IBMBS
3.	Primary Co-ordination with SEBI, ROC and Stock Exchanges for all activities pertaining to the issue	CSAL & IBMBS	CSAL
4.	Drafting and approval of all statutory advertisement	CSAL	IBMBS
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	CSAL	IBMBS
6.	Appointment of other intermediaries viz., Registrar's,	CSAL	IBMBS



Sr. No.	Activity	Responsibility	Co-ordination
	Printers, Advertising Agency and Bankers to the Issue		
7.	Institutional Marketing strategy * Preparation of Road show presentation * Finalise the list and division of investors for one to one meetings, in consultation with the Company, and * Finalizing the International road show schedule and investor meeting schedules	CSAL & IBMBS	IBMBS
8.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, * Formulating marketing strategies, preparation of publicity budget * Finalise Media and PR strategy * Finalising centers for holding conferences for press and brokers * Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	CSAL & IBMBS	IBMBS
9.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	IBMBS	IBMBS
10.	Finalisation of Pricing, in consultation with the Company	CSAL & IBMBS	IBMBS
11.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's to the Issue and Bankers to the Issue, SCSBs and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	CSAL & IBMBS	IBMBS
12.	In case of under-subscription in an Issue, invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued.	CSAL & IBMBS	IBMBS

### Credit Rating

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

### IPO Grading

This Issue being has been graded by [●] as [●] (pronounced [●]), indicating [●]. The rationale furnished by the credit rating agency for its grading will be updated at the time of filing the Red Herring Prospectus with RoC.

### Trustees

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





## Appraising Entity

### Bank of Baroda

Kalol Branch, M.G. Road,  
Kalol – 382 721,  
District: Gandhinagar, Gujarat,  
India

**Tel. No.:** +91-2764 223909

**Fax No.:** +91-2764223103

**E-mail:** kalol@bankofbaroda.com

**Website:** www.bankofbaroda.co.in

**Contact Person:** Mr. Naresh Sharma

The project for which this Issue is being made is appraised by Bank of Baroda. For further details please refer to section “Objects of the Issue” beginning on Page No. 56.

### Monitoring Agency

As the net proceeds of the issue will be less than Rs.50,000 Lakhs, under the SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

### Withdrawal of the Issue

Our Company, in consultation with the BRLM and CBRLM, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the Issue after closure of bidding, we will be required to file a fresh draft offer document with the Securities and Exchange Board of India.

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.

### Book Building Process

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being 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 in this case being Corporate Strategic Allianz Limited;
3. Co- Book Running Lead Manager in this case being Indbank Merchant Banking Services Ltd
4. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with NSE/ BSE and eligible to act as underwriters. Syndicate members are appointed by Book Running Lead Manager;
5. Registrar to the Issue in this case being Bigshare Services Private Limited
6. Escrow Collection Bank(s), Refund Bank(s).



## 7. Self Certified Syndicate Banks.

SEBI, through its regulations, has permitted the Issue of securities to the public through the 100% Book Building Process, wherein upto 50% of the Issue (with a mandatory allotment of 10%) shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue 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. Our Company will comply with these guidelines for this Issue. In this regard, our Company has appointed the BRLM & CBRLM to procure subscriptions to the Issue.

8. We will comply with the SEBI (ICDR) Regulations, 2009 for this Issue. In this regard, we have appointed Corporate Strategic Allianz Limited as the BRLM and Indbank Merchant Banking Services Ltd as Co- Book Running Lead Manager to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI (ICDR) Regulations, 2009 is subject to change from time to time and Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. In addition, QIBs are required to pay 10% Margin Amount upon submission of their Bid, provided however, QIBs that are Anchor Investors are required to pay 25% of their Bid Amount at the time of submission of the Bid and the remaining amount within two days of the Bid/Issue Closing Date. Allocation to QIBs will be on a proportionate basis. *For further details please refer paragraph titled "Maximum and Minimum Bid Size" beginning on page 224 under Chapter titled "Issue Procedure" beginning on page 221 of the Draft Red Herring Prospectus.*

Resident Retail Individual Bidders have the option to submit their Bids under the "ASBA Process", which would entail blocking of funds in the investor's bank account rather than transfer of funds to the respective Escrow Accounts. *For further details, please refer to the Chapter titled "Issue Procedure for ASBA Bidders" beginning on page 221 of the Draft Red Herring Prospectus.*

## Steps to be taken for bidding

- 1) Check eligibility for making a Bid *(For details please refer to the paragraph titled "Who Can Bid" beginning on page 250 under Chapter titled "Issue Procedure" beginning on page 221 of the Draft Red Herring Prospectus);*
- 2) Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid cum Application Form including ASBA Form;
- 3) Ensure that the Bid-cum-Application Form including ASBA Forms is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid-cum-Application Form including ASBA Forms; and
- 4) Ensure that the Permanent Account Number is mentioned on Bid-cum-Application Form/ASBA Form. Bidders are specifically requested not to mention their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected on this ground.

## BID/ISSUE PROGRAMME

**BID/ ISSUE OPENS ON: [●]**

**BID/ ISSUE CLOSES ON: [●]**

Our Company may consider participation by Anchor Investors for upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. 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 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-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-à-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.

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, not later than the times mentioned above. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLMs and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the Book Running Lead Manager to the Stock Exchanges within half an hour of such closure.

**Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.**

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the Book Running Lead Manager, and advertised at least two working days prior to the Bid/Issue Opening Date. The announcement on the Price Band shall also be made available on the websites of the Book Running Lead Manager and at the terminals of the Syndicate.

We reserve the right to revise the Price band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. 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%.

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 the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the B and at the terminals of the Syndicate and to the SCSBs.



### Underwriting Agreement

After the determination of the Issue Price and before allocation of our Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM and CBRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [.]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

Name & Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lakhs)
<b>Book Running Lead Manager</b>		
Corporate Strategic Allianz Limited	[.]	[.]
<b>Co- Book Running Lead Manager</b>		
Indbank Merchant Banking Services Limited	[.]	[.]

**CAPITAL STRUCTURE**

The Equity Share Capital of our Company as on the date of filing of this Draft Red Herring Prospectus with SEBI (before and after the issue) is set forth below:

	Particulars	Nominal Value (Rs.)	Aggregate Value (Rs.)
<b>A.</b>	<b>Authorised Equity capital</b>		
	2,00 00 000 Equity Shares of Rs. 10/- each	20,00,00,000	20,00,00,000
<b>B.</b>	<b>Issued, Subscribed &amp; paid -up Share Capital before the Issue</b>		
	87,56,250 Equity Shares of Rs. 10/- each	8,75,62,500	8,75,62,500
<b>C.</b>	<b>Present Issue #</b>		
	56,43,750 Equity Shares of Rs.10/- each fully paid-up for cash at a premium of [●]	5,64,37,500	[●]
	<b>Out of Which</b>		
<b>D.</b>	<b>Promoter Contribution Portion ##</b> 2,43,750 Equity Shares of Rs.10/- each to be issued at a price of Rs. [●] per share to our Promoters	24,37,500	[●]
<b>E.</b>	<b>Net Offer to the Public</b> 54,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. [●]/- per share in terms of this Draft Red Herring Prospectus	5,40,00,000	[●]
	<b>Out of 'E' above</b>		
<b>F.</b>	<b>QIB Portion:</b> 27,00,000 Equity Shares aggregating Rs. [●] lakh, constituting upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue to QIBs).	2,70,00,000	[●]
<b>G.</b>	<b>Non Institutional Portion</b> 8,10,000 Equity Shares aggregating Rs. [●] lakh, constituting not less than 15% of the Net Issue that will be available for allocation to Non-Institutional Bidders.	8100000	[●]
<b>H.</b>	<b>Retail Portion</b> 18,90,000 Equity Shares aggregating Rs. [●] lakh constituting not less than 35% of the Net Issue that will be available for allocation to Retail Individual Bidders.	1,89,00,000	[●]
<b>I.</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital after this Issue</b>		
	1,44,00,000 Equity Shares of Face Value of Rs.10/- each	14,40,00,000	[●]
<b>J.</b>	<b>Share Premium Account</b>		
	Share Premium account before the Issue	7,60,00,000	
	Share Premium account after the Issue	[●]	[●]

# The present Issue in terms of this Draft Red Herring Prospectus has been authorized by our Board of Directors and our shareholders, pursuant to their resolutions dated December 24, 2009 and February 03, 2010 respectively.

## Out of the present Issue, 243750 Equity Shares of Rs. 10/- each, aggregating to Rs. [●] Lakhs is the promoter's contribution to be brought in by our Promoters, Mr. Ghanshyambhai Ambalal Thakkar and Mr. Krupesh Ghanshyambhai Thakkar.

**Details of increase in Authorised Share Capital since inception**

Date	Nature of increase/ change	Increased from	Increase of	Total No. of Equity Shares	Face Value (Rs.)	Cumulative Authorized Share Capital ( Rs.)
May 24, 1993	On Incorporation	-	10,000	10,000	10	1,00,000
October 30, 1993	Increase	10,000	85,000 5,000 (preference shares)	95,000	10	9,50,000
January 12, 1998	Increase	95,000	1,00,000	1,95,000	10	19,50,000
December 15, 2006	Increase	1,95,000	8,00,000	9,95,000	10	99,50,000
March 8, 2007	Increase	9,95,000	70,00,000	79,95,000	10	7,99,50,000
December 05, 2007	Increase	79,95,000	1,20,00,000	1,99,95,000	10	19,99,50,000
December 26, 2007	Conversion of Preference shares into Equity	1,99,95,000	5,000	2,00,00,000*	10	20,00,00,000

\* Note: In the year October 30, 1993, our Company increased its authorized share capital by way of 5000 preference shares at face value of Rs. 10 each along with 85,000 equity shares at face value of Rs. 10 each. However on December 26, 2007 the Preference Shares were converted into Equity shares as a result, our Authorize Capital post conversion of preference shares to equity shares is 2,00,00,000

**Notes to Capital Structure****Share Capital History**

(i) **Equity Share Capital History:** Our existing Equity Share Capital has been subscribed and allotted as under:

Date of Allotment	No. of Equity Shares Allotted	Cumulative no. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Bonus, Consideration on other than cash)	Cumulative Share Capital (Rs. In Lakhs)	Nature of / Reasons for Allotment	Cumulative Share Premium
May 24, 1993	20	20	10	10	Cash	200	Subscriber to the Memorandum	-----
June 29, 1993	9980	10000	10	10	Cash	1,00,000	Further Allotment to Promoter and Promoter Group	-----
November 26, 1993	85000	95000	10	10	Cash	9,50,000	Further Allotment to Promoter and Promoter	-----



## Rushil Decor Limited

							Group	
January 12, 1998	100000	195000	10	10	Cash	19,50,000	Further Allotment to Promoter and Promoter Group	-----
March 8, 2007	410000	605000	10	N.A	Other than Cash	60,50,000	Pursuant to Scheme of Amalgamation – Unit (Mica Rushil Private Limited)	-----
March 8, 2007	260000	865000	10	N.A	Other than Cash	86,50,000	Pursuant to Scheme of Amalgamation – Unit (Rushil High Pressure Laminates Private Limited)	-----
March 8, 2007	1100000	1965000	10	50	Cash	1,96,50,000	Further Issue of Shares to Promoter and Promoter Group	4,40,00,000
March 27, 2007	5991250	7956250	10	10	Bonus	7,95,62,500	* Bonus shares in the Ratio of 1: 3.05 out of our free reserves	4,40,00,000
September 2, 2008	800000	8756250	10	50	Cash	8,75,62,500	Further Issue of Shares to Promoters	7,60,00,000

\* Our Company issued Bonus Shares on March 27, 2007 to its eligible Members in the ratio of 1:3.05 Equity Shares held by the members and such new shares were fully paid and shall rank *pari passu* with the existing equity shares

### (ii) Preference Share Capital History of the Company

Date of Allotment/Reduction	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative No. of Shares (of Rs. 10/- each)	Nature of payment of consideration	Reasons for Allotment/Reduction	Cumulative Securities Premium Account	Cumulative Paid-up Capital (Rs.)
26-11-1993	5000	10	10	5000	Cash	Issue of Redeemable Preference Share Capital	-	50,000





26-12-2007	5000	10		Nil		Redemption of preference Shares out of profit of the Company		Nil
------------	------	----	--	-----	--	--	--	-----

**(iii) Issue of Equity Shares in the last one year**

Except as stated in the draft red herring prospectus, our Company has not allotted any shares in last one year.

**(iv) Equity Shares issued for consideration other than cash****(a) Bonus Shares**

**We have issued 5991250 Bonus Shares in the Ratio of 1:3.05 out of the free reserves on March 27, 2007**

Persons to whom allotted	Number of Equity Shares allotted
Ambalal D Thakkar	24392
Ambalal D Thakkar (HUF)	1524
Ghanshyambhai Ambalal Thakkar	923414
Ghanshyambhai Ambalal Thakkar ( HUF)	290202
Deenuben G Thakkar	178975
Krupesh Ghanshyambhai Thakkar	552506
Krupesh Ghanshyambhai Thakkar (HUF)	1046473
Krupa K Thakkar	297580
Saraswatiben N Thakkar	157024
Ashok H Thakkar (HUF)	488630
Umesh H Thakkar ( HUF)	452104
Raja A Thakkar	4756
Umesh H Thakkar	80003
Ashok H Thakkar	50003
Harshaben A Thakkar	25002
Sushma U Thakkar	25002
Ghanshyambhai Ambalal Thakkar & Krupesh Ghanshyambhai Thakkar	250
Ghanshyambhai Ambalal Thakkar & Umesh H Thakkar (HUF) & V.V. & Co	250
Ghanshyambhai Ambalal Thakkar & Maltiben P Thakkar	250
Ghanshyambhai Ambalal Thakkar & P.S. Thakkar	250
Ghanshyambhai Ambalal Thakkar & M/s. Bhavani Trading Co	250
Umesh H Thakkar & K.V. Nagori & Vipin K Nagori	250
Umesh H Thakkar & Ajay Vinod Shah ( HUF)	250
Umesh H Thakkar & Pari Manilal Maganlal & Pari Kashavlal Shivilal	250
Umesh H Thakkar & Diya Atul Rajani	250
Umesh H Thakkar & Godavri Ben K Thakkar	250
Umesh H Thakkar & Mehta Jayantilal Kalidas	250
Umesh H Thakkar & Dilipbhai D Thakkar & Pari Apurva Bharatkumar & Sundarkar S Shah	250
Umesh H Thakkar & Natvarlala Zinabhai Thakkar & Usha Sudhakar Shah	250
Umesh H Thakkar & Hemendrakumar & Bros	250
Umesh H Thakkar & Bipin Shivilal & Mr. Pari Keshavlal & Suryakant H Parikh	250
Krupesh Ghanshyambhai Thakkar (HUF) & Ghanshyam Thakkar as a Representative of	1389910

**Rushil Decor Limited**

M/s. Rushi International Partnership Firm	
<b>TOTAL</b>	<b>5991250</b>

**(b) Scheme of Amalgamation: M/s. Rushil High Pressure Laminates Private Limited and  
M/s. Mica Rushil Private Limited**

**M/s. Rushil High Pressure Laminates Private Limited**

Pursuant to Scheme of Amalgamation – Unit (Rushil High Pressure Laminates Private Limited), the following persons have been allotted shares on March 08, 2007

<b>Persons to whom allotted</b>	<b>Number of Equity Shares allotted</b>
Ghanshambhai A Thakkar	8580
Umesh H Thakkar (HUF)	92430
Raja A Thakkar	1560
Krupesh Ghanshyambhai Thakkar	5720
Krupa Krupesh Thakkar	63700
Ashok H Thakkar (HUF)	88010
<b>TOTAL</b>	<b>260000</b>

**M/s Mica Rushil Private Limited**

Pursuant to Scheme of Amalgamation – Unit (Mica Rushil Private Limited), the following persons have been allotted shares on March 08, 2007

<b>Persons to whom allotted</b>	<b>Number of Equity Shares allotted</b>
Ghanshambhai A Thakkar	89790
Umesh H Thakkar	26240
Ghanshambhai A Thakkar (HUF)	8200
Deenuben G Thakkar	8200
Saraswati Ben N. Thakkar	41000
Krupa Krupesh Thakkar	16400
Krupesh Ghanshyambhai Thakkar	91840
Ashok H Thakkar	16400
Ashok H Thakkar (HUF)	55350
Harshaben A Thakkar	8200
Sushma U Thakkar	8200
Ghanshyambhai Ambalal Thakkar & Krupesh Ghanshyambhai Thakkar	82
Ghanshyambhai Ambalal Thakkar & Umesh H Thakkar (HUF) & V.V. & Co	82
Ghanshyambhai Ambalal Thakkar & Maltiben P Thakkar	82
Ghanshyambhai Ambalal Thakkar & P.S. Thakkar	82
Ghanshyambhai Ambalal Thakkar & M/s. Bhavani Trading Co	82
Umesh H Thakkar & K.V. Nagori & Vipin K Nagori	82
Umesh H Thakkar & Ajay Vinod Shah ( HUF)	82
Umesh H Thakkar & Pari Manilal Maganlal & Pari Kashavlal Shivilal	82
Umesh H Thakkar & Diya Atul Rajani	82
Umesh H Thakkar & Godavri Ben K Thakkar	82
Umesh H Thakkar & Mehta Jayantilal Kalidas	82
Umesh H Thakkar & Dilipbhai D Thakkar & Pari Apurva Bharatkumar & Sundarkar S Shah	82
Umesh H Thakkar & Natvarlala Zinabhai Thakkar & Usha Sudhakar Shah	82
Umesh H Thakkar & Hemendrakumar & Bros	82
. Umesh H Thakkar & Bipin Shivilal & Mr. Pari Keshavlal & Suryakant H Parikh	82
Umesh H Thakkar (HUF)	38950
<b>TOTAL</b>	<b>410000</b>



(v) The Hon'ble High Court of Judicature of Gujarat vide its Order dated January, 23, 2007 has approved the Scheme of Amalgamation entered into by the Company under Section 391 and 394 of the Companies Act, 1956 with two Companies namely Rushil High Pressure Laminates Private Limited and Mica Rushil Décor Private Limited. As per the order 670000 shares were issued to Shareholders of these Companies.

(vi) Our Company has not re-valued its assets since inception and has not issued any shares out of the revaluation reserves.

(vii) Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Plan) Guidelines, 1999.

(viii) Promoters Contribution and Lock – in details in respect of Promoters, whose names figure in the Draft Red Herring Prospectus as Promoters in the paragraph on “Our Promoters” are as under:

(ix) **Promoter's Contribution and Lock in**

**Details of the build up of our Promoters Shareholding in our Company**

Name of the Promoter	Date of Allotment/ Transfer	Mode of Acquisition ( Allotment/Transfer)	Nature of payment of Consideration	No. of Equity Shares	Face Value (Rs.)	Issue Price / Transfer Price (Rs.)
<b>Mr. Ghanshyambhai Ambalal Thakkar</b>						
	26/11/1993	Allotment	Cash	54500	10	10
	12/01/1998	Allotment	Cash	10000	10	10
	31/03/2005	Transfer (Sale)	Cash	(33800)	10	10
	08/03/2007	Pursuant to Scheme of Amalgamation Unit – (Mica Rushil Private Limited)	Other than Cash	89790	10	NA
	08/03/2007	Pursuant to Scheme of Amalgamation. Unit – (Rushil High Pressure Laminates Private Limited)	Other than Cash	8580	10	NA
	08/03/2007	Allotment	Cash	173790	10	10
	27/03/2007	Bonus Issue	Bonus	923414	10	NA
	30/03/2007	Transfer (Purchase)	Cash	50288	10	10
	29/03/2008	Transfer (Purchase)	Cash	99000	10	50
	31/03/2008	Transfer (Purchase)	Cash	15302	10	50
	01/04/2008	Transfer (Purchase)	Cash	922885	10	12.3
	25/05/2008	Transfer (Purchase)	Cash	90173	10	40
	02/09/2008	Allotment	Cash	400000	10	50
	03/03/2009	Transmission	Other than Cash	32392	10	NA
	30/03/2009	Transfer (Sale)	Cash	(922885)	10	12.3
	21/07/2009	Transfer (Purchase)	Cash	1660	10	50
		<b>TOTAL</b>		<b>1915089</b>		
<b>Mr. Krupesh Ghanshyambhai Thakkar</b>						
	24/05/1993	Subscriber to Memorandum	Cash	10	10	10
	29/06/1993	Allotment	Cash	990	10	10
	26/11/1993	Allotment	Cash	2000	10	10



## Rushil Decor Limited

	08/03/2007	Pursuant to Scheme of Amalgamation. Unit - (Mica Rushil Private Limited)	Other than Cash	91840	10	NA
	08/03/2007	Pursuant to the Scheme of Amalgamation. Unit – (Rushil High Pressure Laminates Private Limited)	Other than Cash	5720	10	NA
	08/03/2007	Allotment	Cash	80650	10	10
	27/03/2007	Bonus Issue	Bonus	552506	10	NA
	30/03/2007	Transfer (Purchase)	Cash	38627	10	70
	29/03/2008	Transfer (Purchase)	Cash	85000	10	50
	31/03/2008	Transfer (Purchase)	Cash	22270	10	50
	01/04/2008	Transfer (Purchase)	Cash	922885	10	12.3
	10/04/2008	Transfer (Purchase)	Cash	8529	10	40
	30/04/2008	Transfer (Purchase)	Cash	88675	10	40
	02/09/2008	Allotment	Cash	400000	10	50
	30/03/2009	Transfer(Sale)	Cash	(922885)	10	12.3
		<b>TOTAL</b>		<b>1376817</b>		
<b>Ghanshyambhai Ambalal Thakkar (HUF)</b>						
	29-June-1993	Allotment	Cash	500	10/-	10
	26-Nov-1993	Allotment	Cash	5000	10/-	10
	08-Mar-2007	Allotment	Cash	81,480	10/-	10
	08-mar-2007	Pursuant to Scheme of Amalgamation	Other than Cash	8,200	10/-	NA
	27-Mar-2007	Bonus	Bonus (3.05: 1)	2,90,202	10/-	NA
	<b>Total (D)</b>			<b>3,85,382</b>		
<b>Krupesh Ghanshyambhai Thakkar (HUF)</b>						
	26-Nov-1993	Allotment	Cash	5000	10/-	10
	12-Jan-1998	Allotment	Cash	30,000	10/-	10
	08-Mar-2007	Allotment	Cash	3,08,220	10/-	10
	27-Mar-2007	Bonus	Bonus (3.05 :1)	10,46,473	10/-	NA
	<b>TOTAL</b>			<b>13,89,693</b>		
<b>Krupa Krupesh Thakkar</b>						
	26-Nov-1993	Allotment	Cash	17,500		10
	8-Mar-2007	Pursuant to Scheme of Amalgamation	Other than Cash	80,100	10	NA
	27-Mar-2007	Bonus	Bonus (3.05: 1)	2,97,580	10/-	NA
	<b>TOTAL</b>			<b>3,95,180</b>		
<b>Rushil International</b>						
	30-March-2009	Transfer ( Purchase)	Cash	18,45,770	10/-	12.3
	<b>Total (E)</b>			<b>18,45,770</b>		

The Equity Shares which are eligible for being locked in for three years as per SEBI(ICDR) Regulations, 2009.

(x) 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 Commencement of Commercial Production or date of allotment in this Issue whichever is later.



The details of the promoters' Equity Shares locked-in for a period of three years are as follows:

Name of the Promoter	Date of Allotment/ Transfer	Nature of Transaction	No. of Equity Shares	Face Value ( in Rs.)	Issue/ Transfer/ Acquisti on Price (in Rs.)	Nature of Considerat ion	Cumulative No. of Shares
<b>Mr. Ghanshyambhai Ambalal Thakkar</b>							
	26/11/1993	Allotment	20700	10	10	Cash	20700
	12/01/1998	Allotment	10000	10	10	Cash	30700
	08/03/2007	Amalgma tion	89790	10	NA	Other than Cash	120490
	27/03/2007	Bonus	923414	10	NA	Bonus	1043904
	30/03/2007	Transfer	50288	10	10	Cash	1094192
	29/03/2008	Transfer	99000	10	50	Cash	1193192
	31/03/2008	Transfer	15302	10	50	Cash	1208494
	25/05/2008	Transfer	90173	10	40	Cash	1298667
	02/09/2008	Allotment	400000	10	50	Cash	1698667
	03/03/2009	Transmissio n	32392	10		Other than cash	1731059
	21/07/2009	Transfer	1660	10	50	Cash	1732719
		<b>TOTAL</b>	<b>1732719</b>				
<b>Mr. Krupesh Ghanshyambhai Thakkar</b>							
	24/05/1993	Subscripti on to Memorand um	10	10	10	Cash	10
	29/06/1993	Allotment	990	10	10	Cash	1000
	08/03/2007	Amalgam ation	91840	10	NA	Other than Cash	92840
	08/03/2007	Allotment	80650	10	10	Cash	173490
	27/03/2007	Bonus	552506	10	NA	Bonus	725996
	31/03/2008	Transfer	22270	10	50	Cash	748266
	02/09/2008	Allotment	400000	10	50	Cash	1148266
		<b>TOTAL</b>	<b>1148266</b>				

The Specific written consent has been obtained from the Promoters for inclusion of such number of their existing shares to ensure minimum Promoter's contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up-Equity Share Capital.



**We confirm that the Minimum Promoters contribution of 20% of the Post – Issue Capital which is subject to lock in for three years does not consist of:**

- (a) Equity Shares acquired within three years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalization of intangible assets or resulting from a bonus issued by utilization of revaluation reserves or unrealized profits of our Company or bonus issue against Equity Shares which are ineligible for minimum Promoter's contribution.
- (b) Securities acquired by our Promoters, during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the issue.
- (c) Private Placement made by solicitation of subscription from unrelated person either directly or through any intermediary.
- (d) Equity Shares issued to our Promoters on conversion of partnership firms into limited Company.
- (e) Promoters Contribution has been brought in to the extent of not less than the specified minimum lot and from person defined as promoters under SEBI (ICDR) Regulations, 2009.
- (f) Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.
- (g) Pledged Equity Shares held by our Promoters.

**(xi) Lock –in of Equity Shares**

The entire Pre- Issue Equity Share Capital of Our Company other than the Minimum Promoter's contribution, which is locked-in for a period of three years, shall be locked –in for a period of one year from the date of Commencement of Commercial Production or date of allotment in the present Public Issue, whichever is later. In terms of SEBI ICDR Regulations, Equity Shares allotted to Anchor Investors, in the Anchor Investor Portion, shall be locked-in for a period of 30 days from the date of allotment of Equity Shares in the Issue.

**(xii) The Pre- Issue shareholding Pattern of our Promoter/ Promoter Group is as under:**

S. No	Name	Shareholding	% of Pre Issue Shareholding
<b>(A)</b>	<b>Promoter – Core Promoter</b>		
	Mr. Ghanshyambhai Ambalal Thakkar	1915089	21.87
	Mr. Krupesh Ghanshyambhai Thakkar	1376817	15.72
	Mrs. Krupa Krupesh Thakkar	395180	4.51
	Ghanshyambhai Ambalal Thakkar (HUF)	385382	4.40
	Krupesh Ghanshyambhai Thakkar (HUF)	1389693	15.87
	Rushil International	1845770	21.08
	<b>SUB – TOTAL (A)</b>	<b>7307931</b>	<b>83.46</b>
<b>(B)</b>	<b>Promoter Group</b>		
	Ambala D. Thakkar (HUF)	2024	0.02
	Mrs. Deenuben G. Thakkar	237675	2.71
	Mrs. Saraswatiben N. Thakkar	208524	2.38



	<b>SUB TOTAL (B)</b>	<b>448223</b>	<b>5.12</b>
	<b>TOTAL (A) + (B)</b>	<b>7756154</b>	<b>88.58</b>

(xiii) **Shareholding Pattern of our Company before and after the issue is as under:**

<b>Category</b>	<b>Pre Issue Equity Capital</b>		<b>Post Issue Equity Capital</b>	
	<b>Number of Equity Shares</b>	<b>%</b>	<b>Number of Equity Shares</b>	<b>%</b>
<b>Promoters Holding</b>				
Promoter / Core Promoter	7307931	83.46	7551681	52.44
Promoters Group	448223	5.12	448223	3.11
<b>Total Promoter and Promoter Group (A)</b>	<b>7756154</b>	<b>88.58</b>	<b>7999904</b>	<b>55.55</b>
<b>Others- Not Related to Promoter /Promoter Group</b>				
Independent Director (Mr. Narendra Kumar Jain Kabdi)	163974	1.87	163974	1.14
<b>Employees</b>	Nil	Nil	Nil	Nil
<b>Relative of Independent Director</b>	836122	9.55	836122	5.81
<b>Public</b>			<b>5400000</b>	<b>37.50</b>
<b>SUB TOTAL (B)</b>	<b>1000096</b>	<b>11.42</b>	<b>6400096</b>	<b>44.45</b>
<b>TOTAL (A+B)</b>	<b>8756250</b>	<b>100.00</b>	<b>14400000</b>	<b>100.00</b>

(xiv) The Equity Shares 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 Exchanges, where the shares are to be listed, before the listing of the Securities.

(xv) The Equity Shares to be held by the Promoter under lock-in period shall not be sold/hypothecated/transferred, during the lock-in period. However, the Equity Shares held by Promoter, which are locked in, may be transferred to and among Promoter Group or to an new Promoter(s) or person in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

(xvi) As on date of filing Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

(xvii) Equity Shares held by promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:

- If the specified securities are locked-in for 3 years in terms of clause (a) of regulation 36 of SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of loans;
- If the specified securities are locked-in for one year in terms of clause(b) of the regulation 36 of SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.





(xviii) An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Issue. Consequently, the actual allotment may go up to a maximum of 10% of the Net Issue as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of allotments so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in.

(xix) In case of Under-Subscription in the Qualified Institutional Buyers Portion (i.e. Subscription less than 10% mandatory of the Issue Size), the same shall not be available to other categories failing with, full subscription monies shall be refunded.

(xx) In case of Under-Subscription in Non – Institutional Portion and Retail Portion shall be allowed to be met with spillover the other categories, at the sole discretion of our Company, Book Running Lead Manager and Co- Book Running Lead Manager.

(xxi) Our Company, our Promoter, our Directors, the Book Running Lead Manager and Co- Book Running Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Red Herring Prospectus.

(xxii) As on date of filing of the Draft Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid up.

(xxiii) **Particulars of Top Ten Shareholders is as follows:**

(a) **As on date of filing the Draft Red Herring Prospectus**

S. No	Shareholder	No. of Equity Shares	Percentage Holding
1	Ghanshyambhai Ambalal Thakkar	1915089	21.87
2	Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar - Representing : Rushil International (Partnership Firm)	1845770	21.08
3	Krupesh Ghanshyambhai Thakkar (HUF)	1389693	15.87
4	Krupesh Ghanshyambhai Thakkar	1376817	15.72
5	Krupa Krupesh Thakkar	395180	4.51
6	Ghanshyambhai Ambalal Thakkar (HUF)	385382	4.40
7	Deenuben G Thakkar	237675	2.72
8	Saraswatiben N Thakkar	208524	2.38
9	Dilipkumar Hemrajji	200424	2.29
10	Narendra kumar Jain Kabdi	163974	1.87
	<b>TOTAL</b>	<b>8118528</b>	<b>92.71</b>

(b) **10 days prior to the date of filing the Draft Red Herring Prospectus**

S. No	Shareholder	No. of Equity Shares	Percentage Holding
1	Ghanshyambhai Ambalal Thakkar	1915089	21.87
2	Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar - Representing : Rushil International (Partnership Firm)	1845770	21.08



3	Krupesh Ghanshyambhai Thakkar (HUF)	1389693	15.87
4	Krupesh Ghanshyambhai Thakkar	1376817	15.72
5	Krupa Krupesh Thakkar	395180	4.51
6	Ghanshyam Ambalal Thakkar (HUF)	385382	4.40
7	Deenuben G Thakkar	237675	2.72
8	Saraswatiben N Thakkar	208524	2.38
9	Dilipkumar Hemrajji	200424	2.29
10	Narendra kumar Jain Kabdi	163974	1.87
	<b>TOTAL</b>	<b>8118528</b>	<b>92.71</b>

## (c) 2 years prior to the date of filing the Draft Red Herring Prospectus

S. No	Shareholder	No. of Equity Shares	Percentage Holding
1	Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar - Representing : Rushil International (Partnership Firm)	1845770	23.20
2	Krupesh Ghanshyambhai Thakkar (HUF)	1389693	17.47
3	Ghanshyam Ambalal Thakkar	1276562	16.04
4	Krupesh Ghanshyambhai Thakkar	772343	9.71
5	Krupa Krupesh Thakkar	395180	4.97
6	Ghanshyambhai Ambalal Thakkar (HUF)	385382	4.84
7	Deenuben G Thakkar	237675	2.99
8	Sarawatiben N Thakkar	208524	2.62
9	Narendrakumar Jain Kabdi	200424	2.52
10	Dilipkumar Hemrajji	200424	2.52
	<b>TOTAL</b>	<b>6911977</b>	<b>86.88</b>

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

(xxv) There would be no further issue of capital whether by way of issue bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued/ proposed to be issued pursuant to this issue have been listed

(xxvi) The Equity Shares will be traded on BSE and NSE only in dematerialized form. Hence, the Market Lot of the Equity Shares is 1 (One Share).

(xxvii) No Single applicant can make an application for number of securities, which exceeds the securities offered through the issue.

(xxviii) The Issue is being made in terms of Clause 26(2) (a) (ii) & (b) (i) of SEBI (ICDR) Regulations, 2009 where in the "Project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which atleast 10% comes from the Appraiser(s). In addition to this, at least 10% of the Issue Size shall be allotted to QIBs, failing which, the full subscription money shall be refunded. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.



(xxix) There have been no Purchases/ sales of the securities of our Company by the Directors, Promoters, Promoter Group, during the period of six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

(xxx) We presently do not intend or propose to alter our capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus or rights or further public issue of specified securities or qualified institutional placements or otherwise. However, if our Company goes in for acquisitions and joint ventures in future, it might consider raising additional capital to fund such activity, through issue of shares as consideration for acquisition and/ or participation in such joint venture.

(xxxi) We have 16 shareholders as on the date of filing the Draft Red Herring Prospectus.



## OBJECTS OF THE ISSUE

The present issue is being made to raise the funds for the following purposes:

- 1) Setting up of Medium Density Fibre Board (MDF) plant at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka.
- 2) Margin for Working Capital Requirement
- 3) Public Issue Expenses
- 4) General Corporate Purpose.

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE and NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main objects clause and objects incidental or ancillary to the main objects clause of our Memorandum of Association enables us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

### Cost of Project & Means of Finance

The Cost of Project and means of finance are estimated as follows:

#### Cost of Project

(Rs. In Lakhs)

S. No	Particulars	Amount
1.	Land	50.00
2.	Land Development	50.00
3.	Building & Civil Construction	719.95
4.	Plant & Machinery	4742.29
5.	Miscellaneous Fixed Assets	25.00
6.	Preliminary & Pre operative Expenses	500.00
7.	Contingency @ 5%	304.36
8.	Margin of Working Capital Requirement	336.84
9.	Public Issue Expenses *	[●]
10.	General Corporate Purpose *	[●]
	<b>TOTAL *</b>	[●]

\* Will be updated at the time of filing of the Red Herring Prospectus

#### Means of Finance

(Rs. In Lakhs)

Particulars	Rs. In lakhs
Promoters Contribution	[●]
Proceeds From Initial Public Offering	[●]
Internal Cash accruals	[●]
Term Loan from Bank of Baroda	4400.00
<b>TOTAL</b>	[●]

### Scope and Purpose of Project Appraisal

The scope and purpose of the Appraisal which was conducted by Bank of Baroda, Kalol Branch, Kalol, Gujarat, was to invite its participation in our project for setting up of new factory unit with an installed capacity of 90000 M<sup>3</sup> per annum for manufacturing Medium Density Fibre Board at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka.



Pursuant to the appraisal, Bank of Baroda, issued a sanction letter dated February 26, 2010 confirming its participation in the Project. In terms of the Project, Bank of Baroda has approved Term Loan of Rs. 4400.00 Lakhs for the part finance of the project.

For Risk Factors as per the Appraisal of the Bank of Baroda, Please refer *Risk Factor* on page no. 13 under section titled "Risk Factors"

**Brief details about the Project** Setting up of Medium Density Fibre Board (MDF) Plant at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka.

### Project Appraisal

The Project of our Company includes the setting up of new factory unit with an installed capacity of 90000 M<sup>3</sup> per annum for manufacturing Medium Density Fibre Board at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka. The Project has been appraised by Bank of Baroda, Kalol Branch, Kalol, Gujarat.

### Break Up of the Project Cost:

As per the Project Appraisal of Bank of Baroda, the Break- up of the Project Cost under the various heads has been estimated as under:

### Cost of the Project

(Rs. In Lakhs)

S. No	Particulars	Amount
1.	Land	50.00
2.	Land Development	50.00
3.	Building & Civil Construction	719.95
4.	Plant & Machinery	4742.29
5.	Miscellaneous Fixed Assets	25.00
6.	Preliminary & Pre operative Expenses	500.00
7.	Contingency @ 10%	304.36
8.	Working Capital Margin	336.84
	<b>TOTAL</b>	<b>6728.45</b>

### Means of Finance (as per Appraisal Report)

(Rs. In

Lakhs)

Particulars	Amount
Debt	4400.00
Equity / Cash Accruals	2328.45
<b>TOTAL</b>	<b>6728.45</b>

### Details of Term Loan from Bank of Baroda

The details of term loan sanctioned by Bank of Baroda for proposed project is as follows:

Facility	Term Loan – VIII
Amount	Rs 4400.00 Lakhs
Purpose	Purchase of Machinery / Equipment for Chikamangalur Project
Rate of Interest	0.75% above BPLR i.e. 12.75% p.a at present with monthly rest, subject to changes in credit rating, BPLR / Spread announced by the Bank/ RBI from time to time and also subject to applicable re-set clause

**Rushil Decor Limited**

Period	8.75 Years (105 months – including moratorium of 33 months), subject to review every year
Re- Payment	24 Quarterly instalments (23 instalments of Rs 1.84 Crores. Plus Interest with last instalment of Rs 1.68 Crores). The repayment of the Term Loan is proposed to start after 33 Months ( Including moratorium period of 15 months) from the date of first disbursement
Security	<ol style="list-style-type: none"> <li>Equitable mortgage of Factory Land &amp; Building situated at 58 &amp; 59, Rev. Survey No. 296 in Amble Industrial Area, Chikmangalur</li> <li>Equitable mortgage of existing Land &amp; Building of 4 factories of the company situated at <ul style="list-style-type: none"> <li>608, GIDC Mansa Road, Dist: Gandhinagar (Gujarat)</li> <li>S.No. 125, Near Kalyanpura Patia, Itla, Gandhinagar (Gujarat)</li> <li>Dolakuva, Bagodara Patia, Mansa Road, Dist: Gandhinagar (Gujarat)</li> </ul> </li> <li>Hypothecation of moveable machinery</li> <li>Extension of charge on fixed assets/ Current Assets of the Company</li> <li>Office Premises at 1&amp;2, Krinkal apartments, Paldi,</li> <li>Residential property at 4, Pushpadhanawa Owners Association, behind Takshila Apartments, Opp Rachana Society, Vastrapur, Ahmedabad, in the name of Ghanshyambhai A Thakkar</li> <li>Plot situated at Lati Bazar, Ahmedabad, owned by Shri Ghanshyambhai A Thakkar and his mother Mrs. Saraswatiben Thakkar</li> <li>Fixed Deposit of Rs. 0.20 Crores in lieu of release of guarantee (of Mr. Dilip Hemraj Jain)</li> <li>All the credit facilities are to be further secured by personal guarantee of Mr. Ghanshyambhai H Thakkar, Mr. Krupeshbhai G Thakkar and Mrs. Saraswatiben N Thakkar</li> </ol>

**Details of ECB**

Facility	Sub Limit -Term Loan – VIII
Amount	USD 6.30 Millions ( Equivalent to Rs. 30.00 Crores by earmarking term loan VIII)



Purpose	To Import/ Acquire Capital Goods
Security	As stipulated for term loan VIII and any other stipulation by International Division
Documentation Charges	US\$ 10,000/- or actual whichever is higher. In case there is restriction on remittance of the same to overseas centre, the same will be paid in India in equivalent rupee.  Company to give an undertaking to pay the money even if loan is not disbursed due to any reason whatsoever.
Rate of Interest	Interest will be paid every month as stipulated by International Division/ SITB based on 6 months LIBOR prevailing on the due date. The Interest margin will be revised upward if the rating of the company is down graded
Taxes	The Company will pay interest/ instalment etc. net of the taxes/ charges leviable by home/ host country
Forward Cover	The Company to obtain forward cover, if required at appropriate time from Bank of Baroda
Pre Payment	Prepayment of the facility is permitted only by giving notice of not less than 90 days and after paying penalty of 1% on the amount of prepayment or as stipulated by International Division
Available Period	90 days from the date of conveying sanction to the Company. The agreement to be signed within 60 days from the date of conveying sanction
Commitment Charges	<ul style="list-style-type: none"><li>• First 30 days from signing of the agreement: NIL</li><li>• Thereafter up to 6 months : 0.5% on undrawn amount</li><li>• Over 6 months : 1 % on undrawn amount</li></ul>
Jurisdiction	Indian/ English Law
RBI /Govt. approvals	Company to obtain RBI/ Govt. approvals as per the prevailing ECB guidelines
Remittance	Company to remit the funds through our Bank only
Repayment Period for ECB	The Company has requested that the ECB Loan will be paid within a period of 8.75 years with an initial moratorium of 33 months from the date of first disbursement, repayable in 24 quarterly installments. Interest to be charged/ paid on monthly basis and to be serviced regularly including initial moratorium period.

**Additional Terms and Conditions:**

1. The Company to take all necessary permissions from concerned authorities required for ECB before approaching for the same.





2. Cost escalation, if any, in the new project to be borne by the Company and the Bank will not finance any cost escalation.
3. The Project DER should be maintained during all stages of disbursement.
4. Disbursement in Term Loan shall be made directly to the supplier/ contractors.
5. The Company to obtain all required approvals from concerned authorities for the new project before disbursement.
6. Company to apply for pollution clearance and power before disbursement.
7. The Company to submit detailed cost estimates for construction duly verified by approved valuer, approved plan/permission for construction before disbursement.
8. The Company to submit credit report of foreign supplier of machinery. The Company to endeavour to obtain performance guarantee of foreign/Chinese supplier in respect of imported Capital Goods.
9. Valuation of properties mortgaged to be done afresh wherever due.
10. Not to allow promoters to disinvest/ transfer their share holding without the consent of the Bank
11. The borrowing company as well as guaranteeing directors shall submit an undertaking to the effect that any consideration in whatever form would neither be paid by the company nor received by the guaranteeing directors either directly or indirectly(except without prior approval of the Bank) for the guaranteeing of credit limits sanctioned by the bank (In case the borrower is a limited company and facilities are guaranteed by the directors.)
12. **The Company to undertake to obtain the Bank's written consent in respect of the following matters:**
  1. Entering into any borrowing arrangements with other banks, financial institutions and or any other parties.
  2. Taking up a new project or large scale expansion.
  3. Making investment in or giving loans to subordinates, associate concerns, individuals or other parties.
  4. Effecting mergers and acquisitions.
  5. Paying dividend other than out of current year's earnings after making due provisions.
  6. Giving guarantee on behalf of third parties.
  7. Premature repayment of loans and discharge of other liabilities.

#### **Detailed Break-up of the Cost of the Project**

1. **The details of Land & Land Development, Building & Civil Construction, Plant & Machinery, Miscellaneous Fixed Assets, Preliminary & Pre operative Expenses, Contingency and Margin of working Capital requirement for the proposed unit at Chikmagalur, Karnataka are mentioned below:**

##### **a) Land and Land Development**

Our Company has purchased 10 acres of lease hold land, which comprises of two plots – No. 58 ( 4 acres, 36 guntas) and Plot No. 59 ( 5 acres, 4 guntas) at Phase II of Amble Industrial area in



Chikmagalur district of Karnataka State. The Cost of the land is estimated at Rs 50.00 Lakhs, out of that an amount of Rs, 15.00 Lakhs (Rupees Fifteen Lakhs Only) was paid towards allotment consideration fixed tentatively at the time of lease cum sale agreement.

As per condition of the land, land development cost is estimated Rs. 50.00 Lakhs.

**Terms and Conditions of Lease cum Sale Agreement:**

1. The Lease agreement executed on August 24, 2009.
2. The Conveyance of the schedule property is on lease for a period of TEN years.
3. The lessee shall pay to the lessor yearly rent of Rs. 10,000/- (Rupees Ten Thousand Only) and maintenance charges of Rs. 15000/- (Rupees Fifteen Thousand Only) per annum. And the rent and maintenance charges to be paid on August 24, of each and every year.
4. The delay in payment of rent and maintenance charges will attract simple interest @ 12.75% per annum
5. Prior permission of lessor is necessary for mortgaging the lease hold rights.
6. Whenever the Lessee defaults in payment to financial institutions and such financial institutions, proceed against the Lessee for recovery of its dues, the Lessor reserves the right to determine the lease in accordance with Sec. 34(b) of the KIAD Act, 1966.

**b) Building & Civil Construction**

Building and civil construction cost is estimated as per civil consultant Shri Snehal Mehta's estimates dated November 05, 2009 provided to our Company. The details of buildings with estimated cost is as follows:

S. No	Description	Area Sq. Ft	Area Sq. M	Rate Rs./Sq.M	Total
1.	Production Machinery & Equipment area inside	59201	5500	8000	440
2.	Production Machinery & equipment area outside	32291	3000	6000	180
3.	Storage & Dispatch	12906	1199	5000	59.95
4.	Roads	10763	1000	4000	40
	<b>TOTAL</b>				<b>719.95</b>

**c) Plant & Machinery**

Plant and Machinery cost is estimated based on quotation of various suppliers. The details of Plant & Machineries required for the proposed project are given as below:

S. No	Particulars	Supplier / Manufacturer	Date of Quotation	No. of Units	Cost US \$	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
<b>IMPORTED MACHINERIES</b>							
1	MDF Plant – 300 m3 per day	Shanghai Wood based Machinery co Ltd, China	March 2, 2010	1	5980444 @ Rs. 46		2751.00



	Transportation, Custom and Other Installation Charges						523.79
	<b>TOTAL (A)</b>						<b>3274.79</b>
<b>INDIGENOUS MACHINERIES</b>							
1	Resin Plant	Bhagsons Engineers & Consultants Private Limited, New Delhi	March 12, 2010	1			96.62
2	Effluent Treatment Plant	As per the estimation of Management					55.20
3	Dust Collector	As per the estimation of Management					44.16
4	Fork Lift	Voltas Limited, Mumbai	March 11, 2010	1			20.20
5	Cooling Tower – 300 FRP	NewTech Cooling Towers, Mumbai	March 11, 2010	1			2.57
6	Atlas Copco – Make Screw Type Air Compressor – 303 CFM	Global Airtech Systems, Ahmedabad	March 11, 2010 – (Validity upto 30 days)	1			18.47
7	Weight Bridge – 50T x 10 Kg	Avery India Limited, Ahmedabad	March 11, 2010	1			6.35
8	DG Set – 500 KVA	Hitech Engineer, Ahmedabad	March 11, 2010 – (Validity upto 30 days)	1			23.22
9	Chimney 750 mm Diameter	Anuudyog, Ahmedabad	March 11, 2010	1			4.58
10	Hot Air Generator & Thermic Fluid Heater	Thermotech Systems Limited, Ahmedabad	March 10, 2010 – (Validity upto 30 days)	1			281.53
11	Boiler- 16 TPH	Thermax Limited, Pune	March 10, 2010 – (Validity upto 30 days)	1			244.73
12	Radiator 0.4 M Kcal/ Hr	Thermotech Systems Limited, Ahmedabad	March 10, 2010 – (Validity upto 30 days)	1			8.83
	Transportation						40.20



	charges @ 5%						
	Fabrication Works @ 20%						160.81
	Electricals Parts & Services						450.00
	Laboratory Equipments						10.00
	<b>TOTAL (B)</b>						<b>1467.47</b>
	<b>TOTAL (A+B)</b>						<b>4742.26</b>

\* Cost of Plant & Machineries includes applicable duties and taxes, erection and commissioning charges and fabrication works required for installation of equipments.

#### d) Miscellaneous Fixed Assets

Cost of miscellaneous assets like vehicles, office equipments, etc. are estimated Rs. 25,00,000/- Lakhs ( Rupees Twenty Five Lakhs Only)

#### e) Preliminary & Pre operative Expenses

Preliminary & Pre Operative Expenses like legal expenses, consultancy charges, interest during construction, start up expenses etc, before commencement of production are estimated at Rs. 5,00,00,000/- ( Rupees Five Crores Only.)

#### f) Contingency

The Contingency provision at 5 % works out to Rs 3,04,36,000/- (Rupees Three Crores Four Lakhs and Thirty Six Thousand Only)

### 2. Margin of working Capital requirement

Estimates of Working Capital requirements have been worked out on the basis of expenditure involving cash liabilities and other recurring requirements which are mentioned below:

S. No	Particulars	Projections for Financial Year 2011-2012
<b>A</b>	<b>Estimated Current Assets</b>	
1	Raw Material	192.38
2	Consumables	203.60
3	Work in Progress	171.94
4	Finished Goods	287.11
5	Sundry Debtors	382.81
	<b>TOTAL A</b>	<b>1237.84</b>
	<b>Estimated Current Liabilities</b>	
1	Creditors	16.03
	<b>TOTAL B</b>	<b>16.03</b>
	<b>Net Working Capital (A-B)</b>	<b>1221.81</b>
	<b>Available Bank Finance</b>	<b>884.97</b>
	Already deployed as margin for existing operations	
	<b>Margin for Projected Working Capital</b>	<b>336.84</b>

### 3. Public Issue Expenses

The expenses for this Issue include Issue management fees, IPO grading expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchanges, amongst others.



The estimated Issue expenses are as under:

Activity	Rs. In Lakhs	% of the Issue Expenses	% of Total Issue Size
Fees Payable to Book Running Lead Manager	[●]	[●]	[●]
Fees Payable to Co-Book Running Lead Manager	[●]	[●]	[●]
Fees Payable to Registrar	[●]	[●]	[●]
Fees Payable to Legal Advisor	[●]	[●]	[●]
Fees Payable to Appraising Entity	[●]	[●]	[●]
IPO Grading Fees	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]
Printing and Stationery & Distribution	[●]	[●]	[●]
Brokerage	[●]	[●]	[●]
Others	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

#### 4. General Corporate Purpose

Our Company intends to deploy the balance Issue proceeds aggregating upto Rs. [●] Lakhs, towards the general corporate purposes, including but not restricted to strategic initiatives, entering into strategic alliances, partnerships, joint ventures etc. and meeting exigencies & contingencies for the project, which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors.

Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object visà-vis the utilization of Issue Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

#### Schedule of Implementation

The Implementation schedule as envisaged is as under:

S. No	Particulars	Expected date of Commencement	Expected date of Completion
1	Acquisition of Land	Already Acquired	-
	Obtaining Clearance / Permission from CEC	Already Obtained	
	Civil Works	April 2010	December, 2010
2	Land Development	April 2010	September 2010
3	<b>Plant &amp; Machinery Imported Plant &amp; Machinery</b>		
	Placement of orders	March 2010	March 2010
	Delivery at site	October 2010	January 2011
4	<b>Indigenous Machinery</b>		
	Placement of orders	April, 2010	March, 2011
	Delivery at site	October, 2010	February, 2011
	Erection & Commissioning	February, 2011	April, 2011

**Rushil Decor Limited**

	Trail Run	May, 2011	June, 2011
5	<b>Commencement of Commercial Production</b>	July 2011	-

**Deployment of Funds**

We have incurred the following expenditure on the project till September 30, 2009. The same has been certified by our statutory auditors M/s. D.R. Thakkar & Co., Chartered Accountants vide their certificate dated March 11, 2010.

**(Rs. In Lakhs)**

S. No	Particulars	Amount
1	Land	51.07
2	Preliminary & Pre operative Expenses	31.40
	<b>TOTAL</b>	<b>82.47</b>

**Sources of Funds****(Rs. In Lakhs)**

S. No	Particulars	Amount
1	Unsecured Loans	82.47
	<b>TOTAL</b>	<b>82.47</b>

Since the objects of the issue stated are to be funded from the IPO, the amount spent till date on the objects, certified by the statutory auditors, shall be recouped from the public issue proceeds.

S. No	Particulars	Amount
1.	Land	50.00
2.	Land Development	50.00
3.	Building & Civil Construction	719.95
4.	Plant & Machinery	4742.29
5.	Miscellaneous Fixed Assets	25.00
6.	Preliminary & Pre operative Expenses	500.00
7.	Contingency @ 10%	304.36
8.	Working Capital Margin	336.84
	<b>TOTAL</b>	<b>6728.45</b>

**Details of balance fund deployment****(Rs. Lakhs)**

S. No	Particulars	Expenses Incurred as on September 30, 2009	FY 2010	FY 2011	TOTAL
1	Land	51.07	-		51.07
2	Land Development	-	-	50.00	50.00
3	Building & Civil Construction	-	-	719.95	719.95
4	Plant & Machineries	-	-	4742.29	4742.29
5	Miscellaneous Fixed Assets	-	-	25.00	25.00
6	Preliminary & Pre Operative Expenses	31.40	-	468.60	500.00
7	Margin of Working Capital Requirement	-	-	336.84	336.84



8	Public Issue Expenses	-	[•]	[•]	[•]
	<b>TOTAL</b>	<b>82.47</b>	[•]	[•]	[•]

#### 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

As the net proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the Corporate Governance requirements, our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing. Pursuant to Clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. Our Company shall be required to inform the stock exchanges of any material deviations in the utilisation of Issue proceeds and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter Group companies or key managerial employees, except in the normal course of our business





## BASIC TERMS OF ISSUE

### Terms of the Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, Bid-cum-Application Form, ASBA Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

### Terms of Payment

Applications should be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The entire price of the Equity Shares of Rs. [●] per share (Rs. 10 face value + Rs. [●] premium) is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

### Ranking of Equity Shares

The Equity Shares being offered through the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees, in receipt of Allotment of Equity Shares under the Issue, will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by our Company after the date of Allotment.

### Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10 each are being offered in terms of the Draft Red Herring Prospectus at a price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Price and the minimum lot size for the Issue will be decided by our Company, in consultation with the BRLM and CBRLM, and advertised at least two working days prior to the Issue Opening Date.

### Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

### Minimum Subscription

If our Company do not receive the minimum subscription of 90% of the Net Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

**BASIS FOR ISSUE PRICE**

The Issue Price will be determined by the Company, in consultation with the BRLM and CBRLM, on the basis of assessment of market demand for the Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs.10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should read the following summary along with the Sections titled "Risk Factors" and "Financial Statements" beginning on pages 13 & 154 respectively of the Draft Red Herring Prospectus.

**QUALITATIVE FACTORS**

1. Our Promoters have wide experience in Laminated and Plywood industry having near about two decades of experience.
2. Brand name of the Company is well established for its laminated sheets product range in domestic and international market.
3. Entry barriers for new entrants in wood based products.
4. Cost efficient sourcing and locational advantage.
5. Strong dealers network throughout the country.
6. Export of laminated sheets across the world.

For a detailed discussion on the qualitative factors which form the basis for computing the price, see the sections "Competitive Strengths" beginning on page 28.

**QUANTITATIVE FACTORS**

Information presented in this section is derived from our Company's restated, financial statements.

**1. Adjusted Earnings Per Share**

(Amount In Rs.)		
Period	EPS	Weight
Year Ended March 2007	25.96	1
Year Ended March 2008	2.60	2
Year Ended March 2009	3.30	3
Period Ended September 30, 2009	2.25	
Weighted Average EPS	6.84	

(Adjusted EPS has been calculated by taking Profit after Tax / Weighted Average Number of Shares)

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

Particulars	At Issue Price of Rs. [●]- per Equity Share
a) Based on 2009 EPS of Rs. 3.30	[●]
b) Based on Weighted Average EPS of Rs. 6.84	[●]

**Industry P/E**

• Highest – Century Plyboards India Limited	20.30
• Lowest – Greenply Industries	8.90

Source: Capital Market Vol. XXV/02, March 22- April-04, 2010; Category "Miscellaneous"

**3. Return on Networth as per restated financial statement is as follows**

Year	RONW%	Weight
------	-------	--------



Year Ended March 31, 2007	17.10	1
Year Ended March 31, 2008	13.32	2
Year Ended March 31, 2009	13.19	3
Period ended September 30, 2009	8.56	
<b>Weighted Average</b>	<b>13.89</b>	

(Return on Networth has been calculated by dividing net profit after tax as restated by the net worth where networth = Share Capital + Reserves and Surplus – Preliminary Expenses)

4. Minimum Return on total Net Worth after issue needed to maintain pre-issue EPS (as on March 31, 2009 of Rs. 3.30/- is [●]% at the issue price of Rs. [●]/- per share

**5. Net Asset Value per Equity Share**

Particulars	NAV (Rs)
As on March 31, 2009	24.03
As on September 30, 2009	26.32
After the Issue	[●]
Issue Price	[●]

(NAV per equity share has been calculated as net worth divided by Number of Equity Shares outstanding at the end of year, where Net worth = Share Capital + Reserves and Surplus – Preliminary Expenses)

**6. Comparison of Accounting Ratios with Peer Group Companies**

Name of the Company	Sales (Rs. In Crores)	EPS (Rs)	P/E. Ratio	RONW (%)	NAV(Rs.)	Face Value
Century Ply	698.7	1.9	20.30	26.7	7.5	1
Greenply Industries	785.0	16.7	8.90	22.8	102.2	5
Rushil Décor Limited	87.67	3.30	----	13.19	24.03	10

Source: Capital Market Vol. XXV/02, March 22 – April 04, 2010; Category “Miscellaneous”

The face value of our Equity Shares is Rs. 10 per share and the Issue Price of Rs. [●] is [●] times of the face value of our Equity Shares.

The issue price of Rs. [●] per Equity Share has been determined by us, in consultation with the BRLM and CBRLM to the Issue and is justified based on the above qualitative and quantitative factors. For details, see “Risk Factors” on page 13 and the “Financial Statements” of our Company, as set out in the Auditors Report stated on page 154 to have a more informed view.



## STATEMENT OF TAX BENEFITS

***The below statement of Tax Benefit 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. The statements made are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of Equity Shares.***

To,  
Rushil Decor Limited  
Ahmedabad

Dear Sir,

We hereby report that we have reviewed the enclosed annexure which states the possible tax benefits available to Rushil Decor Limited ('the Company') and its shareholders under the Income – tax Act, 1961, the Wealth-tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the 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 the business imperatives, the Company or shareholders as the case may be, may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. 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 their participation in the issue.

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

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

The contents of the enclosed statement 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.

For D.R Thakkar & Co.  
Chartered Accountants

(Dipak R.Thakkar)  
Proprietor  
Membership No. : 43166

Place : Ahmedabad  
Date : 24.02.2010



**ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO RUSHIL DECOR LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS:**

I] Under the Income Tax Act, 1961 ('the Act')

1. Deduction under section 35D of the Act :

Under section 35D of the Act, the Company is eligible to claim amortization of defined preliminary expenses, subject to limits specified in sub-section (3) of the said section.

2. Depreciation benefits :

Under section 32 of the Act, the Company is entitled to claim depreciation at the prescribed rates on specified tangible and intangible assets used by the Company for the purpose of its business and subject to other conditions listed in the Act. Further, the Company is entitled to claim Additional depreciation @ 20 % if stipulated terms and conditions satisfied by the company

3. Minimum Alternate Tax and Credit for the same :

The Company would be required to pay tax on its book profit under the provisions of section 115JB of the Act in case where tax on its 'total income' [as term defined under section 2(45) of the Act] is less than 10% of its 'book profits' (as term defined under section 115JB of the Act). Such tax is referred to as Minimum Alternate Tax ('MAT'), and it is chargeable to tax @ 15% (Plus applicable Surcharge and Education Cess).

The difference between the MAT paid for any assessment year and the tax on its total income payable for that assessment year shall be allowed to be carried forward as 'MAT credit'. The MAT credit shall be utilized to be set off against taxes payable on the total income in the subsequent assessment years computed in accordance with the provisions other than Section 115JB. However, it can be carried forward up to 10 assessment years succeeding the assessment year in which such MAT was paid.

4. Dividend exempt under section 10(34) and 10(35) of the Act :

Dividend (whether interim or otherwise) received by the Company from its investment in share of another domestic company would be exempt as per the provisions of section 10(34) read with section 115O of the Act. Further, income received from units of a Mutual Fund specified under section 10(23D) of the Act would also be exempt as per the provisions of section 10(35) of the Act. However, a domestic company / a mutual fund have to pay Dividend Distribution Tax ('DDT') on the amount of dividend declared, distributed or paid. From Assessment Year 2009-10 onwards, while computing the DDT payable, the domestic company can reduce the amount of dividend received from its subsidiary which has paid the DDT on such dividend distributed subject to fulfillment of certain conditions prescribed therein.

**A) BENEFITS TO THE RESIDENT SHAREHOLDERS :**

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

Dividend (whether interim or otherwise) received by a shareholder from investment in shares of a domestic company would be exempt in the hands of the shareholders as per the provisions of section 10(34) read with section 115O of the Act. However, the company has to pay DDT on the amount of dividend declared, distributed or paid.

2. Characterization of income :

The characterization of gains / losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of shareholders and various other factors.

3. Computation of Capital gains



- i) Capital assets are to be categorized into short – term capital assets and long – term capital assets based on the period of holding. Shares held in a Company, any other listed securities, units of UTI, units of Mutual Fund and Zero Coupon Bonds are considered as long – term capital assets, if these are held for a period exceeding twelve months.
- ii) Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisitions / improvement and expenses incurred in connection with the transfer of a capital assets, from the sale consideration to arrive at the amount of capital gains. However, in respect of long –term capital gains shareholders are permitted to substitute the cost of acquisition / improvement with the indexed cost of acquisition / improvement. The indexed cost of acquisition / improvement, adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.
- iii) As per the provisions of the section 112 of the Act, long – term capital gain are subject to tax at a rate of 20 % (plus applicable surcharge and education cess). However, proviso to section 112(1) of the Act specifies that if the long – term capital gains arising on transfer of listed shares/securities or units, calculated at the rate of 20 % with indexation benefit. Capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable tax at the rate of 10% without indexation benefit (Plus applicable surcharge and education cess).
- iv) According to provision to clause (a) of sub-section (1) of section 112 of the Act, in case of an individual and a Hindu Undivided Family ('HUF'), if the total income as reduced by the long – term capital gains is below the basic exemption limit, then the long – term capital gains shall be reduced to the extent the total income as reduced falls short of the basic exemption limit and the balance long – term capital gains would be charged to tax.
- v) Effective 1 October, 2004, long – term capital gains arising on sale of equity shares or units in equity – oriented mutual fund through recognized stock exchange, are exempt from tax under section 10(38) of the Act Subject to Securities Transaction Tax being levied under Chapter VII of the Finance (No.2) Act, 2004. However, long term capital gain of shareholder being a company shall be subject to income tax computed on book profit under section 115JB of the Act.
- vi) Effective 1 October, 2004, as per the provisions of section 111A of the Act, short – term capital gains arising on sale of equity shares or units in equity – oriented mutual fund through recognized stock exchange (i.e. if shares are held for a period not exceeding 12 months), are subject to tax at the rate of 10% (15% after 1<sup>st</sup> April, 2008) (plus applicable surcharge and education cess), provided the transaction is subject to Securities Transaction Tax being levied under Chapter VII of the Finance (No. 2) Act, 2004.
- vii) According to the provision to sub section (1) of section 111A of the Act, in case of an individual and a Hindu Undivided Family ('HUF'), if the total income as reduced by the short – term capital gains is below the basic exemption limit, then the short term capital gains shall be reduced to the extent the total income as reduced falls short of the basic exemption limit and the balance short term capital gains would be charged to tax.
- viii) Section 94(7) of the Act provides that losses arising from the sale / transfer of shares/securities or units within a period of three months ( 9 months in case of units, after the record date) prior to the record date and sold / transferred within three months after such date, will be disallowed to the extent dividend income on such shares/securities or units received ( or receivable) are claimed as tax exempt.

#### **4. Exemption of capital gains arising from income tax:**

- i) As per section 54EC of the Act and subject to the condition specified therein capital gains arising on transfer of a long – term capital assets shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds (not exceeding Rs. 50 Lakhs) within six months from the date of transfer. In such a case, the cost of such bonds will not qualify for deduction under section 80C of the Act. However, If the shareholder transfers or converts the notified bonds into money or



loan (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year. The bonds specified for this section are bonds issued by NHA and REC.

- ii) As per the provisions of section – 54F of the Act and subject to conditions specified therein, long – term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or HUF on transfer of shares of the Company will be exempted from capital gains tax, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer, provided that the individual / HUF should not own more than one residential house other than the new residential house on the date of transfer. If only part of such net consideration is invested within the prescribed period in a residential house property, the exemption shall be allowed proportionately.

For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long – term capital gains in the year in which such residential house is transferred.

Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as long – term capital gains in the year in which the additional residential house is acquired.

#### 5. Deduction of securities Transaction Tax :

In case, the gain arising from sale of shares is considered as Business Income, the Securities Transaction Tax paid will be allowed as a deduction while computing the income under the head 'Profit and gains of business or profession w.e.f. 1<sup>st</sup> April, 2008.

### **B. BENEFITS TO THE NON-RESIDENT INDIANS / NON – RESIDENT SHAREHOLDERS :**

Apart from the benefit mentioned in 1,2, 4 & 5 of point B above :

#### **6. Computation of capital gains :**

A part from the benefits mentioned in 3(i), 3(vi), 3(viii) of point B above

Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. Under first proviso to section 48 of the Act, the taxable capital gains arising on transfer of capital assets being shares or debentures of an Indian company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be done at the prescribed rates prevailing on dates stipulated.

As per the provisions of section 112 of the Act, long – term gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess).

#### **7. Special provisions relating to certain incomes of Non – Resident Indians :**

As per the provision of section 115(1) of the Act, a Non – resident Indian ('NRI') as defined therein has the option to be governed by the normal provisions of the Act (as applicable to non – resident shareholders as per para 'C(1)' above) or the provisions of Chapter XII-A of the Act through appropriate declaration in the return of income. The said Chapter *inter alia* entitles and NRI to the





benefits stated hereunder in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

As per the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, taxable long – term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10% (plus applicable surcharge and education cess).

As per the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long – term capital asset being shares in an Indian company would not be chargeable to tax. To avail this benefit the entire net consideration received on such transfer needs to be invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If whole or part of such net consideration is invested within the prescribed period of six months in any specified asset or saving certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. The specified assets or savings certificates in which the investment has been made are restricted from being transferred within a period of three years from the date of investment. In the event of such a transfer the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such specified asset or savings certificates are transferred.

As per the provisions of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the Act, if.

- a. Their only source of income is income from investments or long – term capital gains earned on transfer of such investments of both; and
- b. The tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

As per the provision of section 115H of the Act, when a NRI becomes assessable as a resident in India, the provision of the Chapter XII-A can continue to apply until such assets are converted into money, in relation to investment made when he was a NRI. Towards this, the NRI needs to furnish a declaration in writing to the Assessing Officer along with his return of income.

#### 8. Tax Treaty Benefits :

As per 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. Thus, a non – resident (including NRIs) can opt to be governed by the beneficial provisions of an applicable tax treaty.

#### B) BENEFITS TO THE FOREIGN INSTITUTIONAL INVESTOR ('FII') :

Apart from benefits as mentioned in 1, 2, 4(i) & 5 of point B above & in 3 of point C above

##### Computation of capital gains :

Apart from the benefits mentioned in 3(i), 3(v), 3(vi) & 3(viii) of point B above.

As per the provisions of section 115AD of the Act, FIIs are taxed on the capital gains income at the following rate :

Nature of Income	Rate of tax (%)*
Long – term capital gains	10
Short – term capital gains	30

\* Plus applicable surcharge and education cess



The benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not available to a FII.

If the income realized from the disposition of equity shares in chargeable to tax in India as 'business income', the business profit in the hands of FII may be subject to tax @ 40% in case of foreign company plus surcharge and education cess. However, the benefits of DTAA can be examined in such case.

**C) BENEFITS TO THE MUTUAL FUNDS :**

Apart from the benefits mentioned in 1 of point B above.

**Income exempt under section 10(23D) of the Act :**

As per the provision of section 10(23D) of the Act, any income of Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India, would be exempt from income tax, subject of the prescribed conditions. However, the Mutual Fund shall be liable to pay tax while distributing income to unit holders under section 115R of the Act.

**D) BENEFITS TO THE VENTURE CAPITAL COMPANIES / FUNDS**

Apart from the benefits mentioned in 1 of point B above.

Income exempt under section 190(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, which is engaged in certain specified business, would be exempt from income tax.

**II. Under the Wealth Tax Act, 1957**

**E) BENEFITS AVAILABLE TO ALL THE SHAREHOLDERS :**

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.

**III. Under the Gift Tax Act :**

**F) BENEFITS AVAILABLE TO ALL THE SHAREHOLDERS :**

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

**Notes :**

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2009.
2. The above Statement of possible tax benefit sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.
3. The stated benefits will be available only to the sole / first named shareholder in case the shareholders in case the share is held by joint holders.
4. In respect of non – residents, the tax rates and the consequent taxation mentioned above shall be further subject to the any benefits available under the Double Taxation avoidance Agreement, if any, entered in to between India and the country in which the non – resident has fiscal domicile.
5. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme.



## SECTION IV: ABOUT US

### INDUSTRY OVERVIEW

*Disclaimer: Pursuant to the requirements of the SEBI (ICDR) Regulations, 2009, the discussion on the business of Our Company in the Draft Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Draft Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Draft Red Herring Prospectus is only for the purpose of describing the products. The industry data has been collected from various industry and/or research publications and from information available from the World Wide Web.*

*The information in this section is derived from various government/Industry Association publications and other sources. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.*

#### **Plywood**

Plywood is manufactured by pressing required number of cores depending upon thickness (pre-spread with the glue) over each other and top, bottom comprising of face veneer. Peeling of the prime quality plank of the tree makes the cores. The manufacturing of plywood in commercial scale had started in India in the beginning of the century and the industry grew impressively and diversified in manufacturing different grades of plywood. Due to the legislation applicable to use of wood for industrial purpose and high taxes and duty, the industry has remained unorganized.

#### **Particleboard**

It is a composite panel product consisting of cellulosic particles of various sizes that are bonded together with a synthetic resin under heat and pressure. Particleboard assumes importance in the wood panel products industry from the point of view of conservation of scarce forest resources in a country. Today's particleboard gives industrial users the consistent quality and design flexibility needed for fast, efficient production lines and quality consumer products. Particleboard panels are manufactured in a variety of dimensions and densities, providing the opportunity to design the end product with the specific particleboard needed.

#### **Medium Density Fiber board**

Fiberboard is a board made from refined or partially refined wood fibers or other vegetable fibers. Bonding agents are incorporated in the manufacture to increase strength, resistance to moisture, fire or decay. The surface of MDF is flat, smooth, uniform, dense and free of knots and grain patterns, all of which make finishing operations easier and more consistent, especially for demanding uses such as direct printing and thin laminates. The homogeneous density profile of MDF allows intricate and precise machining and finishing techniques for superior finished products. Trim waste is significantly reduced when using MDF compared to other subtracts. Stability and strength are important assets of MDF, and it holds precise tolerances in accurately cut parts. Medium Density Fiberboard (MDF) is widely used in the manufacture of furniture, cabinets, door parts, moldings, millwork and laminate flooring. MDF panels are manufactured in a variety of dimensions and densities, providing the opportunity to design the end product with the specific MDF needed.

#### **The interrelation of wood based panel industry**

The growth of the wood industry depends on the demand of furniture which is closely correlated with the real estate development and improvement in purchasing power taking place within a country. This

augurs well for the wood industry as both in India are set to grow at a phenomenal pace. Particle boards and MDF boards are normally used to make modular furniture and most of the demand of modular furniture at present is met through imports due to the lack processing capabilities among domestic manufacturers and poor awareness among consumers. This allows the domestic manufacturers the comfort of a large demand supply gap, as their costs are significantly lesser than the imports and delivery time is also less.

### Uses of wood based panel products

The principal usage of MDF/Particle board is in the construction of cupboards, shutters and wardrobes, shelves, table tops, cabinets, household and office furniture, computer furniture, panels in doors, beaded doors, partitions and floorings. These items also find application in carom board, photo frame, shoe hills, stationeries, display etc.

### Cost of the wood based panel product

MDF/Particle Boards are cheaper as compared to Plywood due to lower cost of wood required and higher utilization of the raw material. MDF/Particle Boards utilize close to 90% of the tree as compared to Plywood, which uses only the center of high quality logs leading to about 60% utilization of the tree. The cost of wood used for Plywood is approximately nearly 2 times of cost for MDF/Particle Board. MDF/Particle Boards are also quicker and more flexible to make furniture with machines in comparison to time required for Plywood. MDF boards and particle boards can be pre-laminated at factory, whereas plywood requires lamination at site with the help of decorative laminates. The cost of Pre- lamination for MDF board /Particle board is Rs 10-12/SQ feet as against over Rs 30 to 50/ SQ feet in case of plywood.

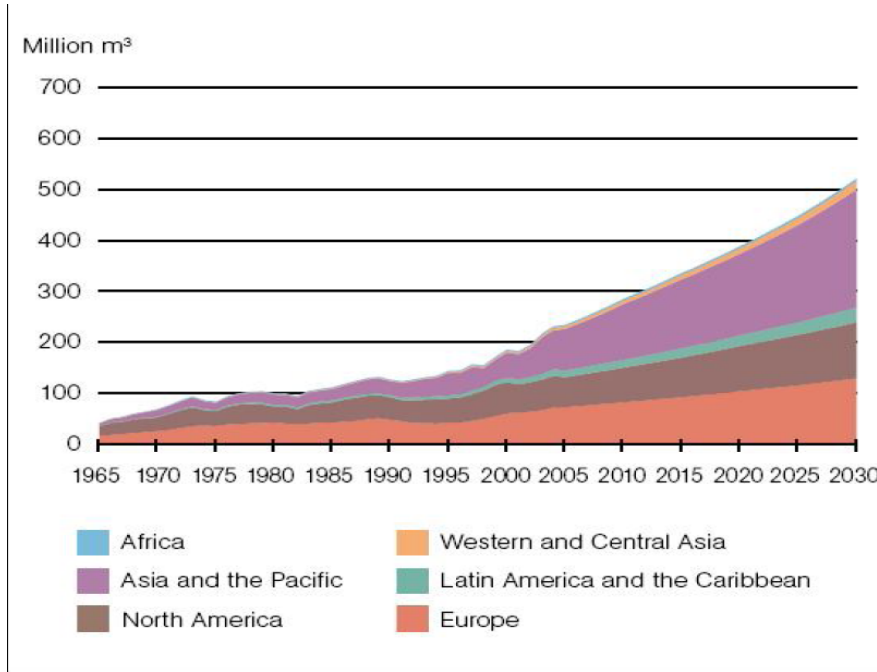
### Worldwide production and consumption of wood based panels

The worldwide production and consumption of wood based panels according to estimates of FAO for various regions show strong growth for Asia as below:

Region	Amount (million m <sup>3</sup> )					Average annual change (%)			
	Actual			Projected		Actual		Projected	
	1965	1990	2005	2020	2030	1965-1990	1990-2005	2005-2020	2020-2030
<b>Production</b>									
Africa	1	2	3	4	5	4.6	3.8	2.1	2.4
Asia and the Pacific	5	27	81	160	231	6.9	7.5	4.6	3.7
Europe	16	48	73	104	129	4.5	2.8	2.4	2.2
Latin America and the Caribbean	1	4	13	21	29	7.4	7.6	3.3	3.2
North America	19	44	59	88	110	3.4	2.0	2.7	2.2
Western and Central Asia	0	1	5	11	17	6.8	8.9	5.4	4.7
<b>World</b>	<b>41</b>	<b>127</b>	<b>234</b>	<b>388</b>	<b>521</b>	<b>4.6</b>	<b>4.2</b>	<b>3.4</b>	<b>3.0</b>
<b>Consumption</b>									
Africa	0	1	3	4	5	4.8	5.3	1.9	2.4
Asia and the Pacific	4	24	79	161	236	7.4	8.2	4.8	3.9
Europe	16	53	70	99	122	4.9	1.9	2.4	2.1
Latin America and the Caribbean	1	4	9	12	15	7.0	5.7	2.2	2.3
North America	20	43	70	96	115	3.1	3.3	2.1	1.8
Western and Central Asia	0	2	9	18	28	8.1	10.6	4.5	4.5
<b>World</b>	<b>42</b>	<b>128</b>	<b>241</b>	<b>391</b>	<b>521</b>	<b>4.6</b>	<b>4.3</b>	<b>3.3</b>	<b>2.9</b>

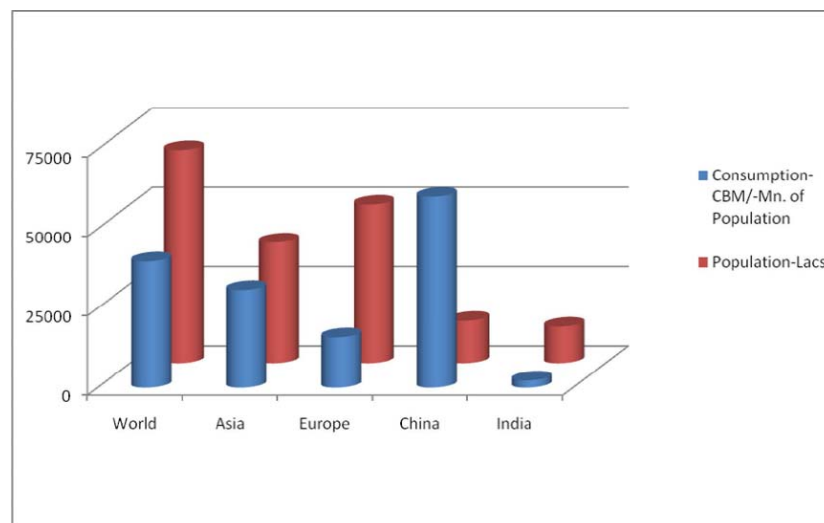
NOTE: Data presented are subject to rounding.  
SOURCES: FAO, 2008a; FAO, 2008c.

### Global wood based production



### Per Capital Consumption of wood based panel products

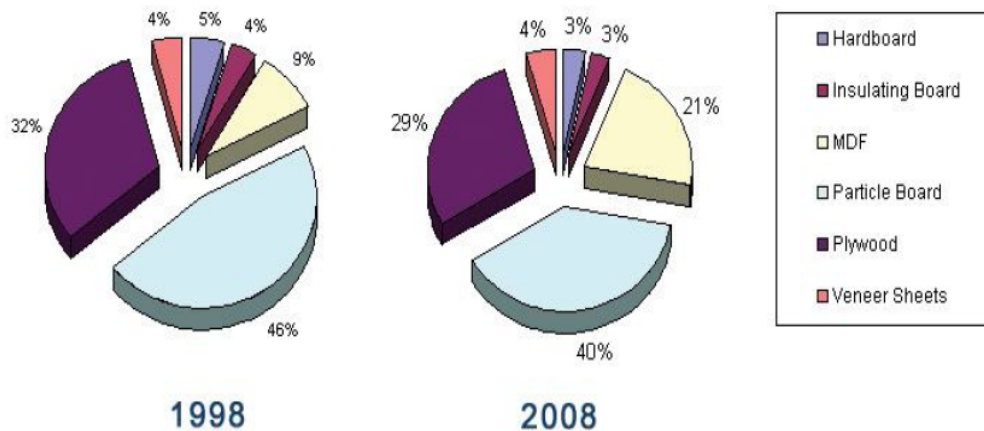
FAO (Food and Agricultural Organization) estimates worldwide production of panel products in FY 2008 at 266 million CBM per annum resulting into average of 39757 CBM per million of population /annum. The same for China has been estimated at 60109 CBM per million of population /annum. The total production of such products in India is nearly 2.6 million CBM resulting into average of 2258 CBM per Million of population/annum as against nearly 40000 worlds wide and 60000 CBM in China. This clearly leaves plenty of room for increased consumption and potential growth of panel products in India.



### Worldwide growth pattern for last 10 years for wood based panels

In last 10 years, the production of wood base panel has increased across all the areas worldwide and the share of MDF in total has also increased. In the case of particle board similar trends were observed during earlier periods, when the share of particle board increased and same for plywood was reduced

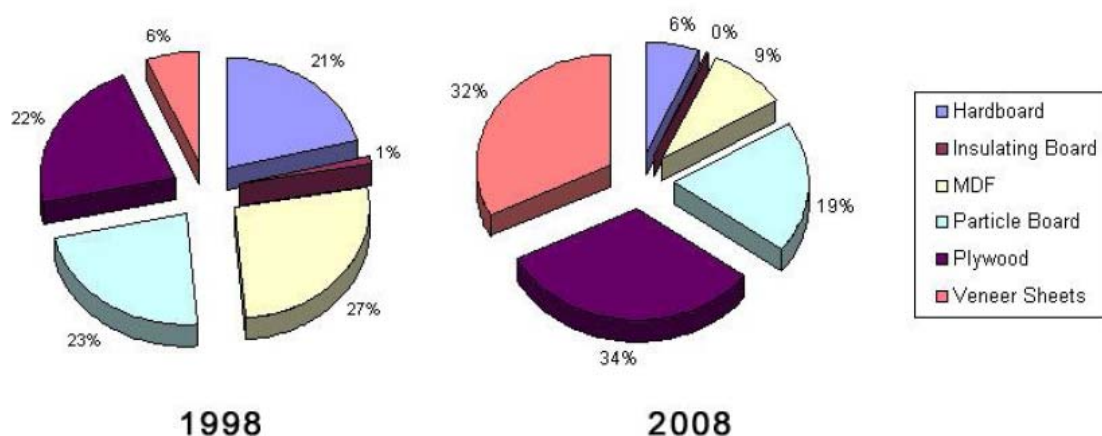
### Share of various types of panels-Worldwide



### Share of various types of panels - Current scenario in India

The share of Particle Board and MDF Board exceeds 64% of total production of panel products worldwide, against less than 3.5% in India. The production quantity of MDF boards and Particle Boards in China alone is over 300 times, in comparison to India. Plywood currently accounts for about 95% of the industry sales. Plywood is popular amongst the housing industry while MDF has gained approval in the large commercial space. The housing market being much larger, plywood holds a significant market share. There is a perception of Plywood being more durable and the skill required to use plywood is lower. But with increasing awareness and approval of MDF and Particle boards, the trend has started changing resulting into increase in share of such items in total requirements of boards.

### Production in India



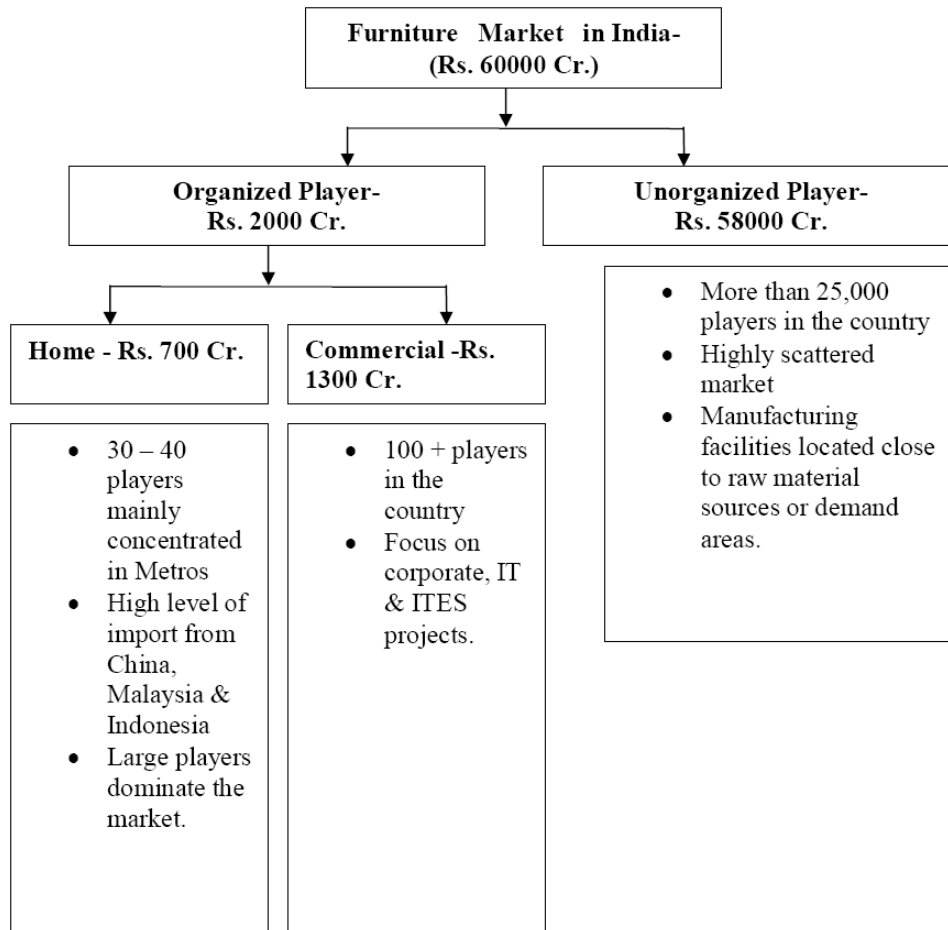
### Competitive edge over imported goods



In India, large quantity of MDF Board and Particle Board is imported from Europe, Sri Lanka and South East Asia. These imports have a high landed cost on account of high cost of logistics and import duty. The CIF value for import of MDF Board and particle board has been observed between US\$180 to 300 per CBM and US\$125 to 200 per CBM respectively. Against this price the marine freight, port handling and local transport in country of export itself is between US\$50 to 70 per CBM resulting into ex factory price of US\$75 to US\$130 per CBM for Particle Board and US\$130 to S\$230 per CBM for MDF Board respectively. In addition, imports are subject to applicable customs duty and incur import handling charges involving port charges, shipping line charges, Customs clearing agents cost and transport from port up-to warehouse at port of import also. Since local sale prices are based on import parity, indigenous manufacturers have a strong competitive advantage against import. There are incidences of dumping also of such items in past. Dumping of MDF boards from specified countries are subjected to anti dumping duty also based on floor price specified in relevant Customs notification. Although several companies in the organized sector have added manufacturing capabilities of MDF/ Particle Boards, imports are still growing due to surge in demand.

### Current scenario

The industry is highly unorganized and can be divided in following manner.



Despite various disadvantages, furniture made from Plywood currently accounts for about 95% of the industry sales with MDF and PB accounting for the rest. Plywood is popular amongst the housing industry while MDF has gained approval in the commercial use. The housing market being much larger, plywood holds a significant market share. There is a perception of Plywood being more durable due to the agents and retailers who work as dealers of Plywood and carpenters as the skill required to use plywood is lower. But with increasing awareness and approval of agents/retailers, this is already changing. Architects, Builders and Corporate increasingly prefer MDF/Particle Board as a



product as it's cheaper and quicker to fit. The large office space and readymade complexes both commercial and residential are being developed with the greater acceptance of Indian families to move into readymade homes is set to propel the growth MDF/Particle Board in India. The surge in demand is likely to be the result of natural growth and increase in share of MDF and Particle board as panel being used to make furniture.

#### **Drivers for growth**

**Indian Economy** - India's economy is on an ever-increasing growth curve, with positive indicators such as a stable 8% annual growth, amazing demographic changes, rising foreign exchange reserves, FDI in real Estate, INCREASE IN PURCHASE POWER OF Indians, Large population of Middle and upper middle income group and a booming capital market. India has emerged stronger on the global investment radar in and has become the second most attractive FDI destination in the world.

**Real Estate Industry** - The Indian real estate landscape has undergone a paradigm shift over the past few years. With economic liberalization, administrative reforms, increased globalization, improvement in purchase power and the consequent increase in business opportunities, India's real estate sector is on an upward surge. 800 million sq. mtrs of SEZ's, 600 large malls, residential complexes, hotels, hospitals, office complexes and other commercial complexes are all fuelling the growth of the real estate sector and in turn the wood and furniture industry. Urban India alone requires 12 million housing units with scope for 400 townships in 5 years across 30-35 cities, each with a population of 5 million. The median age of homebuyers has declined by 10 years to 28. Demand for office space by IT/ITES is expected to pick up again after stabilization of economy

*(Source: Indian Prelam Board Industry Association)*



**BUSINESS OVERVIEW**

Rushil Decor Limited is the flagship company of the Rushil Group. Our Promoters have been associated with laminated production near about two decades under the brand "Vir Laminate". Our Company was incorporated in the year 1993 and today, we have modern state-of-art technology for manufacturing of Decorative Laminated Sheets with a network of branches, distributors and dealers across India.

Our Company is dedicated to constantly expanding and updating our product range in order to stay ahead of the market. Our Company offers comprehensive engineered interior products which include:

1. Decorative Laminate Sheets
2. Plain Particle Boards

All the products are manufactured by Our Company in integrated multi-product modern facilities strategically located at Gujarat, Western part of India. Our manufacturing facilities have machineries from the renowned manufacturers of equipment for this industry.

In order to consolidate the efforts and for better administration, our group companies Viz Mica Rushil Private limited and Rushil High Pressure laminates Private limited engaged in the same line of activity have been amalgamated with the Company with effect from April 1, 2005 pursuant to order of Gujarat High court. The combined installed capacity of the company for production of Decorative Laminated Sheets is 30.00 Lakhs Sheets per annum.

Mr. Krupesh Ghanshyambhai Thakkar, Managing Director of Our Company has more than a decade of experience in trading and manufacture of plywood, laminates and allied products. He has been conferred with accolades which include "Rajiv Gandhi Shiromani Award" and "Indira Gandhi Shadbhavna Award" in the year 2007, acknowledging his achievement in their field of work and contribution to the Nation.

**Our Products and installed capacities are as follows:**

Manufacturing Unit	Product	Installed Capacity	Our Major Brands
S. No.125, Near, Kalyanpura Patia, Village, Itla, Gandhinagar – Mansa Road, Tal: Kalol, District: Gandhinagar – Gujarat	Decorative Laminated Sheets	4,80,000 Sheets	Vir Laminate
608, G.I.D.C. Mansa District, Gandhinagar, Gujarat	Decorative Laminated Sheets	8,40,000 Sheets	Vir Laminate
Dholakuva Patia, Gandhinagar – Mansa Road, Dist. Gandhinagar, Gujarat	Decorative Laminated Sheets	16,80,000 Sheets	Vir Laminate
Survey No. 270, at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	Plain Particle Board	13,76,000 Square Meters	Vir Board
* Plot No. 58 & 59, Survey No. 296, Village Able, District: Chikmangalur, Karnataka, India	Medium Density Fibre Board	90000 M <sup>3</sup>	-

**\*the Proposed Project**

Our Company has set up a large distribution network and operates through 5 marketing offices, 10 Consignment agents and 61 distributors. As on September 30, 2009, we have a network of 1957



dealers who intern supply to sub dealers/ retailers giving a Vir Laminate presence for marketing of our products. This ensures the availability of our products off-the-shelf in any corner of India. Our Company has a dedicated manpower strength of 49 who are deployed for enhancing marketing strength.

### **Our Competitive strengths**

**We believe that the following are our Primary competitive strengths:**

#### ***(a) Strong Brand***

The plywood and the laminate industry is a fragmented and an unorganized industry. We believe that our brand “Vir Laminate” has created a niche for ourselves in the Industry. We have been able to sustain the demand for our brands by offering a continuous flow of value additions such as new designs and finishes. We believe that our products enjoy easy recall and help us enhance our market share. Our brands give us a broader platform to market our products to our customers.

#### ***(b) Entry Barrier***

We hold production licenses in segments regulated by the government which restrict and regulate the grant of new licenses for the manufacture of wood based products. Government regulations represent a large entry barrier in the interiors infrastructure segment in India. Pursuant to the order of the Hon'ble Supreme Court dated October 29, 2002, unlicensed saw mills, veneer and plywood industries are not permitted to operate in India. Further, opening of a new MDF plant, requires a prior permission from the Central Empowered Committee. The grant of a license is further subject to strict compliance with the prescribed regulatory norms and relaxation of any of the norms is not permitted. These complexities in obtaining new licenses make it difficult for new players to enter the market. We therefore believe that our production license gives us a competitive edge.

#### ***(c) Proven and Experienced Management Team***

Our Promoters have about two decades of experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the interior infrastructure sector. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product, increasing profitability and improved margins which gives us a competitive edge.

#### ***(d) Cost Effective sourcing and locational advantage***

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to gauge our procurement of raw materials in timely manner and being one of the prominent players in the industry we are also able to source these materials at a competitive price. Further, our manufacturing units situated within the state of Gujarat is ensured with sufficient raw materials which is locally procured. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs and enable us to address the western markets efficiently

#### ***(e) Our Sales Distribution and Marketing Network***

Our Sales, distribution and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. We have a team of 49 sales executives, 5 marketing offices, 10 Consignment agents, 61 distributors and 1957 dealers across India, who focuses on creating brand awareness through print and electronic media, in-store visibility and carpenter



meets. Apart from this our company has strong relationships with interior architects and designers, contractors and carpenters, as well as retailers.

***(f) Modern Infrastructure and Integrated Facilities***

Our investment in modern infrastructure and our ability to optimize capacity utilisation in manufacturing leads to economies of scale. Moreover, our energy efficient manufacturing processes result in relatively lower operating cost and enhanced profitability. Some of our manufacturing units manufacture multiple product range under one roof which results in cost savings in terms of shared overheads and resources across different product categories. It also reduces transportation costs and improves logistics management as our dealers can place orders for multiple products resulting in single truck load delivery enabling them to replenish stocks at regular intervals.

**Our Business Strategy**

***Capacity expansion and manufacture of new products***

Our Company for better prospects amalgamated two of our group companies Mica Rushil Private Limited and Rushil High Pressure laminates Private Limited which is in the same line of activity. Additionally, we have commenced one more unit at Village Navalgadah, Tal: Dhrangadhra, District: Surendra Nagar for manufacture of Plain Particle Board. Apart from this our company is under the process of commissioning plant for Medium Density Fibre board (MDF) through the proposed Initial Public Offer.

Our diversification into MDF manufacture is in furtherance of our strategy of increasing our share in the mid market segment, which is the largest segment of the market.

***To continue brand building and strengthening of the distributor network***

The industry is seeing a shift in market share from the unorganised to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands.

Since the industry is highly unorganized, a good distribution network is essential in this industry. We are focusing on expanding on our distributorship network by opening new marketing offices or by way of appointment of new distributors, including smaller towns and rural areas. We believe that smaller towns in suburban India would be the new emerging realty hubs for development of residential and commercial complexes and intend to position ourselves to capitalize on these emerging opportunities.

***Tapping large real estate developers and corporate bodies***

As organised real estate development started growing in India, we realised that it was imperative to tap large real estate players. Since the buyers in organised real estate market are more sophisticated with better understanding of the market and pricing, a direct marketing approach to them was adopted. We approach large corporate houses to market our products and ensure secondary sales through our dealers and distributors.

**Our Business**

In the year 1993, our Promoters acquired the laminate manufacturing unit at Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat having installed capacity of 840000 Laminate sheets per annum. In the year 1998 the promoters set up another manufacturing unit under the name "Mica Rushil Private Limited" for manufacturing decorative laminated sheets having installed capacity of manufacturing 1680000 Laminate sheets per annum at Dholakuva, Near Limbodra Patia, Gandhinagar – Mansa road, Tal. Kalol, District, Gandhinagar. In the year 2002 the promoters set up one more unit under the name "Rushil High Pressure Laminates Private Limited" of manufacturing decorative laminated sheets having installed capacity of manufacturing 480000 Laminate sheets per



annum at village Itla, Near Kalyanpur Patia, Gandhinagar, Mansa Road, Tal. Kalol, District, Ghandhinagar.

In order to consolidate the efforts and for better administration the group companies viz Mica Rushil Private Limited and Rushil High Pressure Laminates Private Limited engaged in the same line of activity were amalgamated with the our Company with effect from April 1, 2005 pursuant to order of Gujarat High Court. The combined installed capacity of the Company is 30.00 Lakhs Decorative Laminated sheets per annum.

The Company has expanded its activities and started manufacturing Plain Particle Board in the month of September 2009 and actual commercial production started in the month of November, 2009 at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat. The installed capacity is 1376000 Cubic Meter per annum. The Plain Particle boards are used mainly in furniture Industry and used for partition / paneling and in the manufacture of doors. Ready made furniture makers prefer Plain Particle Board as main raw material.

### **Our existing and proposed business**

#### **Our existing businesses is into manufacture of:**

##### **1. Decorative Laminates**

Decorative Laminates are used for surfacing material for paneling, partitioning, table tops and work surfaces. Special purpose high pressure laminates includes cabinet liners, high-wear, fire-rated, electrostatic dissipative and chemical resistant laminates.

#### **The manufacturing process involves the following stages:-**

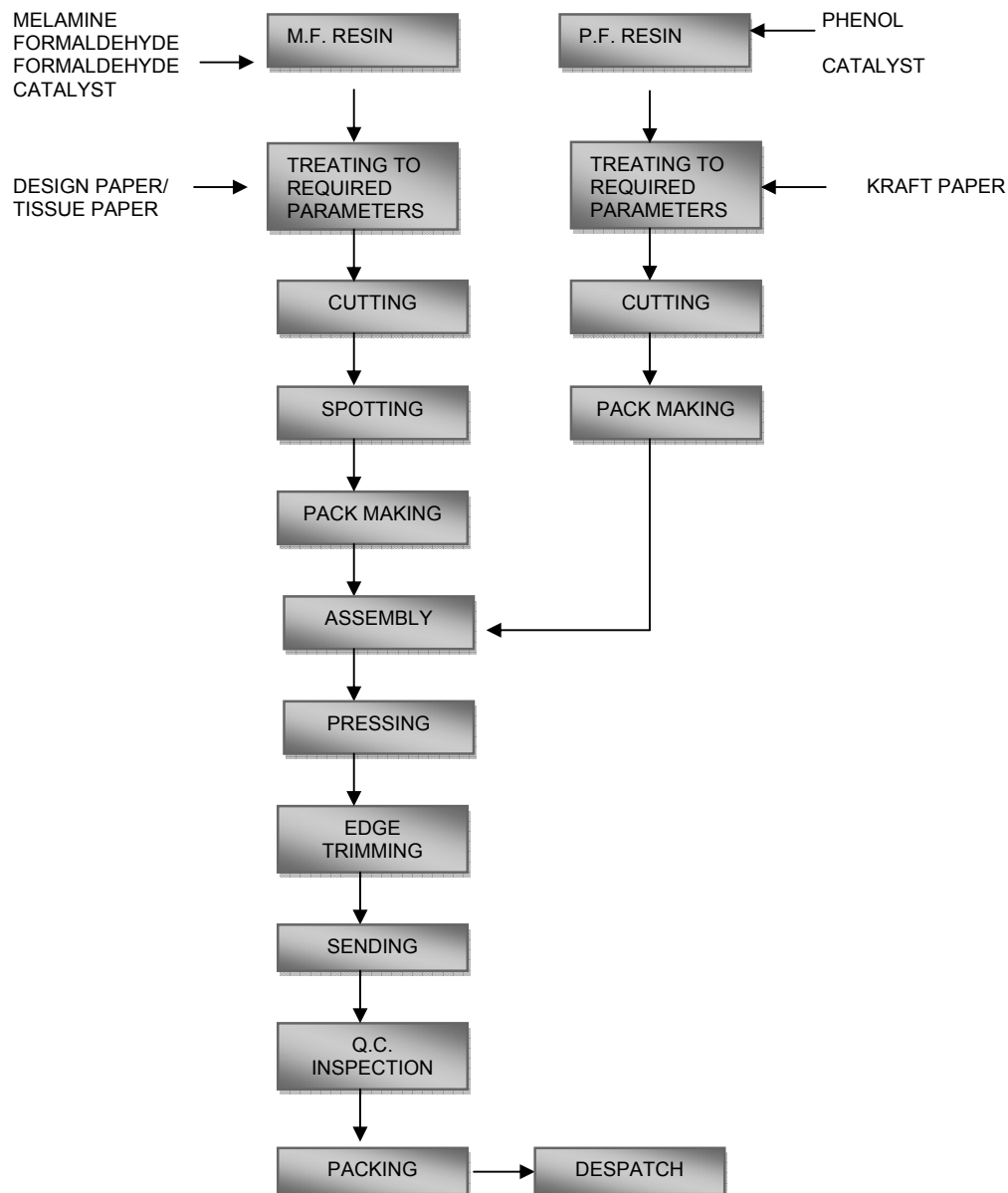
1. Phenol Fomaldehyde resin and melamine formaldehyde resins are prepared in batches using separate SS Jacketed vessels and keeping constant temperature and pressure. The vessels are cleaned with methanol and same is reused in a corresponding batch of resin.
2. The layers of these resins are applied on Kraft Paper, Tissue Papers and base paper through impregnation. They are dried in hot air drying system.
3. The Kraft Paper, base papers, tissue papers are cut and several layers of these papers are put together according to the thickness desired. The stainless steel moulds are placed for desired finish and Bopp is placed for separating the various layers of two adjoining sheets, before applying pressure.
4. The hydraulic pressure of 3000 Tons at a very high temperature is applied through multi opening hydraulic press.
5. The laminated sheets thus prepared are trimmed from all the four sides and each sheet is sanded from the back for proper bonding.
6. The laminated sheets thus prepared are packed in wooden crates and sent for dispatch.

### **Raw Material**

The principal raw material used in the manufacture of laminates comprises of kraft and decorative paper, phenol , Formaldehyde and melamine. Kraft paper is sourced domestically and we import high-end and premium decorative papers from aboard in addition to utilizing domestically.

The principal chemicals required for the manufacture of laminates are phenol, Methanol and melamine sourced from domestic as well as overseas markets depending upon the price and credit terms.

### Process Flowchart for Decorative Laminates



## 2. Medium Density Fibreboard ("MDF")

Medium Density Fibreboard ("MDF") is an engineered panel product made from the fibres of lingocellulosic material. MDF has superior properties of nail holding, bonding, edge cutting and moisture resistance which make it an economic substitute for natural timber. We are in the process of setting up a MDF unit for an aggregate Project cost of Rs. 6728.45 Lakhs at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka, with an installed capacity of 90000 M<sup>3</sup> per annum. Commercial production is expected to commence in July 2011. The proposed unit is well connected with all the major cities in the Southern region of the country.

MDF is a very versatile product with worldwide application primarily in paneling and finds use in wide range of furniture, windows, doors frames, handicraft items, display or exhibition stands and signs, ceiling, toys, carving, partitions, maritime applications and educational equipment. MDF can also be



used as a wood substitute because of its intrinsic properties which facilitates carving etc. MDF can be used in a variety of applications including bedroom, bathroom and kitchen furniture, lounge, dining furniture and home entertainment consoles, caravan interiors, shop fittings / contract applications, snooker tables, coffins and caskets. MDF is also used in school projects because of its flexibility. Thin MDF boards are suitable for drawer bottoms, cabinet backs, interior wall and ceiling panels, modular partitions and door skins.

MDF can also be used in the production of laminate flooring which has huge demand in India as well as in foreign countries. There are lots of MDF based laminate flooring manufacturing units in the world including Europe, U.S.A etc. The demand for MDF based laminate flooring is also increasing in India day by day and most of the demand is satisfied by MDF imports. There is huge potential in India for MDF Board products. However, there are some of the challenges for the growth of MDF Board which are as follows:

1. Plywood is the substitute of MDF, wherever MDF is required.
2. Still today, in retail furniture, plywood share is very large in the manufacture of furniture. However, at Industry level the demand of MDF is the best and at satisfactory level.

#### **Raw Material**

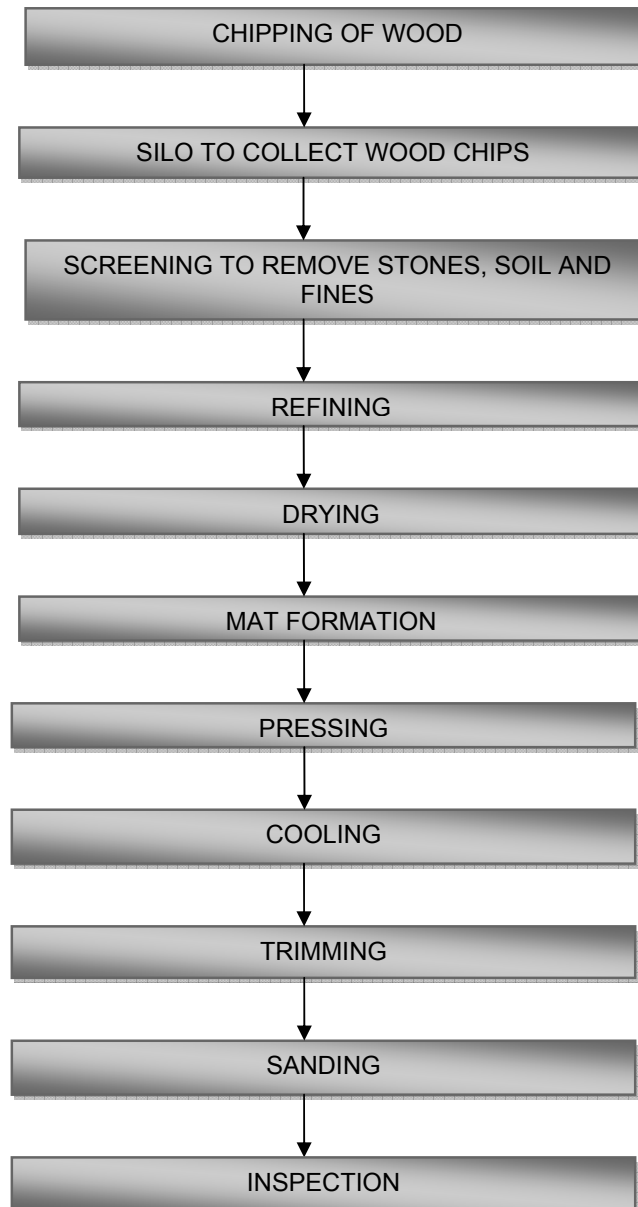
The principle raw material for the manufacture of MDF is timber, eucalyptus and poplar which are easily available from the agro-forestry plantations. We have not entered into any tie-ups for the supply of raw materials.

#### **The manufacturing process involves the following stages:-**

1. **Chip Preparation:** Wood logs, branches and wood residues are cut into chips of definite size. Then, Chips are collected into silo and at the outlet end of the silo chips are screened to remove fines soil and stones.
2. **Fibre Preparation:** Chips are transported to upper bin of refiner and positively fed to digester through screw feeder for steaming. Steamed chips are dis-integrated to fibre under the force of heat and mechanism.
3. **Drying:** Moisture is removed by passing the fibre through drying media under the force of high pressure air flow. Dry fibres are collected into a dry fibre bin.
4. **Glue Mixing:** Paraffin is mixed with fibre uniformly under the force of refiner plates. Glue/Resin is then spread in mixed form to make uniform mix with the fibre.
5. **Mat Forming:** The glue mixed fibres are conveyed to the forming line and then with the help of forming machine, fibres are spread on the mesh belt to form mat. Vacuum system is provided below the mesh to remove air pockets from the mat portion. Uniform thickness mat is prepared on this belt and then taken to a pre pressing rollers station. After pre pressing mats are cut to sizes and then transported to the loading cage.
6. **Pressing:** The mats are taken into the press to apply temperature and pressure. Bonding of fibres take place because of temperature and densification of board takes place because of pressure.
7. **Cooling:** Press boards are taken to the cooling cage to cool the boards.
8. **Trimming:** Cooled boards are taken one by one for trimming to remove the loose ends and to maintain correct sizes.
9. **Sanding:** Sanding is done to remove the burnt surface and to maintain closed thickness tolerances.

10. **Inspection:** The boards are checked for maintaining accurate tolerance in size and thickness and for ensuring uniform appearance on the surfaces. Samples from each batch are tested to ensure the quality before passing the sheets for dispatch.

**Process Flowchart for Medium Density Fibreboard**



**Key application of the product**

Cabinet doors, bed ends, carved surface sheets, toys, handles and furniture.

**3. Plain Particle Boards**

Plain Particle boards are used in cupboards, shutters and wardrobes, shelves, table tops, cabinets, household and office furniture, computer cabinets, door panels and partitions.



## Raw Materials

### Uses of Cotton Stalk:

Cotton Stalk can be used in following items which saves the wood and particularly forest to that extent.

- Particle Board
- Soft Board
- Hard Board
- Medium Density Fiber Board
- Domestic Fuel

### Benefits of using cotton stalk as Raw Material by Board Industries:

#### 1. Additional income to cotton farmers

Earlier, farmers were paying amount for the disposal of cotton stalk from their land, because it was wastage for them. But, now farmers are receiving emolument from the cotton stalk, because wastage for the farmers are now gold or cream for the manufacturer of board from the cotton stalk. Hitherto cotton stalk was unrealizable in value and farmers were suppose to incur cost for removal or had to put on fire in farm which now they are not required to do such acts and deriving reasonable good amount by supplying such waste to the unit of manufacture of particle board.

#### 2. Protects the Environment

- Most of the farmers use cotton stalks as firewood or burn the same for disposal, which pollutes the environment. So, with this project, the pollution level can be prevented to a certain extent.
- Using of cotton stalk for manufacture of particle board is the best alternative or solution of using wood as raw material for saving forest life as well as environment.

#### 3. Generation of Employment in Rural area

- The main benefit that may be derived to the nation is the generation of employment to some extent in the rural area. Because, this type of industry is required to be established surrounding the small villages which give huge crop of cotton. Normally, for 1 tone of cotton stalk collection / removal from the farm requires 8 labours per day. Our requirement for the plant per annum is about 60,000 tone per annum. If we operate on 80% of capacity or say 50,000 tone of cotton stalk is required for our unit of production which implies that 4,00,000 man hours will be required for roping in the labour of small villages who do not have alternative opportunity of earning. If minimum wages payable to a labour per day of 8 hours is Rs. 145/- then such labours will get Rs. 72,50,000/- as labour charges. Further, the transfer ratio of persons from villages to big city may also down due to providing employment in the villages.
- There are other sectors in the rural areas which may get work from this type of project. Collecting of cotton stalk is nexus with transportation facilities. So, it may become livelihood for the owners of tractors, bullock cart and other illiterate women in rural areas who have actual need of work.
- On establishment of industries in the rural areas, development of infrastructure becomes very fast in the villages. A person gets other facilities of the infrastructure like water, road, transportation, electricity, banking etc. Thus, increase in these facilities generates new frontier of employment.

#### 4. Saving of the forest Wealth

As mentioned above, particle board industry is using mainly two types of raw materials either wood or agro waste. Using of wood as raw material in the manufacturing process destroy the forest wealth. On

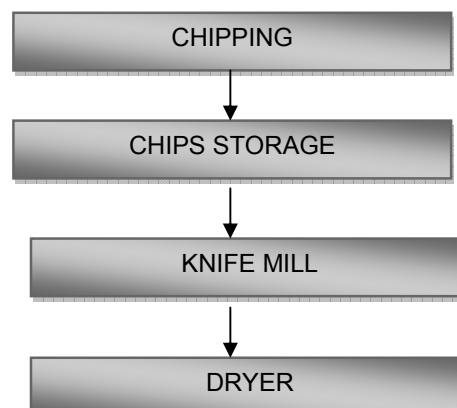


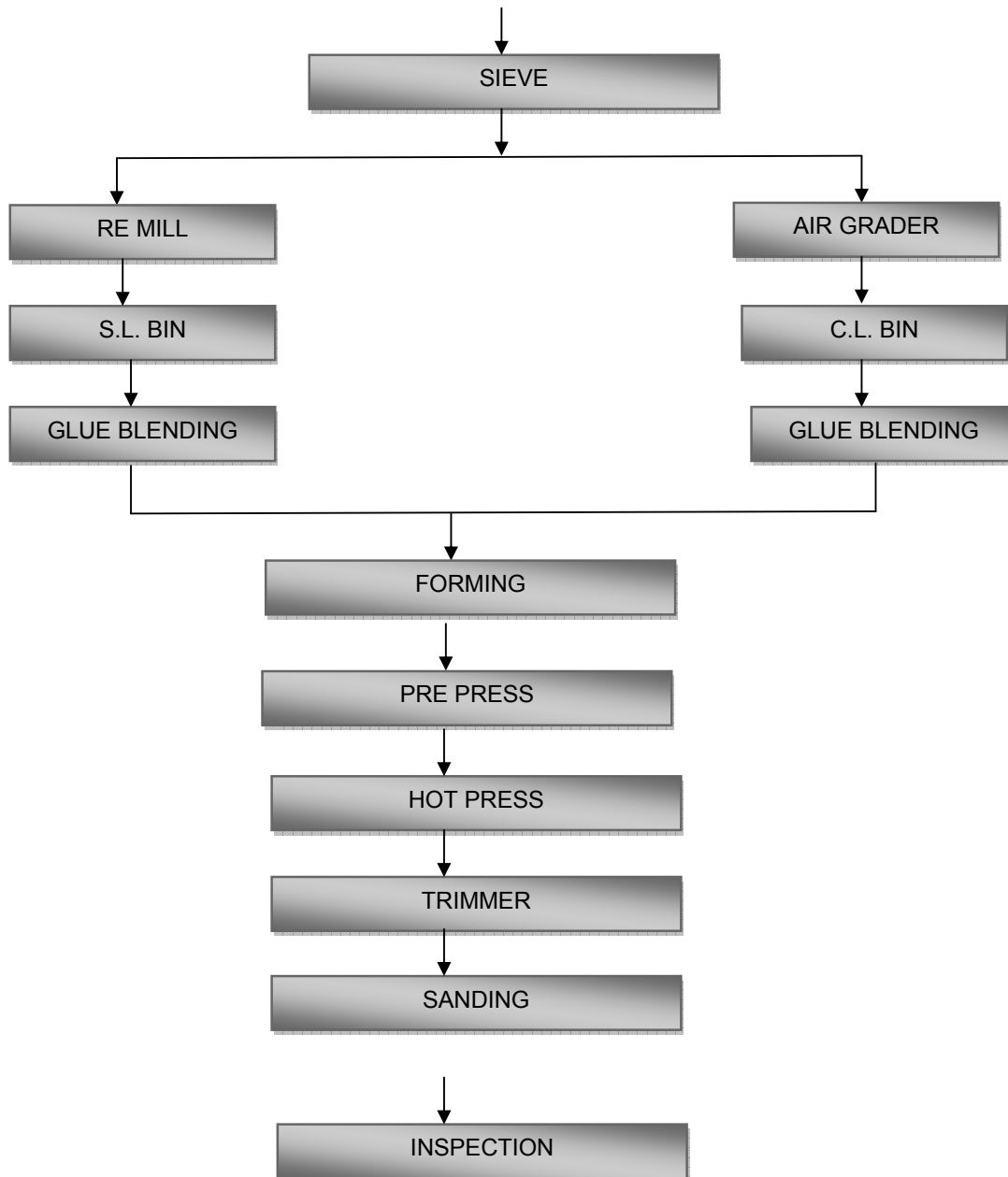
the other side, using of agro waste as raw material in the manufacture of particle board utilising the wastage and fulfills the requirement of wood conservation as it is not being utilized for production of particle board. Utilization of cotton stalk in place of wood is a fight against the *Global Warming* which is a challenge for the world.

**The manufacturing process involves the following stages:-**

- 1) **Chipping:** For manufacture of plain particle board, the thin branches, lops and tops, saw mill waste and stems of fast grown trees are used as raw material. Wood is converted into chips on a chipper machine. The Chips will have minimum thickness below 0.5 mm. In some cases re-thickening of Chips is done on a ring flicker machine. This depends on the type of chipper machine used.
- 2) **Drying:** The chips are dried in the dryer machine to reduce the moisture content of chips to around 6%. Higher moisture is not suitable for bonding.
- 3) **Grading:** The chips are graded using vibrating sieve and using re-mill to make face chips and core chips. Face chips are used on top and bottom layer and core chips are used in the middle layer of the chipmat.
- 4) **Gluing:** Synthetic resins are Urea Formaldehyde is mixed with chips on a chip blender machine. After the mixing every handful of chips will contain uniform Glue mix. The dried chips are blended with glue in glue blenders.
- 5) **Mat Formation:** The glued chips are transferred to forming station for mat formation. Chip mat is prepared in layers in such a way that bigger size chips remain in the centre and fine chips remain on the top and bottom side of the chip mat. The chipmat will have uniform quantity of chips through out its area.
- 6) **Pressing:** The mat is transferred to the hydraulic press and pressed under high temperature and pressure for bonding. The bonding of chips into board take place because of the temperature and densification is caused due to high pressure applied. After this process the millions of chips put into the mat get converted into board form.
- 7) **Trimming:** The trimming is done to cut off the loose end portions of the raw board and to maintain uniform sizes in the board.
- 8) **Sanding:** Sanding is done to bring close thickness tolerance, to remove burnt surface and to make the board surfaces smoother. In sanding process both calibration and finishing works are done.
- 9) **Inspection:** Boards are physically checked for correct thicknesses and thickness tolerance, correct sizes and uniform appearance. Samples taken out from batch production are tested in the laboratory and confirm for the correct quality. Boards are then stamped and labeled before dispatch or shifted to pre lam division.

**Process Flowchart for Plain Particle Board**





#### Key application of Plain Particle Board:

Post forming table tops, cavity flooring in computer rooms, speaker boxes and photo frames.

#### Capacity and Capacity Utilization

(a) The details of existing Installed and Utilized capacity of Decorative Laminate sheets for the year 2007, 2008 and 2009 are given below:

Serial.	YEAR Class	2007			2008			2009		
		Installed	Actual	(%)	Installed	Actual	(%)	Installed	Actual	(%)



No.		Capacity in sheets	utilization in sheets		capacity in sheets	utilization in sheets		capacity in sheets	utilization in sheets	
1.	*(1)Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat (2) Plant at Dholkuva, Near Limbodra Patia, Gandhinagar, Mansa Road, Tal. Kalol, Dist. Gandhinagar (3) Plant at Village Itla, Near Kalyanpur, Gandhinagar, Mansa Road, Tal. Kalol, Dist. Gandhinagar	3000000	2292971	76.43	3000000	2281996	76.06	3000000	2232686	74.42

**\*the installed capacities mentioned above is on the basis of standard size of laminated sheets. However the actual production is of different size of laminated sheets. The Percentage calculation of utilization doesnot give the actual capacity utilization.**

The Company has recently in the month of September, 2009 has started Manufacturing Particle Board at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat, India. The Installed Capacity of the Plant is 30,000 M<sup>3</sup> per annum.

**(b) Projected capacity and capacity utilization of Decorative Laminate Sheets and Plain Particle Board for the next 3 years is given as under:**

Serial. No	YEAR Class	2010			2011			2012		
		Installed Capacity in sheets	Utilization in sheets	(%)	Installed capacity in sheets	Utilization in sheets	(%)	Installed capacity in sheets	Utilization in sheets	(%)
	*(1)Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat (2) Plant at Dholkuva, Near Limbodra Patia, Gandhinagar, Mansa Road, Tal. Kalol, Dist. Gandhinagar (3) Plant at Village Itla,	3000000	2400000	80	3000000	2550000	85	3000000	2550000	85



	Near Kalyanpur, Gandhinagar, Mansa Road, Tal. Kalol, Dist. Gandhinagar								
--	--	--	--	--	--	--	--	--	--

Serial. No	YEAR Class	2010			2011			2012		
		Installed Capacity in Sq Mts	Utilization in Sq Mts	(%)	Installed capacity in Sq Mts	Utilization Sq Mts	(%)	Installed capacity in Sq Mts	Utilization in Mts	(%)
	Survey No. 270, at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	1376000	344000	25	1376000	894400	65	1376000	963200	70

- (c) The details of Projected capacity and capacity utilization of Medium Density Fibre Board for the proposed project at Karnataka for production of Medium Density Fibre Board for the year 2012 and 2013 are given below:

Serial. No	YEAR Class	2011			2012			2013		
		Installed Capacity (M <sup>3</sup> Per Annum)	Utilization (M <sup>3</sup> Per Annum)	(%)	Installed capacity (M <sup>3</sup> Per Annum)	Utilization (M <sup>3</sup> Per Annum)	(%)	Installed capacity (M <sup>3</sup> Per Annum)	Utilization (M <sup>3</sup> Per Annum)	(%)
1	Plot No. 58 & 59, Survey No. 296, Village Able, District, Chikmangalur, Karnataka, India	-	-	-	90000	33750	50	90000	54000	60
	<b>TOTAL</b>	-	-	-	<b>90000</b>	<b>33750</b>	<b>50</b>	<b>90000</b>	<b>54000</b>	<b>60</b>

**Note:** The actual capacity utilization for the year 2012 is for 9 months only.

#### Plant & Machineries

Our Company has four plants located in the state of Gujarat. The following are the details of plant and Machineries

Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat – (Decorative Laminated Sheets)

Serial No.	Name of the Machinery	Name of the Manufacturer	Quantity ( Number)
	<b>Laminate Division</b>		
1	10 Day Light (4000 MT) - Hydralulic Press	Jekson Hydraulic Ltd. Ahmedabad	1
2	2 Ton- Crane	Safex Engineers Pvt Ltd. Ahmedabad	1
3	1 Ton- Crane	Ply Touch Engineering	1



		(P).Ltd. Ahmedabad	
4	1 Ton- Crane	Meeka Engineers (Ahmedabad)	1
5	3 Zone – Drier (Kraft)	Texpro Machinery Manufacturies, Ahmedabad	1
6	1 Zone – Drier (Tissue)	Texpro Machinery Manufacturies, Ahmedabad	1
7	2 Zone – Drier (Design)	Texpro Machinery Manufacturies, Ahmedabad	1
8	5 Ton – AC Plant	Microcoll., Ahmedabad	2
9	5 Ton – AC Plant	Amtrex , Ahmedabad	2
10	Printer	Domino Printech India P.Ltd., Gurgaon, Haryana	1
11	Sanding Machine	Hr Engineering .., Ahmedabad	1
12	Cutting Machine	Homeg Sawtech., Spain	1
13	Repping Machine	Hr Engineering .., Ahmedabad	1
14	1.0 MT - Vessal (SS)	Darshini Engineers., Ahmedabad	1
15	5 MT - Vessal (MS)	Darshini Engineers., Ahmedabad	1
16	Condenser	Darshini Engineers., Ahmedabad	1
17	2 Ton – Boiler	Vaspa., Surat	1
18	250 KVA – Generator	Cummins India Ltd., Ahmedabad	1
19	Sample Punching Machine	Shailesh Sales Co. Pvt.Ltd., Rajkot	1
20	Punching Machine	Parmar Export., Rajkot	1
	<b>Utilities</b>		
	D.G. Sets & Panels – 100 KVA	Kirlosakar	1

**Plant at Dholakuva, Near Limbodra Patia, Gandhinagar - Mansa Road, Tal. Kalol, Dist. Gandhinagar – (Decorative Laminated Sheets)**

Serial No.	Name of the Machinery	Name of the Manufacturer	Quantity (Number)
	<b>Laminate Division</b>		
1	10 Daylight (4000 MT)- Hydraulic Press	Jekson hydraulic ltd. Ahmedabad	1
2	14 Daylight (3000 MT) - Hydraulic Press	Jekson Hydraulic Ltd. Ahmedabad	1
3	2 Ton – Crane	Safex Electromech pvt.ltd.	1
4	2 Ton – Crane	Plytouch Engineering (p).Ltd. Ahmedabad	1
5	4 Zone - Drier (Kraft)	Genest Engineers (P).Ltd. Ahmedabad	1
6	5 Zone - Drier (Kraft)	Plytouch Engineering (P).Ltd. Ahmedabad	1
7	3 Zone- Drier (Tissue)	Texpro Machinery Manufacturers, Ahmedabad	1
8	3 Zone - Drier (Design)	Texpro Machinery Manufacturers, Ahmedabad	1



9	7.5 Ton – AC Plant	Microcoll, Ahmedabad	1
10	7.5 Ton – AC Plant	Amtrex, Ahmedabad	1
11	5.00 Ton –AC Plant	Amtrex, Ahmedabad	1
12	Forklift Truck	Godrej & Boyce Mfg.Co.Ltd.	1
13	Printer	Domino Printech India P.Ltd, Gurgaon, Haryana	2
14	Sanding Machine	Plytouch Engineering (P).LTD. Ahmedabad	1
15	Cutting Machine	Plytouch Engineering (P).Ltd. Ahmedabad	1
16	Repping Machine	Plytouch Engineering (P).Ltd. Ahmedabad	1
17	2.5 MT - Vessel (SS)	Darshini Engineers, Ahmedabad	1
18	10 MT - Vessel (MS)	Darshini Engineers,Ahmedabad	1
19	Condenser	Darshini Engineers, Ahmedabad	2
20	6 Ton – Boiler	Rajdeep Boiler Pvt.Ltd. Surat	1
21	2 Ton – Boiler	Boiler Marketing & Service, Ahmedabad	1
22	200 KVA – Generator	Caterpillar	1
23	Water Treatment Plant	Indian Ayan Axchanej , Ahmedabad	1
	<b>Utilities</b>		
	D.G. Sets & Panels – 200 KVA	Catter pillar	1

**Plant at Survey No. 125, near Kalyanpura Patia, Gandhinagar - Mansa Road, village Itla, Tal. Kalol, Dist. Gandhinagar- ( Decorative Laminated Sheets )**

Serial. No.	Name of the Machinery	Name of the Manufacturer	Quantity ( Number)
	<b>Laminate Division</b>		
1	Hydraulic Press	Jekson Hydraulic Ltd, Ahmedabad	1
2	Dryer	Texpro Machinery Manufacturers, Ahmedabad	6
3	Material handling equipment	Workwell Engineers	1
4	Air Compressor	Gajjar Compressors Pvt. Ltd	1
5	Condenser System with S.S Tube & walky way	Darshini Engineers, Ahmedabad	1
6	Doctor Roller	Texpro Machinery Manufacturers, Ahmedabad	2
7	Hydraulic Oil Press	Work Well Engineering	3
8	Generating Oil Press	Goel Power System	1
9	Fork Lift	Godrej & Boyce Mgf. Co. Ltd.	1
10	Anchor Pulley	Dharmjyot Eng & Fab Pvt. Ltd	1
11	Boiler	Industrial Boiler Ltd	1
	<b>Utilities</b>		
	D.G. Sets & Panels - 250 KVA	Kirlosakar	1



**Manufacturing Plain Particle Board at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat–( Plain Particle Board)**

Serial. No.	Name of the Machinery	Name of the Manufacturer	Quantity ( Number)
	<b>Particle Board</b>		
1	4 – Head Automatic Sanding Line	Linan Hallmark Trade Co Limited – China	2
2	Forming & Pre-Press Section	Linan Hallmark Trade Co Limited – China	2
3	Glue Regulating & Applying Section	Linan Hallmark Trade Co Limited – China	1
4	Hot Pressing Section	Linan Hallmark Trade Co Limited – China	3
5	Material Drying Section	Linan Hallmark Trade Co Limited – China	3
6	Material Preparing Section (Cotton)	Linan Hallmark Trade Co Limited – China	2
7	Material Preparing Section (Wood)	Linan Hallmark Trade Co Limited – China	1
8	Rear Processing Section	Linan Hallmark Trade Co Limited – China	2
9	Air Cooled Chiller	Blue star limited	1
10	Cotton Bulk Machine	Shri Technique	1
11	Diesel Forklift	Voltas	1
12	Compressor Machine	ELGI	1
13	Electronic Digital Machine	Alexandra Scale Co	1
14	Boiler	Thermotech Systems Ltd	1
15	Thresher Machine	Viswas Iron Works	1

The details of the plant and machinery proposed to be purchased have been mentioned under the section Objects of the Issue” on page 56 of this Draft Red Herring Prospectus.

### **Infrastructure Facilities**

#### **Raw Material**

##### **1. Decorative Laminated Sheets**

The principal raw material used in the manufacture of laminated sheets comprises of kraft and decorative paper, phenol, Methanol and melamine. Kraft paper is sourced domestically and we import high-end and premium decorative papers from abroad.

##### **2. Medium Density Fibreboard**

The principle raw material for the manufacture of MDF is timber, eucalyptus and poplar which are easily available from the agro-forestry plantations.

##### **3. Plain Particle Board**

The principal raw material for manufacturing plain particle board is Cotton Stalk and wood based. Our unit is located strategically close to the raw material source in the State of Gujarat.

The raw material requirement for our proposed manufacturing plant located at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka, would be met through Silver Oak and other wood materials which are available at Chikmangalur and near by Chikmangalur area.



## Labour

Since the process for manufacturing Decorative Laminated Sheets is not very complicated, the labour for the manufacturing of existing products is easily available. Major part of the manufacturing process is carried out by semi skilled & unskilled workmen. Our Company has employed 44 managers, 61 supervisory staff and 90 administrative staff in all the plants.

The proposed MDF project at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka, would require about 37 skilled, 13 Semi Skilled, 15 Administrative Personnel, 10 Sales personnel, 5 Workshop personnel, 5 Laboratory Personnel and 14 other supervisory Personnel.

## Water

- (a) The water requirement for manufacturing decorative laminated sheets is met through our own bore wells.
- (b) The water requirement for Manufacturing of Plain Particle board at Navalgadh is very minimal hence requirement is met from own bore well as well as from the proposed branch of Narmada Canal near project site.
- (c) Though necessary water will be provided to our proposed project by administrating authority of industrial area - Karnataka Industrial Area Development Board, as they are already providing to currently operating units in Phase I of the industrial area. Karnataka. The additional water requirement can be met through own bore well.

## Electricity

### **Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat – (Decorative Laminated Sheets)**

Our Company's manufacturing unit has been sanctioned the necessary power by Gujarat Electricity Board (GEB). Our power requirement is within 150 KVA which is sourced from GEB. We also have standby generating sets of 200 KVA for use during the emergency or shut down period.

### **Plant at Dholkuva, Near Limbodra Patia, Gandhinagar, Mansa Road, Tal. Kalol, Dist. Gandhinagar – (Decorative Laminated Sheets)**

Our Company's manufacturing unit has been sanctioned the necessary power by Gujarat Electricity Board (GEB). Our power requirement is within 400 KVA which is sourced from GEB. We also have standby generating sets of 200 KVA for use during the emergency or shut down period.

### **Plant at village Itla, near Kalyanpur, Gandhinagar, Mansa Road, Tal. Kalol, Dist. Gandhinagar- (Decorative Laminated Sheets)**

Our Company's manufacturing unit has been sanctioned the necessary power by Gujarat Electricity Board (GEB). Our power requirement is within 200 KVA which is sourced from GEB. We also have standby generating sets of 250 KVA for use during the emergency or shut down period.

### **Manufacturing Plain Particle Board at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat – (Plain Particle Board)**

Our Company's manufacturing unit has been sanctioned the necessary power by Gujarat Electricity Board (GEB). Our power requirement is within 1500 KVA out of which 1100 KVA is sanctioned from GEB. We also have standby generating sets of 250 KVA for use during the emergency or shut down period. Our Company has applied for additional power requirement of 400 KVA from Gujarat Electricity Board (GEB) for which an application has been submitted and waiting for approval.



**Proposed Project at Karnataka**

The total electricity required for proposed MDF Project is 4.5 MW. The required power and other utility requirement will be provided by Mangalore Electricity Supply Company (MESC).

**Pollution Control**

The company has installed treatment plants for treatment of industrial effluent in all the three plants. The company has obtained the consent from Gujarat Pollution Control Board (GPCB) for all the three laminated sheets manufacturing plants and company has made an application for Navalghadh Plant for resin plant.

The company is going to install various pollution control equipment to meet the standards prescribed by State Pollution Control Board. Company will apply to Karnataka State Pollution Control Board (KSPCB) to obtain No Objection Certificate (NOC) and consent to establish the unit of MDF Plant at Karnataka State.

**Quality Control**

Our Company focuses significantly on the quality of the raw materials and finished products at all our manufacturing units to ensure the desired quality is attained.



Our Company has been awarded with ISO 9001:2000 for Quality Assured, ISO 18001:1999 for Health and Safety and ISO 14001:2004 for Environmental System for all the units.

**Export Obligations**

Our Company's export obligation as on February 28, 2010 to be accomplished before the due date of export obligation.

S. No.	Unit	Licence No.	Licence Date	Export Obligation (FOB) (Amt in US\$)	Due date of Obligation	Export Obligation fulfilled (Amt in US\$)	Balance Export Obligation (Amt in US\$)	Duty Saved Value (Rs. In Lakhs)
1	RDL	0830002919	07/05/2009	2793257.32	06/05/2017	0.00	2793257.32	178.59
2	RDL	0830003391	16/02/2010	228618.36	15/02/2018	0.00	228618.36	13.32

**Our Brand**

<b>Vir Laminate</b> 	<b>Vir Board</b> 
--	--

Our focus is to target all segments with our brand "Vir Laminates" and "Vir Board" which gives ultimate customer satisfaction by giving the proposition of long durability for the products and also value for money proposition by being competitively priced. Our brands satisfies the customers desire to use eco-friendly products. For details see section titled "Licenses and Approvals" beginning on page 200 of this Draft Red Herring Prospectus.

### Our Marketing Strategy

Our Company's strong marketing and brand strategy has helped us to emerge as one of the prominent and leading Decorative Laminated Sheet manufacturer. The fact that our brand "Vir Laminates" consistently supplying premium quality products and have been enjoying the growing confidence of our consumers. We have 5 marketing offices located at major cities, such as, Surat, Luknow, Ludhiana, Chandigarh and Delhi to market our products and 10 consignment agents, 61 distributors and 1957 dealers across the country who covers four parts viz., Western India, Northern India, Southern India and Eastern India.

Our Company regularly invites selected distributors and dealers at plants to inform them about the new developments or of the introduction of new products. This enables to gain confidence of the distributors and dealers to promote the product. The interaction with the distributors and dealers is helpful to get the market feedback and change the product as per the customer's requirement.

### Our Selling Strategy and Network

Our Company largely sells our products through the distributors to the end consumer located across India. However Our Company directly sells the products to large contractors and builders. Our marketing team helps in the distribution and sales of our products by generating inquiries from end consumers.

**The following distribution channel options are available and exercised, depending on market requirements, after the dispatch of finished product:**

- a) Factory → Company Depot → Distributor → Dealer → Customer
- b) Factory → Distributor → Dealer → Consumer
- c) Factory → Large Contractors / Large Builders

We operate through 5 marketing offices across India. Our network is well spread across various locations and has a strong distributors and dealers presence across India.

**Following are the details of the nationwide distributors and dealer network covering all important towns and cities:**

Distributors Network				Dealers Network		
Region	States	City	No. of Distributor	States	City	No. Dealers
North	5	11	18	6	59	582
East	4	5	5	4	24	382
South	4	6	34	3	111	546
West	4	4	4	4	19	447
<b>TOTAL</b>	<b>17</b>	<b>26</b>	<b>61</b>	<b>17</b>	<b>213</b>	<b>1957</b>

Our Company invites at regular intervals selective distributors and dealers to our facilities to orient themselves with the latest developments of or the introduction of new products by Our Company. This enables to gain confidence of the distributors and dealers to continuous to maintain inventory and promote our products.

Our marketing team maintains open communication channels with our distributors and dealers and receives feedback about our products on a continuous basis. As an ongoing process, our marketing team evaluates the potential of the territory and takes corrective actions to address untapped opportunities of sale. This may include appointment of new dealers, increase in promotional activities, introduction of dealers schemes, architect/ interior designer meets or even replacement of non performing dealers in consultation with the distributor(s).

**Future Outlook**

Demand for decorative laminated products are directly related to the growth of real estate sector. In India, the disposable income and buying power has increased which transforms to better and higher standards of living, hence increased demand of branded products.

**Major Customers/ Suppliers****Our Major Customers outstanding as on September 30, 2009**

SR NO	PARTICULARS	% OF TOTAL SALES	TOTAL AMOUNT OUTSTANDING (RS IN LAKHS)
1	TOP 1	21.58	990.91
2	TOP 5	35.36	1623.38
3	TOP 10	41.71	1914.94

**Our Major Suppliers outstanding as on September 30, 2009**

SR NO	PARTICULARS	% OF TOTAL PURCHASES	TOTAL AMOUNT OUTSTANDING (RS IN LAKHS)
1	TOP 1	9.95	280.01
2	TOP 5	31.53	887.01
3	TOP 10	41.54	1168.61

**Collaboration**

We have not entered into technical, marketing or financial collaboration.

**Competition**

Despite brand building and aggressive marketing, Our Company and the wood based industry in general continue to face competition from the unorganized sector.

In organized sector, "Vir laminates" brand is amongst one of the leading players both in terms of quality and volume. Our Company intend to face this competition through product differentiation. Our major competitors are Archidply Industries Limited, Century Laminating Company Limited, Greenply Industries Limited, Bombay Burmha Trading Co, Century ply Board (India) Limited, Sundek (India) Limited, Alfa Ica (India) Limited and Bloom Dekor limited.

For our upcoming project for MDF Board, Our company has to face the competition from the existing players like Manglam Timber Products Limited, Nuchem limited and Bajaj eco-tech products limited. In order to face the competition, the company has to develop its own brand. The strong marketing net work of our company and presence of our company in the furniture industry will be helpful to get its own share in the market

**Information Technology**

Our Company has sufficient IT infrastructure to generate various MIS reports required for Accounts, Finance control and operational control.

**Intellectual Property Rights**

Our company relies on trademarks, to help establish and preserve limited proprietary protection for its products.

**Our company currently has the following intellectual property rights for our business:**

S. No	Name	Logo	Trademark no	Description of goods	Registration date	Renewal Date	Issuing Authority
1	Rushil Decor Limited	Vir Board	897121	Plywood	16.12.2009	NA	Under Process
2	Rushil Decor Private Limited	Vir Board	971201	Plywood	16.11.2000	15.11.2010	Trade Mark Registry, Mumbai
3	Rushil Decor Private Limited	Rushil Prelam	971202	Plywood	16.11.2000	15.11.2010	Trade Mark Registry Mumbai
4	Rushil Decor Private Limited	Rushil Board	971203	Plywood	16.11.2000	15.11.2010	Trade Mark Registry Mumbai
5	Rushil Decor Private Limited	Rushil Ply	971204	Plywood	16.11.2000	15.11.2010	Trade Mark Registry Mumbai
6	Rushil Decor Private Limited	Vir B.W.P Ply	971205	Plywood	16.11.2000	15.11.2010	Trade Mark Registry Mumbai
7	Rushil Decor Private Limited	Vir laminates	772857	Decorative and Industrial Laminated Sheets	22.10.2007	21.10.2017	Trade Mark Registry Mumbai
8	Rushil Decor Private Limited	Shaping Techno Series	1359860	Plywood	27.05.2005	26.05.2015	Trade Mark Registry Mumbai
9	Rushil Decor Private Limited	Two Tone Series	1359862	Plywood	27.05.2005	26.05.2015	Trade Mark Registry Mumbai
10	Rushil Decor Private Limited	Metal Bond Series	1359863	Plywood	27.05.2005	26.05.2015	Trade Mark Registry Mumbai
11	Rushil Decor Private Limited	Touch & Feel Series	1359864	Plywood	27.05.2005	26.05.2015	Trade Mark Registry Mumbai
12	Rushil Decor Private	You Dream The Shade.	918062	Decorative and	13.04.2000	12.04.2010	Trade Mark



## Rushil Decor Limited

	Limited	We Have That Shade		Industrial Laminated Sheets			Registry Mumbai
13	Rushil Decor Private Limited	Master Series	1431926	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
14	Rushil Decor Private Limited	Terrific designs	1431928	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
15	Rushil Decor Private Limited	Make your Living Space Heaven.	1431929	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
16	Rushil Decor Private Limited	Dream Your Dream Projects With Vir Prelam	1431930	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
17	Rushil Decor Private Limited	Dream Your Dream Projects with Vir Laminate	1431931	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
18	Rushil Decor Private Limited	Vir Prelam	1431934	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
19	Rushil Decor Private Limited	Vir Klik	1431935	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
20	Rushil Decor Private Limited	Rushil Décor Pvt. Ltd.	1431936	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
21	Rushil Decor Private Limited	Rushil Group of Companies	1431937	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
22	Rushil Decor Private Limited	Rushil International	1431939	Plywood	20.03.2006	19.03.2016	Trade Mark Registry Mumbai
23	Rushil Decor Private Limited	Vir Marine Ply	971197	Plywood	16.11.2000	15.11.2010	Trade Mark Registry Mumbai



## Rushil Decor Limited

24	Rushil Decor Private Limited	Vir Wood	971198	Plywood	16.11.2000	15.11.2010	Trade Mark Registry Mumbai
25	Rushil Decor Private Limited	Vir Prelam	971199	Plywood	16.11.2000	15.11.2010	Trade Mark Registry Mumbai
26	*Rushil Decor Limited	Signor	1211294	Decorative and Industrial Laminated Sheets	03.07.2003	02.07.2013	Trade Mark Registry Mumbai
27	*Rushil Decor Limited	Device of Man with Sheet	1214356	Plywood	15.07.2003	14.07.2013	Trade Mark Registry Mumbai

\* The trademark No 26 and 27 are purchased through assignment agreement with Marx Laminex Private Limited. And application has been made to Trade mark registry, Ahmedabad for assignment. These trademark registrations are in the name of Rushil Decor Private limited and yet to be transferred in the name of Rushil Decor Limited.

### Insurance

Our Company have insured our assets, and stocks through various insurance policies, details of which are as under:

S. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (Rs. In Lakhs)
1	Electronic Equipment Insurance	The New India Assurance Company Limited	Computer Equipments	210104/44/09/58/30000014	March 31, 2010	1.25
2	Floater Policy	The New India Assurance Company Limited	Stock of Cotton Stalks ( Capas Santhi), Wood Waste, Bag gages Stored in Open	210104/11/09/13/0000471	June 30 , 2010	100.00
3	Electronic Equipment Insurance	The New India Assurance Company Limited	Nokia Mobile Instrument Model – 2009E -90 -1	210104/46/09/77/00000040	June 30, 2010	0.36
4	Burglary	The New India Assurance Company Limited	Chemicals Viz. Phenol Formaldehyde & Methonol only whilst Stored lying in tanks situated at Kandla Port Trust – Ware house at Kandla	210104/46/09/04/00000028	May 20, 2010	30.00
5	Motorcycle/	The New	Maruti Wagon – R,	21010431090100201	October	1.45



# Rushil Decor Limited

	Scooter Policy	India Assurance Company Limited	Vehicle No. GJ-01-HF-0401	087	17, 2010	
6	Motorcycle/ Scooter Policy	The New India Assurance Company Limited	Honda Activa- Vehicle No. GJ -01-ES -1661	210104/31/09/01/000 00486	April 24, 2010	0.28
7	Standard Fire and Special Perils Policy	The New India Insurance Company Limited	Plant and Machineries, Accessories, Tools, Electrical & Electronic Equipments & Installations, CC. Camera, Boilers, Boiler, Cooling Tower, D.G. Sets, Transformers, Panel Boards, Laboratory Equipments, Standby Machineries, Stores & Spares, Office Equipments etc.	210104/11/09/11/000 00487	July 6, 2010	800.00
8	Floating Policy	The New India Assurance Company Limited	Stock of Cotton Stalks, wood waste, Baggages Stored in Open	210104/11/09/13/000 0471	June 30, 2010	30.00
9	Standard Fire and Special Perils Policy	The New India Assurance Company Limited	Factory Building, Plinth & Foundation with compound wall	210104/11/08/11/000 01618	March 30, 2010	200.00
10	Floating Policy	The New India Assurance Company Limited	Stocks & Stock in process, Raw Materials, Finished Goods, Semi & Semi Finished Goods and alltypes of packing materials, sample sets, laminated sheets, boards, panel boards, checmicals, firewood, lignite & Charcoals, all other stocks related to manufacturing process whilst stored/ lying in factories & / or in within compounds of factories.	210104/11/09/13/000 00025	March 31, 2010	2100.00
11	Standard Fire and Special	The New India Assurance	Buildings, Plant Machineries, F.F.F Office Equipments	210104/11/09/11/000 00026	March 31, 2010	480.00



**Rushil Decor Limited**

	Perils Policy	Company Limited	etc.			
12	Floating Policy	The New India Assurance Company Limited	Raw Materials, Semi-Finished Goods, Finished Goods, Packing Materials of laminated Sheets	210104/11/09/13/000 00031	March 31, 2010	30.00
13	Floater Policy	The New India Assurance Company Limited	Liquid Chemical Phenol Formaldehyde, Melamine, Base Paper, Barrier Paper, Craft Paper Etc, Good Stored & Lying in Godowns & or in Tankers only	210104/11/09/13/000 00030	March 31, 2010	130.00
14	Floater Policy	The New India Assurance Company Limited	Stocks on Laminated Sheets, Wooden Flooring Tiles, Door Panels, Boards, Business Samples, packing Materials such other goods of Insured Trade only	210104/11/09/13/000 00028	March 31, 2010	800.00
15	Floater Policy	The New India Assurance Company Limited	Stocks & Stock in process, Raw Materials, Finished Goods, Semi & Semi Finished Goods and alltypes of packing materials, sample sets, laminated sheets, boards, panel boards, checmicals, firewood, lignite & Charcoals, allother stocks related to manufacturing process whilst stored/ lying in factories & / or in within compounds of factories.	210104/11/09/13/000 00025	March 31, 2010	2100.00
16	Standard Fire and Special Perils Policy	The New India Assurance Company Limited	Buildings, Plant & Machineries, F.F.F, Office Equipment Etc.	210104/11/09/11/000 00026	March 31, 2010	480.00
17	Burglary Floating Policy	The New India Assurance Company Limited	Stock of Laminated Sheets, Wooden Flooring Tiles, Door Panels, Boards, Business Samples, Packing Materials, Such other goods of insured trade only, Phenol	210104/46/09/53/000 00012	March 31, 2010	3060.00





			Formaldehyde & Chemicals at various port, various stocks lying at job works unit			
18	Marine Cargo	The New India Assurance Company Limited	Laminated Sheet, Door Panel, Business Samples, Wooden Flooring Tiles & Boards & All other Products related with Trades	210104/21/09/02/000007	March 31, 2010	2400.00
19	Machinery Insurance	The New India Assurance Company Limited	Inventory of the property Insured	210104/44/09/51/3000006	April10, 2010	34.25
20	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/36/09/01/000006	April10, 2010	35.00
21	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/36/09/01/000009	April10, 2010	2.50
22	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/36/09/01/000012	March 31, 2010	156.80
23	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/48/09/59/0000015	March 31, 2010	27.50
24	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/48/09/59/0000016	April10, 2010	23.75
25	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/48/09/60/0000019	April10, 2010	3.00
26	Electronic Equipment	The New India Assurance Company Limited	Computer Equipments	210104/44/09/58/3000012	March 31, 2010	1.67
27	Electronic Equipments	The New India Assurance Company Limited	TV Insurance	210104/46/09/41/0000010	March 31, 2010	0.75
28	Group	The New	Group Personnel	210104/42/09/03/000	March	680.00

**Rushil Decor Limited**

	Personnel Accident	India Assurance Company Limited	Insurance	00025	31, 2010	
29	Engineering	The New India Assurance Company Limited	Electronic Equipments	210104/44/09/58/30000017	March 31, 2010	11.78
30	Engineering	The New India Assurance Company Limited	Electronic Equipments	210104/44/09/51/30000016	March 31, 2010	1.00
31	Electronic Equipment	The New India Assurance Company Limited	Computer Equipments	210104/44/09/58/30000015	March 31, 2010	1.51
32	Money Insurance	The New India Assurance Company Limited	Money in Transit	210104/48/09/07/00000022	April 10, 2010	850.00
33	Motorcycle/ Scooter Policy	The New India Assurance Company Limited	Hero Honda – Vehicle No. GJ- 01-AA- 0601	210104/31/09/01/00000066	April 10, 2010	0.05
34	Motorcycle/ Scooter Policy	The New India Assurance Company Limited	Honda Eterno – Vehicle No - GJ- 01-JB- 9298	210104/31/09/01/00000067	March 31, 2010	0.27
35	Private Car Insurance Policy	IFFCO – TOKIO General Insurance Co. Ltd	Maruti Esteem – Vehicle No. – GJ-01-HK-0473	42335255	April 10, 2010	3.19
36	Machinery	The New India Assurance Company Limited	Machinery Insured	210104/44/09/51/30000008	March 31, 2010	32.30
37	Boiler and Pressure Plant	The New India Assurance Company Limited	Boiler and Pressure Plant	210104/44/09/52/30000011	March 31, 2010	33.00
38	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/36/09/01/00000008	March 31, 2010	35.00
39	Workmen Compensation	The New India Assurance Company	Issued in connection with Workmen Policy	210104/36/09/01/00000011	March 31, 2010	5.50



## Rushil Decor Limited

		Limited				
40	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/48/09/59/00000017	March 31, 2010	23.75
41	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/48/09/60/00000020	March 31, 2010	7.00
42	Private Care Policy & Package	The New India Assurance Company Limited	Maruti 800- Vehicle No- GJ-18-AA-7413	210104/31/09/01/00000064	March 31, 2010	1.56
43	Standard Fire and Special Perils	The New India Assurance Company Limited	Buildings, Plant & Machineries, Accessories, F.F.F and Office Equipments etc	210104/11/09/11/00000029	March 31, 2010	7.60
44	Marine Cargo	The New India Assurance Company Limited		210104/21/09/02/00000008	March 31, 2010	2400.00
45	Machinery	The New India Assurance Company Limited	Inventory of the property Insured	210104/44/09/51/30000007	March 31, 2010	34.25
46	Boiler and Pressure Plant	The New India Assurance Company Limited	Boiler and Pressure Plant	210104/44/09/52/30000010	March 31, 2010	52.00
47	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/36/09/01/00000007	March 31, 2010	35.00
48	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/36/09/01/00000010	March 31, 2010	6.50
49	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/48/09/59/00000018	March 31, 2010	23.75
50	Workmen Compensation	The New India Assurance Company Limited	Issued in connection with Workmen Policy	210104/48/09/60/00000021	March 31, 2010	8.50
51	Electronic Equipment	The New India	Computer Equipments	210104/44/09/58/30000013	March 31, 2010	3.20



		Assurance Company Limited				
52	Standard Fire and Special Perils	The New India Assurance Company Limited	Buildings, Plant & Machineries, Accessories, Electrical Installations, F.F.I, Office Equipments	210104/11/09/11/000 00027	March 31, 2010	1050.00
53	Standard Fire and Special Perils	The New India Assurance Company Limited	Factory Building, Plinth & foundation with Compound wall	210104/11/08/11/000 01618	March 30, 2010	200.00
54	Electronic Equipments	The New India Assurance Company Limited	Computer Equipments	210104/46/09/77/000 00011	March 31, 2010	2.67
55	Private Car & Policy Package	The New India Assurance Company Limited	Maruti 800- Vehicle No – GJ-18-AB-7675	210104/31/09/01/000 00063	April 10, 2010	1.91
56	Standard Fire and Special Perils	The New India Assurance Company Limited	Godown Building Including Elect, Installation, Sheds, Compound wall, F.F.F, Office Equipments	210104/11/09/1/0000 0033	March 31, 2010	7.00
57	Standard Fire and Special Perils	The New India Assurance Company Limited	Residence building including Elect. Installations with Compound Wall, F.F.F. House hold contents, Electronic & Electrical Installation	210104/11/09/11/000 00034	March 31, 2010	40.00
58	Motorcycle / Scooter Policy & Package	The New India Assurance Company Limited	LML Vespa – Vehicle No - GJ- 01- AB- 4788	210104/31/09/01/000 00062	March 31, 2010	0.05
59	Private Car – package Policy	Bajaj Allianz General Insurance Company Limited	Tata Indigo	OG-10-2202-1801- 00000251	March 29, 2010	5.00
60	Private Car – Package Policy	Bajaj Allianz General Insurance Company Limited	Tata Indigo – Vehicle No – GJ- 18-AC- 0127	OG-10-2202-1801- 00028036	March 13, 2011	3.69
61	Reliance Private Car Vehicle Certificate cum Policy	Reliance General Insurance	Toyota Innova – Vehicle No – GJ- 18 – AC – 1914	1602782311013269	March 31, 2010	7.50



## Rushil Decor Limited

	Schedule					
62	Private Car Insurance Package Policy	IFFCO – TOKIO, General Insurance Co. Ltd	Opel Astra – Vehicle No – GJ- 01-HC-2430	42335034	March 31, 2010	2.55
63	Private Car Insurance Package Policy	HDFC ERGO General Insurance Company	Audi	VP00453119000100	March 26, 2010	38.48
64	Reliance Miscellaneous Vehicle Certificate Cum Policy	Reliance General Insurance	John Deere 5310 – Tractor Loader	1602792343002428	November 2, 2010	6.00
65	Miscellaneous & Special Types of Vehicles	HDFC ERGO General Insurance Company	John Deere 5310 – Tractor Loader	VS00048732000100	October 31, 2010	4.79
66	Electronic Equipment	The New India Assurance Company Limited	HCL – Laptop	210104/46/09/77/00000052	August 30, 2010	0.15
67	Standard Two Wheeler Package Policy	The New India Assurance Company Limited	Bajaj Super- Vehicle No – GJ- 01- EB – 2226	21010431090100201080	October 23, 2010	0.10
68	Private Car Policy	Reliance General Insurance	Toyota Corolla – Vehicle No – GJ -18-AA-8191	1602782311012922	March 31, 2010	6.17
69	Private Car Policy	Reliance General Insurance	Toyota Corolla – Vehicle No – GJ- 18 AA – 9181	1602792311001993	March 31, 2010	6.05
70	Motorcycle/ Scooter Policy	The New India Assurance Company Limited	Hero Honda – Vehicle No – GJ- 18 – N- 2935	210104/31/09/01/00000065	March 31, 2010	0.24
71	Rasta Apatti Kavach	The New India Assurance Company Limited	Workmen Compensation	210104/48/09/60/00000470	September 3, 2010	13.50
72	Workmen Compensation (General)	The New India Assurance Company Limited	Workmen Compensation	210104/36/09/01/00000039	September 3, 2010	11.39

**Indebtedness**

Our Company is availing following term loans and working capital facilities from the following banks, details of which are as under:

Name of the Lender	Sanction Amount (Rs. In Crores)	Purpose	Amount Outstanding as on December 31, 2009 (Rs. In Crores)	Interest Rate	Repayment Schedule	Security	Period
<b>BANK OF BARODA</b>							
<b>TERM LOAN – II</b>							
Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	1.24	For Machinery	0.84	0.75% above BPLR i.e. 12.75% p.a. at present with monthly rest, subject to changes in credit rating, BPLR/ Spread announced by the Bank/ RBI from time to time and also subject to applicable re-set clause	Montly Installment of Rs. 3.35 Lakhs plus interest and last installment of Rs 45,988/- ( 40 remaining Installment	1. Demand Promissory Note 2. Letter of installment with acceleration clause 3. Letter of Guarantee 4. Hypothecation of moveable machinery (if applicable) 5. Exclusive charge on fixed assets of the company and extension of charge on current assets of the company 6. Undertaking by the company 7. Letter of authority to disclose or publish the borrower's name in case of default 8. Copy of board resolution of the Company authorizing borrowing and execution of documents	12 months subject to annual review
<b>TERM LOAN – III</b>							
Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	1.24	For machinery	0.84	0.75% above BPLR i.e. 12.75% p.a. at present with monthly rest, subject to changes in credit rating, BPLR/ Spread announced by the Bank/ RBI from time	Monthly Installment of Rs. 3.35 Lakhs plus interest with last installment of Rs 47,036/- ( 40 remaining installment)	1. Demand Promissory Note 2. Letter of installment with acceleration clause 3. Letter of Guarantee 4. Hypothecation of moveable machinery 5. Exclusive charge on fixed assets of the company and extension of charge on current assets of the company 6. Undertaking by the company 7. Letter of authority to disclose or publish the borrower's name in case	12 months subject to annual review



				to time and also subject to applicable re-set clause		of default 8. Copy of Board Resolution of the Company authorizing borrowing and execution of documents	
<b>TERM LOAN – IV</b>							
Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	0.59	For Machinery	0.34	0.75% above BPLR i.e. 12.75% p.a. at present with monthly rest, subject to changes in Credit rating, BPLR/ Spread announced by the Bank/ RBI from time to time and also subject to applicable re-set clause	Monthly Installment of Rs. 2.08 Lakhs plus last installment of Rs 96,936/- ( 31 remaining installment)	1. Demand Promissory Note 2. Letter of installment with acceleration clause 3. Letter of Guarantee 4. Hypothecation of moveable machinery 5. Exclusive charge on fixed assets of the company and extension of charge on current assets of the company 6. Undertaking by the company 7. Letter of authority to disclose or publish the borrower's name in case of default 8. Copy of Board Resolution of the Company authorizing borrowing and execution of documents	12 months subject to annual review
<b>TERM LOAN – V</b>							
Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	0.43	For Machinery ( Takeover Term Loan of erstwhile RHPL from UTI Bank)	0.17	0.75% above BPLR i.e. 12.75% p.a. at present with monthly rest, subject to changes in Credit rating, BPLR/ Spread announced by the Bank/ RBI from time to time and also subject to applicable re-set clause	Monthly Installment of Rs. 6.03 Lakhs plus interest with last installment of Rs. 1,03,644/- ( 10 remaining Installments )	1. Demand Promissory Note 2. Letter of installment with acceleration clause 3. Letter of Guarantee 4. Hypothecation of moveable machinery 5. Exclusive charge on fixed assets of the company and extension of charge on current assets of the company 6. Undertaking by the company 7. Letter of authority to disclose or publish the borrower's name in case of default 8. Copy of Board Resolution of the Company authorizing borrowing and execution of documents	12 months subject to annual review



**Rushil Decor Limited**

Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	27.00	Working Capital Requirement	12.07	BPLR i.e. 12.00% p.a. at present with monthly rest, subject to changes in credit rating, BPLR/ Spread announced by the Bank/ RBI from time to time and also subject to applicable re-set clause	NIL	<ol style="list-style-type: none"> <li>1. Demand Promissory Note</li> <li>2. Letter of installment with acceleration clause</li> <li>3. Letter of Guarantee</li> <li>4. Hypothecation of moveable machinery (if applicable)</li> <li>5. Exclusive charge on fixed assets of the company and extension of charge on current assets of the company</li> <li>6. Undertaking by the company</li> <li>7. Letter of authority to disclose or publish the borrower's name in case of default</li> <li>8. Copy of Board Resolution of the Company authorizing borrowing and execution of documents</li> <li>9. Irrevocable Power of Attorney</li> </ol>	12 Months
Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	17.00	Export Credit facilities	12.67	As per RBI Directives bank guidelines issued from time to time	NIL	<ol style="list-style-type: none"> <li>1. Demand Promissory Note</li> <li>2. Letter of continuing security</li> <li>3. Instrument of Hypothecation of goods</li> <li>4. Letter of Pledge security</li> <li>5. Export Trust Receipt</li> <li>6. Letter of guarantee</li> <li>7. F.B.P. agreement executed by the Company</li> <li>8. Irrevocable Power of attorney for book debts</li> <li>9. Foreign Documentary Demand/ Usance Bill having maximum usance of 90 days accompanied by Airway Bills/ Bill</li> </ol>	12 Months





Rushil Decor Limited

						<p>of lading and drawn under irrevocable letter of credit/ confirmed orders only.</p> <p>10. Exclusive charge on current assets of the company and extension of charge on fixed assets of the Company.</p> <p>11. Undertaking by the Company</p> <p>12. Letter of authority to disclose or publish the borrower's name in case of default</p> <p>13. Copy of Board Resolution of the Company authorizing borrowing and execution of documents</p>	
Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	17.00	Letter of Credit (Import/ Inland)		NIL	NIL	<p>1. Stamped LC application signed by the Company and extension of charge on current assets</p> <p>2. Documents of title of goods in case of LC and DP basis</p> <p>3. Hypothecation charge over the goods in case of LC on DA basis</p> <p>4. Exclusive charge on current assets of the Company and extension of charge on fixed assets of the Company</p> <p>5. Documents to be delivered against Trust Receipt in case of LC and DA based</p> <p>6. Letter of guarantee if</p>	180 days usance



## Rushil Decor Limited

						stipulated 7. Undertaking by the Company 8. Letter of authority to disclose or publish the borrower's name in case of default	
Bank of Baroda, Kalol Branch, MG Road, Kalol, Dist. Gandhinagar, Gujarat	17.00	**Letter of Comfort		NIL	NIL	1. Earmarking of LC 2. Other documents as per RBI Guidelines	180 days

### Note:

\* Packing Credit/ FBP/ FBD an amount of Rs 17.00 Crores is the sub limit of cash credit.

\*\* Letter of Comfort of Rs.17.00 Crores is the sublimit of Letter of Credit (Import/ Inland).

Name of the Lender	Sanction Amount (Rs. In Crores)	Purpose	Amount Outstanding as on December 31, 2009 (Rs. In Crores)	Interest Rate	Repayment Schedule	Security	Period
<b>ALLAHABAD BANK</b>							
Allahabad Bank, S.P. Nagar Branch, Ahmedabad	10.00	Term Loan	10.09*	PLR 0.75%	20 Quarterly Installments of Rs. 50.00 Lakhs each starting from April 2008	<b>Primary:</b> Exclusive Charge on Plant and machinery to be purchased out of the finance  <b>Collateral:</b> 1. 1 <sup>st</sup> Charge on 39 acres of Land and Building situated at Vill. Navalgadh, Tal Dhrangdhra, Dist.Surendranagr. For phase II project appraised by BOB, asset of the project I & II may be considered for pari passu with the consortium	5 Years



						<p>bank.</p> <p>2. Equitable mortgage of property valued at Rs.30 lakhs or any liquid security of the equivalent amount.</p> <p>3. Extention of charge over current assets of the Phase –I of the company.</p>	
Allahabad Bank, S.P. Nagar Ahmedabad	2.60	Cash Credit	2.15	PLR 0.75%	- On Demand	<p><b>Primary</b> Hypothecation of entire amount of assets of the project including stock and book debts of the company at present and future.</p> <p><b>Collateral</b> 1. 1<sup>st</sup> Charge on 39 acres of Land and Building situated at Vill. Navalgadh, Tal Dhrangdhra, Dist.Surendranagr. For phase II project appraised by BOB, asset of the project I &amp; II may be considered for pari passu with the consortium bank.</p> <p>2. Equitable mortgage of property valued at</p>	1 Year



						Rs.30 lakhs or any liquid security of the equivalent amount.	
						3. Extention of charge over fixed assets of the Phase –I of the company.	
Allahabad Bank, S.P. Nagar Branch, Ahmedabad	5.53**	FLC/ ILC (DA/ DP) For Purchase of Machineries		As per Banks Circularized Instructions	On Demand	NIL	NIL

**Note:**

\*Including interest component of Rs. 0.09 Crores.

\*\*FLC/ ILC (DA/ DP) For Purchase of Machineries an amount of Rs 5.53 Crores is a sublimit of term loan for an amount of Rs 10.00 Crores

**Human Resource**

We have experienced Promoters and management whom we rely on to anticipate industry trends and capitalize on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain these talented people. Our senior management team consists of experienced individuals with diverse skills in manufacturing, engineering, international business and finance.

We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the wood based industry. We have a policy of providing the necessary training to our new employees and workers. We view this process as a necessary tool to maximize the performance of our employees. Our work force consists of: (i) our permanent employees; and (ii) workers who are employed on a piecemeal basis.

The following table sets out the number of our employees as of the end of the last three fiscal:

Year	FY 2007	FY 2008	FY 2009
Number of Permanent Employees	173	192	216

At present we have the total strength of 216 permanent employees (including workmen) in various departments. The details of which are given as below:

S. No	Category	Number of Employees
1	Top Managerial Personnel	7
2	Finance & Accounts Personnel	21
3	Human Resource Personnel	6
4	Technical Personnel	14
5	Marketing Personnel	49
6	Administrative Staff	12
7	Supervisory Staff	23
8	Skilled & Un Skilled Workers	84
	<b>TOTAL</b>	<b>216</b>



We have not entered into any collective bargaining agreements with our employees. Our Company has given labour contract for the supply of labour for all the four plants. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we have good relationship with our employees. We seek to adopt an open culture and a participative management style, to enable us to maximize the benefits from the knowledge and skills of our management.

#### Our Offices and Production Facilities

We have acquired immovable properties for setting up our offices and production facilities for the purpose of business.

**These properties are held either on a freehold or a leasehold basis. Our manufacturing facilities are based at:**

- Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat – (Decorative Laminated Sheets)
- Plant at Dholakuva, Near Limbodra Patia, Gandhinagar - Mansa Road, Tal. Kalol, Dist. Gandhinagar – (Decorative Laminated Sheets)
- Plant at Survey No. 125, Near Kalyanpura Patia, Gandhinagar - Mansa Road, village Itla, Tal. Kalol, Dist. Gandhinagar (Decorative Laminated Sheets )
- Manufacturing Plain Particle Board at Village Navalgad, Taluka: Dhrangadhra, District: Surendranagar, Gujarat (Plain Particle Board)

#### Details of Immovable Properties:

S. No	Date	City/ State	Address	Area/ Acres	Status	Agreement Details
1	August 6, 1993	Dist. Mehsana,	Plot No. 608, Mansa Industrial Estate, GIDC, Tal. Vijapur, District, Mehsana	3976 Square Meters	Leasehold Property	A Plot of land was transferred in favour of RDPL (Now, RDL) by original licensee M/s. Hira Hylam Pvt. Ltd. W.e.f. 06.08.1993 for which a supplementary agreement was executed on 9.08.1993. This lease is for a period of 99 years from 1985.
2	December 7, 1998	Gandhinagar	Block No.155, Village Dholakuva, Near Limbodra Patia Mansa Road, Tal. Kalol	1915 Square Meters	Freehold Property	Sale Deed entered into between Mica Rushil Private Limited and Thakor Bhikhaji Rahaji and Thakor Chanduji Rahaji
3	December 7, 1998	Gandhinagar	Block No. 156 Village Dholakuva, Near Limbodra Patia, Mansa Road, Tal. Kalol	2529 Square Meters	Freehold Property	Sale Deed entered into between Mica Rushil Private Limited and Thakor Shankaji Varvaji and Thakor Arjanji Varvaji
4	December 7, 1998	Gandhinagar	Block No 167 Village Dholakuva, Near Limbodra Patia Mansa Road, Tal. Kalol	1890 Square Meters	Freehold Property	Sale Deed entered into between Mica Rushil Private Limited and Thakor Shakriben Chehraj and Thakor Aataji Kanaji



## Rushil Decor Limited

5	December 7, 1998	Gandhinagar	Block No 168 Village Dholakuva, Near Limbodra Patia Mansa Road, Tal. Kalol	1240.75 Square Meters	Freehold Property	Sale Deed entered into between Mica Rushil Private Limited and Thakor Shankaji Varvaji and Thakor Arjanji Varvaji
6	December 7, 1998	Gandhinagar	Block No 169 Village Dholakuva, Near Limbodra Patia Mansa Road, Tal. Kalol	1178.25 Square Meters	Freehold Property	Sale Deed entered into between Mica Rushil Private Limited and Thakor Chanchiben Jivanji Joitaji, Thakor Amaji Jivanji, Thakor Babuji Jivanji and Thakor Ravjiji Jivanji
7	December 25, 2002	Gandhinagar	Block No. 125, Village Itla, Near kalyanpur Road, Mansa Road, Tal. Kalol	7993 Square Meters Or (79/93 Hecter)	Freehold Property	Sale Deed entered into between Rushil High Pressure laminate Private Limited and Patel Vishnubhai Naranbhai
8	April 18, 2007	Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	Survey No. 270, at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	3.00 Acres, 26 Guntha	Freehold Property	Sale Deed entered between Rushil Decor Limited and Yogesh M. Sanghvi
9	April 18, 2007	Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	Survey No. 264 & 273/1 Village Navalgadh Tal. Dhrangadhra, Dist. Surendranagar	1 Acre 28 Guntha, & 5 Acres 19 Guntas	Freehold Property	Sale Deed entered between Rushil Decor Private Limited and Ranjanben Manharlal Sanghavi
10	April 18, 2007	Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	Survey No. 273/2, Village Navalgadh Tal. Dhrangadhra, Dist. Surendranagar	3 Acres 25 guntha	Freehold Property	Sale Deed entered between Rushil Decor Private Limited and Bhojaram Gangaram Patel
11	April 18, 2007	Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	Survey no. 262 & 271/1 Village Navalgadh Tal. Dhrangadhra, Dist. Surendranagar	3 Acres 2 Gunthas & 6 Acres 2 Gunthas	Freehold Property	Sale Deed entered between Rushil Decor Private Limited and Manharlal Padamshibhai Sanghavi
12	April 18, 2007	Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat	Survey no. 263/2, 272/1/2 & 272/1/1 Village Navalgadh Tal. Dhrangadhra, Dist. Surendranagar	3 Acres, 4 Acres 20 Guntha & 4 Acres 90 Guntha	Freehold Property	Sale Deed entered between Rushil Decor Private Limited and Prabhudas Dayabhai Patel and Tribhovandas Patel
13	April 18, 2007	Village Navalgadh, Taluka:	Survey no. 272/2 Village Navalgadh Tal.	37 Guntha	Freehold Property	Sale Deed entered between Rushil Decor Private Limited and



## Rushil Decor Limited

		Dhrangadhra, District: Surendranagar, Gujarat	Dhrangadhra, Dist. Surendranagar			Kumbhar Mohanbhai and Lavagibhai
14		Ahmedabad	( Flat No 1 in Krinkal Apartment) Sub Plot No 5 , Final Plot No 229 paiki , T.P Scheme No 3/6	80Square Yard	Freehold Property	Sale Deed entered between

We confirm that the above mentioned sellers are not in any way related to Promoters /Directors of our Company.

### Location of Proposed Project

S. No	City/ State	Address	Area/ Acres	Status	Agreement Details
1.	Chikmangalur, Karnataka	Plot No. 58 & 59, Village: Amble, Taluka and District: Chikamagalur	10.00	Lease Cum Sale Agreement	Lease cum Sale Agreement between Rushil Dekor Limited and KIADB ON August 24,2009

We confirm that the above mentioned sellers are not in any way related to Promoters /Directors of our Company.

### Property to be purchased out of the proceeds of the Issue

For details please refer to the section titled “Objects of the Issue” beginning on page 56 of this Draft Red Herring Prospectus.

### Swot Analysis

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> <li>Production facilities close to availability of Raw material</li> <li>High Quality Products</li> <li>Serving Quality conscious customer base</li> <li>Varied product mix to serve different customer segments</li> <li>Satisfied customers with repeat purchase order</li> </ul>	<ul style="list-style-type: none"> <li>Restricted Capital availability has led to restricted business</li> <li>Lacks pricing advantage being a commodity product</li> </ul>
OPPORTUNITY	THREAT
<ul style="list-style-type: none"> <li>Ability to tie up with other players</li> <li>Large Business house in the region and build on their existing reputation and service capability</li> <li>Backward and Forward Integration feasible due to increasing demand for the inputs and products</li> </ul>	<ul style="list-style-type: none"> <li>Climatic Conditions affects business model</li> <li>New Players entering in the same market</li> <li>Changes in Government Policies</li> </ul>



## KEY INDUSTRY REGULATIONS AND POLICIES

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:

### General

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. 200 of this Draft Red Herring Prospectus.

**The relevant provisions of some of the regulations and policies applicable to us are given below:**

### Labour Laws

We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act, 1947, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

### Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 (“**Industrial Disputes Act**”) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act.

The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or lay off or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### Factories Act, 1948

The Factories Act, 1948 (“**Factories Act**”) defines a ‘factory’ to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act provides that the 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. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a



prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and/or with a fine up to Rs. 1 lacs or both, and in case of such violation continuing after conviction, with a fine of up to Rs.1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than Rs. 0.25 lacs in the case of an accident causing death, and Rs.5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine would be Rs. 3 lacs and in case such contravention results in death or serious bodily injury the fine would be a minimum of Rs. 0.35 lacs and Rs. 0.10 lacs, respectively.

### **The Employees State Insurance Act, 1948**

The Employees State Insurance Act 1948, ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury.

The ESI Act extends to the whole of India. It applies to all factories (including government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing 20 or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify.

A factory or other establishment, to which the ESI Act applies, shall continue to be governed by its provisions even if the number of workers employed therein falls below the specified limit or the manufacturing process therein ceases to be carried on with the aid of power, subsequently.

### **The ESI Act does not apply to the following:**

- i. Factories working with the aid of power wherein less than 10 persons are employed;
- ii. Factories working without the aid of power wherein less than 20 persons are employed;
- iii. Seasonal factories engaged exclusively in any of the following activities viz. Cotton ginning, cotton or jute pressing, decortications of groundnuts, the manufacture of coffee, indigo, lacs, rubber, sugar (including gur) or tea or any manufacturing process incidental to or connected with any of the aforesaid activities, and including factories engaged for a period not exceeding seven months in a year in blending, packing or repackaging of tea or coffee, or in such other process as may be specified by the Central Government;
- iv. A factory which was exempted from the provisions of the Act as being a seasonal factory will not lose the benefit of the exemption on account of the amendment of the definition of seasonal factory;
- v. Mines subject to the Mines Act, 1952;
- vi. Railway running sheds;
- vii. Government factories or establishments, whose employees are in receipt of benefits similar or superior to the benefits provided under the Act and Indian naval, military or air forces.

The appropriate Government may exempt any factory or establishments or class of factories or establishments or any employee or class of employees from the provisions of the ESI Act. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs. 0.10 lacs per month is entitled to be insured under the ESI Act. However, apprentices engaged under the Apprentices Act are not entitled to the ESI benefits. Coverage of part time employees under the ESI Act will depend on whether they have contract of service or contract for service with the employer. The former is covered whereas the latter are not covered under the ESI Act.

**Payment of Gratuity Act, 1972**

Under the Payment of Gratuity Act, 1972 (the “**Gratuity Act**”), an employee in a factory is deemed to be in ‘continuous service’ for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. An employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed Rs. 3.50 lacs.

**Payment of Bonus Act, 1965**

Under the Payment of Bonus Act, 1965 (the “**Payment of Bonus Act**”) an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. ‘Allocable surplus’ is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or Rs. 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to Rs. 1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

**Employees Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident fund, pension fund and deposit linked insurance fund for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make contributions to the funds mentioned above.

**Minimum Wages Act, 1948**

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs. 500.

**Workmen’s Compensation Act, 1923**

The Workmen’s Compensation Act, 1923 (“WCA”) has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. 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 an 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 may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

**Inter-State Migrant Workmen’s (Regulation of Employment and Conditions of Service) Act, 1979**

The Act is applicable to an establishment, which employs five or more inter-state migrant workmen through an intermediary (who has recruited workmen from one state for employment in an establishment situated in another State). The inter state migrant workmen, in an establishment to



which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travel expenses etc.

### **Environmental Laws**

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("WPA"), the Air (Prevention and Control of Pollution) Act, 1981 ("APA") and the Environment Protection Act, 1986 ("EPA").

The WPA aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the WPA are also to perform functions as per the APA for the prevention and control of air pollution. The APA aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The EPA has been enacted for the protection and improvement of the environment. The Act empowers the Central Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The Central Government may make rules for regulating environmental pollution.

### **Contract Labour (Regulation and Abolition) Act, 1970**

Our Company engages for each of its manufacturing units and plants, the services of various contractors for various activities including working of the machinery, transferring the raw materials and the finished products, house keeping security and maintenance. These contractors in turn employ contract labour whose number exceeds twenty in respect of some of the units and plants. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 which requires Our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour.

### **Standards of Weights and Measures Act, 1976**

Our Company is required to comply with the provisions of the Standards of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977.

### **Shops and Establishments legislations in various States**

Our Company is governed by the various Shops and Establishments legislations, as applicable, in the states where it has its branch offices. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.



**Foreign Exchange Management Act (“FEMA”) and the Regulations made thereunder:**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India, the implementation of which is regulated by the FIPB.



## HISTORY AND OTHER CORPORATE MATTERS

### History and Major Events

Our Company was incorporated on May 24, 1993 as “Rushil Decor Private Limited ” under the provisions of the Companies Act, 1956 with Registrar of Companies, Gujarat , Dadra & Nagar Haveli and subsequently, the name of our Company changed to “Rushil Decor Limited ” on December 4, 2007 vide a fresh certificate of incorporation on becoming a public limited company

Rushil Decor Limited is the flagship company of the Rushil Group. Our Promoters have been associated with laminate production near about two decades under the brand “ Vir Laminate”.Today, we have modern state-of-art technology for manufacturing of Decorative Laminated Sheets with a network of branches, distributors and dealers across India.

Our Company is dedicated to constantly expanding and updating our product range in order to stay ahead of the market.

### Our Company offers comprehensive engineered interior products which include:

1. Decorative Laminates
2. Medium Density Fibreboards
3. Plain Particle Boards

### Our Company has four manufacturing units located at:

1. Plot No. 608, Mansa Industrial Estate, GIDC, Tal. Vijapur, District, Mehsana, Gandhinagar, Gujarat
2. Block No.155, 156167, 168 and 169 Village Dholkuva, Near Limbodra Patial Mansa Road,Tal. Kalol, Gandhinagar, Gujarat
3. Survey No. 125, Near kalyanpura Patia, Gandhinagar - Mansa Road, Village Itla, Tal. Kalol, Gandhinagar, Gujarat
4. Survey No. 270, at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat

### Our turnover and profitability for last three years has been as follows:

(Rs. In Lakhs)

Particulars	31.03.2009	31.03.2008	31.03.2007
Total Income	9679.62	8071.97	7926.23
PBDIT	1070.52	775.74	758.40
PAT	277.59	207.01	259.62

### Changes in Registered Office of our Company:

Previous Registered Office	New Registered Office	Date of Board Resolution	Purpose
A-701, Fair Deal House, Near Swastik Char Rasta, Navrangpura, Ahmedabad – 380 009	1, Krinkal Apartment, Opposite: Mahalaxmi Temple, Near Mahalaxmi Char Rasta, Paldi, Ahmedabad – 380 007	February 12, 1998	Administrative Convenience
“1”, Krinkal Apartment, Opposite: Mahalaxmi Temple, Near Mahalaxmi Char Rasta, Paldi,	S. No. 125, Near Kalyanpura Patia, Gandhinagar - Mansa Road, Village Itla, Tal: Kalol, District:	August 20, 2007	Administrative Convenience



Ahmedabad – 380 007	Gandhinagar, Gujarat 382 85		
------------------------	--------------------------------	--	--

### Major Events

Year	KEY EVENTS
1993	Incorporated as Rushil Decor Pvt. Ltd. on 24 <sup>th</sup> May, 1993.
1994	Company received its first export order
2003	Company's product reached to 34 countries through export
2007	Our Company has been awarded with ISO 9001:2000 for Quality Assured,
2007	ISO 18001:1999 for Health and Safety
2007	ISO14001:2004 for Environmental System for all the units.
2007	Amalgamation of MRPL & RHPL Unit into Rushil Decor Private Limited
2007	Signed MOU with Government of Gujarat for new projects
2007	Land Acquisition of Navalgadh Plant at Village Navalgadh, Taluka: Dhrangadhra District: Surendranagar, Gujarat
2007	Change of name from Rushil Decor Private Limited to Rushil Decor Limited December 4, 2007
2009	Our Company has ventured into Plain Particle Board at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat
2009	Purchased new land sight at Chikmangalur Karnataka for proposed project

### Main Objects of our Company

#### Our main objects as contained in our Memorandum of Association are:

1. To Carry on business on producers, manufacturers, factors, agents, dealers, processors, packers, carpenters, importers, traders of decorative laminates, industrial laminates, sheeting, PVC leather cloth sheets, synthetic resins and plastic of all kinds and types, acrylic sheets, polythelene coated paper, laminated compressed boards, silicon coated papers, decorative texturised coat, melamine formaldehyde moulding powder, phenolic melamine laminates, bonded and coated abrasives, silicon carbide crucibles, abrasive grains and all types, kinds, nature and size of laminated products, sheets, articles, materials of insulation, hard boards, compressed boards, wood flour, boards, sawdust boards, plywood, whether or not containing synthetic resins and/or other binding material whether material synthetic and/arsandwich thereof, for industrial, commercial and domestic purposes/uses.

2. To Carry on the business of manufacturer, dealer, trader, converter, importer, exporter of particle boards, pre-laminated particle boards, MDF, pre-laminated MDF, HDF, Pre-laminated HDF, HDF Flooring, Veneer, Plywood, Commercial Plywood, Water Proof Plywood, Shuttering Plywood, Fire Retardant Plywood, Checkered Plywood, Plastic coated Plywood, High Density Plywood, Air Craft Plywood, Flexi Plywood, All types of Block Boards, Decorative Veneers, Decorative Veneer Door Skins, Decorative Laminated Floor Tiles, Timber slicing, Flush Doors, Panel Doors, Membrane Doors, Designer Door Skins, all types of Shutters, Wooden Frames & Carving Frames, Post Forming Laminates, Particle Board, Veneer, All types of Wooden Furniture, Modular furniture, Modular office furniture, Modular kitchen furniture, panel furniture and Furniture Components, Aluminum Sections, Coated Aluminum foil, Aluminum Drawn Section, Aluminum Profile, pvc/plastic edge binding, Hardware, Fixtures & Fittings, All types of Adhesives, Synthetic Adhesives, Rubber Adhesives, Leather Products, PVS & Rexin products, Glass Products and to get the same on manufacturing basis, on job work basis, by trading, importing and exporting and selling and stocking and in any other manner.

3. To carry on the business of manufacturing, mining, processing, extruding, rolling, foiling, melting, drawing, converting, buying, selling, dealing, trading, importing, exporting, all types of aluminum and aluminum products, sheets, sections, panels, angles, channels, racks, ladders, trolleys, powders, flaks, castings, metals, casting and forging of all types grades, qualities, shapes, categories, and description of ferrous and non-ferrous metals, iron, iron steel, alloys steels, alloy metal, pig irons, wrought irons, steel converters, rolled steel, makers, minerals, smelters, engineers, aluminum, iron and steel foundries, in all or any of their respective branches, metallurgical prospectors, explosers, contractors, agents and to establish workshops for the manufacture of all types of equipments,



aluminum composition panels, by any process made of one or more nomination extrusion or otherwise different composition machine components and machineries made industries which the company can undertake and to deal in such equipment components and machineries and its derivatives of all types, styles and natures.

4. To carry on the business of manufacturing, producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying, contracting, consultant, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockiest, whole- salers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, merchandising, marketing, managing, leasing, renting, utilizing or electricity, steam, power, through wind energy and other non-conventional energy source such as solar energy, biomass energy, geothermal energy, hydel energy, tidal and wave energy and other energy sources and equipments thereof in India and outside of India.

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 Memorandum of Association since Incorporation:-

Since Incorporation, the following changes have been made to Memorandum of Association of the Company:

Date of Shareholder's approval	Change in Memorandum of Association
October 30, 1993	<b>Alteration in Capital Clause</b>  Increase in Authorized Capital from Rs. 1.00 Lakhs to Rs. 10.00 Lakhs divided into Rs. 9.5 Lakhs Equity Share Capital and Rs. 0.50 Lakhs Preference Share Capital.
January 12, 1998	<b>Alteration in Capital Clause</b>  Increase in Authorized capital from Rs. 10.00 lacs to Rs. 20.00 lacs divided into Rs. 19.5 lacs Equity share capital and Rs. 0.50 lacs Preference share capital
December 15, 2006	<b>Alteration in Capital Clause</b>  Increase in Authorised capital from Rs. 20.00 lacs to Rs. 100.00 lacs divided into Rs. 99.5 lacs Equity share capital and Rs. 0.50 lacs Preference share capital
March 8, 2007	<b>Alteration in Capital Clause</b>  Increase in Authorised capital from Rs. 100.00 lacs to Rs. 800.00 lacs divided into Rs. 799.5 lacs Equity share capital and Rs. 0.50 lacs Preference share capital.
December 5, 2007	<b>Alteration in Capital Clause</b>  Increase in Authorised capital from Rs. 800.00 lacs to Rs. 2000.00 lacs divided into Rs. 1999.5 lacs Equity share capital and Rs. 0.50 lacs Preference share capital.
December 26, 2007	<b>Alteration in Capital Clause</b>  Preference share capital Rs. 0.50 lacs are converted into Equity Share capital and accordingly new Authorised equity share capital is Rs. 2000.00 lacs.
December 5, 2007	<b>Main Object Clause</b>





	<p>Following new clauses to main objects clause were added <i>vide</i> EGM dated December 5, 2007</p> <p>1. To Carry on the business of manufacturer, dealer, trader, converter, importer, exporter of particle boards, pre-laminated particle boards, MDF, pre-laminated MDF, HDF, Pre-laminated HDF, HDF Flooring, Veneer, Plywood, Commercial Plywood, Water Proof Plywood, Shuttering Plywood, Fire Retardant Plywood, Checkered Plywood, Plastic coated Plywood, High Density Plywood, Air Craft Plywood, Flexi Plywood, All types of Block Boards, Decorative Veneers, Decorative Veneer Door Skins, Decorative Laminated Floor Tiles, Timber slicing, Flush Doors, Panel Doors, Membrane Doors, Designer Door Skins, all types of Shutters, Wooden Frames &amp; Carving Frames, Post Forming Laminates, Particle Board, Veneer, All types of Wooden Furniture, Modular furniture, Modular office furniture, Modular kitchen furniture, panel furniture and Furniture Components, Aluminum Sections, Coated Aluminum foil, Aluminum Drawn Section, Aluminum Profile, pvc/plastic edge binding, Hardware, Fixtures &amp; Fittings, All types of Adhesives, Synthetic Adhesives, Rubber Adhesives, Leather Products, PVS &amp; Rexin products, Glass Products and to get the same on manufacturing basis, on job work basis, by trading, importing and exporting and selling and stocking and in any other manner.</p> <p>2. To carry on the business of manufacturing, mining, processing, extruding, rolling, foiling, melting, drawing, converting, buying, selling, dealing, trading, importing, exporting, all types of aluminum and aluminum products, sheets, sections, panels, angles, channels, racks, ladders, trolleys, powders, flaks, castings, metals, casting and forging of all types grades, qualities, shapes, categories, and description of ferrous and non-ferrous metals, iron, iron steel, alloys steels, alloy metal, pig irons, wrought irons, steel converters, rolled steel, makers, minerals, smelters, engineers, aluminum, iron and steel foundries, in all or any of their respective branches, metallurgical prospectors, explosers, contractors, agents and to establish workshops for the manufacture of all types of equipments, aluminum composition panels, by any process made of one or more nomination extrusion or otherwise different composition machine components and machineries made industries which the company can undertake and to deal in such equipment components and machineries and its derivatives of all types, styles and natures.</p> <p>3. To carry on the business of manufacturing, producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying, contracting, consultant, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockiest, whole- salers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, merchandising, marketing, managing, leasing, renting, utilizing or electricity, steam, power, through wind energy and other non-conventional energy source such as solar energy, biomass energy, geothermal energy, hydel energy, tidal and wave energy and other energy sources and equipments thereof in India and outside of India</p>
November 19, 2007	<p>Our Company was converted into a Public Limited Company and the name of our Company was changed from Rushil Décor Private Limited to Rushil Décor Limited <i>vide</i> special resolution passed in the EGM held on November 19, 2007.</p>





### **Subsidiaries**

Our Company does not have any subsidiaries as on date of filing of the Draft Red Herring Prospectus.

### **Details of Amalgamation**

The Hon'ble High Court of Judicature of Gujarat vide its Order dated January, 23, 2007 has approved the Scheme of Amalgamation entered into by the Company under Section 391 and 394 of the Companies Act, 1956 with two Companies namely Rushil High Pressure Laminates Private Limited and Mica Rushil Décor Private Limited. As per the order 670000 shares were issued to Shareholders of these Companies.

### **Total number of Shareholders of our Company**

As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 16. For more details on the shareholding of the members, please see the section titled "Capital Structure" at page 43.

### **Shareholders Agreements**

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

### **Other Agreements**

Except as stated elsewhere in this Draft 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.

### **Strategic Partners**

Our Company has not entered into any strategic partners as on the date of filing this Draft Red Herring Prospectus.

### **Financial Partners**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft 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 Draft Red Herring Prospectus.

### **Injunctions or restraining order against our Company**

There have been no injunctions or restraining order against our Company.

### **Guarantees**

Our Company or our Promoters have not given any guarantees to any third parties.

**OUR MANAGEMENT**

Our Company is currently managed by Board of Directors comprising of five directors. Mr. Ghanshyambhai Ambalal Thakkar is our Executive Chairman and Mr. Krupesh Ghanshyambhai Thakkar is our Managing Director

**Board of Directors**

Our Board consists of 5 Directors out of which 3 are Independent Directors and our Chairman is an Executive Chairman. The following table set forth the details regarding our Board of Directors as on the date of the Draft Red Herring Prospectus.

S · N o ·	Name, Age, Father's Name, Address, Designation, DIN No and Occupation	Terms of appointment/re-appointment	Qualification	Other Directorship
1.	<b>Mr. Ghanshyambhai Thakkar</b>  66 Years  S/o. Ambalal Thakkar  4, Pushpadhanwa Bungalows, Opposite Takshshila Apartments, Premchand Nagar Road, Satellite, Ahmedabad – 380 015, Gujarat – India  <b>Designation : Executive Chairman</b>  <b>DIN No:</b> 00208843 <b>Occupation:</b> Business <b>Nationality:</b> Indian	September 1, 2007  Reappointed as Executive Chairman for the period of 5 years	B.Sc, Diploma in Civil Engineering	NA
2.	<b>Mr. Krupesh Thakkar</b> 40 Years S/o. Ghanshyambhai Thakkar  4, Pushpadhanwa Bungalows, Opposite Takshshila Apartments, Premchand Nagar Road, Satellite, Ahmedabad – 380 015, Gujarat, India  <b>Designation: Managing Director</b> <b>Occupation:</b> Business <b>DIN No:</b> 01059666 <b>Nationality:</b> Indian	September 1, 2007  Reappointed as Managing Director for the period of 5 years	B.Com	<ul style="list-style-type: none"> <li>Vertex Laminate Private Limited</li> <li>Shri Krupa Decorative Veneer Private Limited</li> </ul>
3.	<b>Mr. Narendra Kumar Jain Kabdi</b> 53 Years  S/o. Hemrajji Jain Kabdi	March 6, 2009	Matriculation	NA



	27-7-58, 1 <sup>st</sup> Floor, Sivalayam Street, Vijayawada, Krishna District – 520 002, Andhra Pradesh, India  <b>Designation:</b> Independent Director <b>Occupation:</b> Business <b>DIN No:</b> 02718121 <b>Nationality:</b> Indian			
4.	Mr. Harshadbhai Doshi 68 Years  S/o. Navnitlal Doshi Navneet Bungalow, Near Bank of India Soc., B/H Commerce College, Navrangpura, Ahmedabad – 380 009, Gujarat, India <b>Designation:</b> Independent Director <b>Occupation:</b> Business <b>DIN No:</b> 01928520 <b>Nationality:</b> Indian	December 1, 2007	B.A (Special) & B.Com	<ul style="list-style-type: none"> <li>Ahmedabad Merchantile Co operative Bank Limited</li> </ul>
5.	Mr. Shankar Prasad Bhagat 59 Years  S/o. Ramdeo Bhagat B-9, Goyal Plaza, Judges Bungalow Road, Vastrapur, Ahmedabad – 380 015, Gujarat, India. <b>Designation:</b> Independent Director <b>Occupation:</b> Profession <b>DIN No:</b> 01359807 <b>Nationality:</b> Indian	October 1, 2009	Chartered Accountant	<ul style="list-style-type: none"> <li>Turbotech Engineering Limited</li> <li>Kappac Pharma Limited</li> <li>Xo Infotech Limited</li> <li>Amradeep Industries Limited</li> <li>Pressure Sensitive Systems (India) Limited</li> </ul>

**Family Relationship between our Directors**

Name of the Directors	Name of the Relative	Relationship
Mr. Ghanshyambhai Ambalal Thakkar	Mr. Krupesh Ghanshyambhai Thakkar	Father of Mr. Krupesh Ghanshyambhai Thakkar
Mr. Krupesh Ghanshyambhai Thakkar	Mr. Ghanshyambhai Ambalal Thakkar	Son of Mr. Ghanshyambhai Ambalal Thakkar

None of the above mentioned directors are on the RBI list of willful defaulters as on the date of the Draft Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.



There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

#### **Brief Profile of our Promoters and our other Directors**

##### **Mr. Ghanshyambhai Ambalal Thakkar – Executive Chairman**

Mr. Ghanshyambhai Ambalal Thakkar aged, 66 years promoter of our company holds Bachelor of Science from Gujarat University and holds Diploma in Civil Engineering from Department of Technical Education from Gujarat State.. He is our Executive Chairman . He has an experience of more than 30 years in the field of laminated and Plywood Industry. As an Executive Chairman he is involved in day to day operations of our Company. He is on board since March 2007.

##### **Mr. Krupesh Ghanshyambhai Thakkar – Managing Director**

Mr. Krupesh Ghanshyambhai Thakkar aged, 40 years promoter of our Company holds Bachelor of Commerce (B.Com) from Gujarat University. He has an experience of more than a decade in laminated industry. He has been conferred with several accolades which include a ) the “ Rajiv Gandhi Shiromani Award” from Mr. Rajshekharan in the year 2007 b) the “ Indira Gandhi Sadbhavana Award” from Governor of Sikkim and Tamilnadu in the year 2007 for his contribution towards achievements and services and pioneering work in their field of work and for their contribution to the nation. He is President of Indian Laminate Manufacturers Association. As Managing Director he is involved in the day to day operations of our Company. He is on board since inception.

##### **Mr. Narendra Kumar Jain Kabdi – Independent Director**

Mr. Narendra Kumar Jain Kabdi aged, 53 years Independent Director and holds Matriculation certificate from Andhra University. He has more than 25 years of experience in the field of laminates and plywood industry. He joined our Company on March 6, 2009

##### **Mr. Harshadbhai Navnitlal Doshi – Independent Director**

Mr. Harshadbhai Navnitlal Doshi aged, 68 years Independent Director and holds degree of Bachelor of Arts (Special) and Bachelor of Commerce from Gujarat University. He has more than 40 years of experience in field of finance. He joined our Company on December 1, 2007.

##### **Mr. Shankar Prasad Bhagat – Independent Director**

Mr. Shankar Prasad Bhagat aged, 59 years Independent Director holds a Chartered Accountant Certificate from Institute of Chartered Accountants of India (ICAI) having more than 25 years of experience in the field of accounts and finance. He joined our Company on October 1, 2009.

#### **Borrowing Powers of Board of Directors**

The borrowing powers of our Directors are regulated by Article 78 (d) of the Articles of Association of our Company.

The Board of Directors of our Company has power to borrow up to Rs.200 Crores as per the resolution passed by our shareholders at an Extra Ordinary General Meeting of our company held on December 5, 2007. The extract of the resolution of our Company authorizing the Board's borrowing powers is given herein below:

**RESOLVED THAT** pursuant to provisions of section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of directors of the Company to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board of directors may in its discretion think fit notwithstanding that the money or monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may



exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves, that is to say, reserves not so set aside or any specific purposes, provided however, that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs. 200 Crores (Rs. Two Hundred Crores only) in addition to paid up capital and free reserves of the Company.

**RESOLVED FURTHER THAT** any two Directors of the Company, or any one Director jointly with Chief Financial Officer or Company Secretary, be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and usual to implement this resolution.

**Compensation and Benefits to the Executive Chairman and Managing Director are as follows:**

The remuneration of Mr. Ghanshyambhai Ambalal Thakkar is Rs. 1,75,000 per month with effect from September 1, 2007 vide resolution passed at the General Meeting held on August 20, 2007.

**The remuneration payable to Mr. Ghanshyambhai Ambalal Thakkar is as follows:**

Name	Mr. Ghanshyambhai Ambalal Thakkar
Designation	Executive Chairman
Date of Appointment	September 1, 2007 to August 31, 2012
Period	5 Years
Salary	Rs. 1,75,000/- per month
Perquisites	<p><b>i. Housing</b> Furnished/ Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof</p> <p><b>ii.</b> The Expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962</p> <p><b>iii. Medical Reimbursement:</b> Expenses incurred for Mr. Ghanshyambhai Ambalal Thakkar and his family as per company rules</p> <p><b>iv. Leave Travel Concession:</b> Mr. Ghanshyambhai Ambalal Thakkar and his family, incurred in accordance with the company rules.</p> <p><b>v. Club Fees:</b> Fees of Clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.</p> <p><b>vi. Mediclaim Policy:</b> Payment of Premium as per Company rules.</p> <p><b>vii. Personal Accident Insurance:</b> Premium as per Company rules.</p> <p><b>viii.</b> Contribution to Provident Fund, Superannuation Fund, Annuity Fund/ Contribution to Gratuity as per Company rules.</p> <p><b>ix.</b> Encashment of leave not availed of, as per Company rules.</p> <p><b>x.</b> Provision of car and telephone as per Company rules.</p> <p><b>xi.</b> Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorized by the Board.</p>

The remuneration of Mr. Krupesh Ghanshyambhai Thakkar is Rs. 1,75,000 per month with effect from September 1, 2007 vide resolution passed at the General Meeting held on August 20, 2007.



The remuneration payable to Mr. Krupesh Ghanshyambhai Thakkar is as follows:

Name	Mr. Krupesh Ghanshyambhai Thakkar
Designation	Managing Director
Date of Appointment	September 1, 2007 to August 31, 2012
Period	5 Years
Salary	Rs1,75,000/- per month
Perquisites	<p><b>i. Housing</b> Furnished/ Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof</p> <p><b>ii.</b> The Expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962</p> <p><b>iii. Medical Reimbursement:</b> Expenses incurred for Mr. Krupesh Ghanshyambhai Thakkar and his family as per company rules</p> <p><b>iv. Leave Travel Concession:</b> Mr. Krupesh Ghanshyambhai Thakkar and his family, incurred in accordance with the company rules.</p> <p><b>v. Club Fees:</b> Fees of Clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.</p> <p><b>vi. Mediclaim Policy:</b>  Payment of Premium as per Company rules.</p> <p><b>vi. Personal Accident Insurance:</b>  Premium as per Company rules.</p> <p><b>vii.</b> Contribution to Provident Fund, Superannuation Fund, Annuity Fund/ Contribution to Gratuity as per Company rules.</p> <p><b>viii.</b> Encashment of leave not availed of, as per Company rules.</p> <p><b>ix.</b> Provision of car and telephone as per Company rules.</p>

#### Sitting Fees Payable to Non – Executive Directors

Till date we have not paid any sitting fees to any our Directors.

#### Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Hasmukh Kanubhai Modi, Company Secretary & Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.



### Shareholding of Our Directors

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

S. No	Name of the Directors	No of Equity Shares held	Percentage (%) of holding in our Company
1	Mr. Ghanshyambhai Ambalal Thakkar	1915089	21.87
2	Mr. Krupesh Ghanshyambhai Thakkar	1376817	15.72
3	Mr. Narendra Kumar Jain Kabdi	163974	1.87
4	Mr. Harshadbhai Navnitlal Doshi	NIL	NIL
5	Mr. Shankar Prasad Bhagat	NIL	NIL

### Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles.

All the independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board.

Our Directors have no interest in any property acquired by our Company within two years of the date of filing of this Draft Red Herring Prospectus or presently intended to be acquired by our Company as disclosed in this Draft Red Herring Prospectus.

### Interest as to Property

Except as stated/referred to in the paragraph titled "Property" beginning on page 118 of the Draft Red Herring Prospectus, our Directors do not have any interest:

- I. in the promotion of our Company; or
- II. in any property acquired by our Company within two years from the date of the Draft Red Herring Prospectus, or proposed to be acquired by our Company.

### Change in the Directors in the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Name of Director	Date of Appointment	Date of Cessation	Reason
Mr. Ashok Harkishanbhai Thakkar	30/09/2001	20/10/2007	Resignation due to personal reason
Mr. Ghanshyambhai A. Thakkar	08/03/2007	----	Appointment
Mr. Dilipkumar Hemrajji Jain	20/10/2007	06/03/2009	Resignation due to personal reason
Mr. Mayur R. Parikh	01/12/2007	29.09.2008	Resignation due to



			personal reason
Mrs. Diptiben Y. Shah	01/12/2007	20/09/2008	Resignation due to personal reason
Mr. Harshadbhai N. Doshi	01/12/2007	----	Appointment
Mr. Kabdi Narendrakumar Jain	06/03/2009	----	Appointment
Mr. Shankar Prasad Bhagat	01/10/2009	----	Appointment

### Corporate Governance

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company at the time of seeking in principle approval for listing of our Company's Equity Shares with the Stock Exchanges. Our Company has complied with Listing Agreement in respect of Corporate Governance especially with respect to composition of the Board, constituting the Committees such as Shareholders/Investors Grievance Committee, Audit Committee and Remuneration Committee.

### Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and nonexecutive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has five Directors out of which 3 are independent directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchanges.

S. No	Board of Directors	Designation	Status
1	Mr. Ghanshyambhai Ambalal Thakkar	Executive Chairman	Executive Director
2	Mr. Krupesh Ghanshyambhai Thakkar	Managing Director	Executive Director
3	Mr. Narendra Kumar Jain Kabdi	Director	Independent Non - Executive Director
4	Mr. Harshadbhai Navnitlal Doshi	Director	Independent Non- Executive Director
5	Mr. Shankar Prasad Bhagat	Director	Independent Non- Executive Director

**In terms of Clause 49 of Listing Agreement, our company has already appointed Independent Directors and constituted the following Committees of the Board:**

1. Audit Committee
2. Remuneration Committee
3. Share Holders/ Investors Grievance Committee.

#### 1. Audit Committee:

Our Board constituted an Audit Committee, pursuant to the provisions of Section 292A of the Companies Act. The Audit Committee was constituted on December 04, 2007 and the same has been reconstituted on October 05, 2009.

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of the following Directors:

Name of the Director	Designation	Nature of Directorship
Mr. Shankar Prasad Bhagat	Chairman	Independent Director





Mr. Narendra Kumar Jain Kabdi	Member	Independent Director
Mr. Harshadbhai Navnitlal Doshi	Member	Independent Director

Our Company Secretary Mr. Hasmukh Kanubhai Modi will act as the secretary of the Committee.

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

- 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:
  - 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to the financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vii. To monitor the utilisation of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board in this regard
- viii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- ix. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- x. 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.
- xi. Discussions with internal auditors on any significant findings and follow up thereon.
- xii. Reviewing internal audit reports and adequacy of the internal control systems.
- xiii. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.



- xiv. 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.
- xv. 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.
- xvi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- xvii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- xviii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

## **2. Remuneration Committee**

The Remuneration Committee was constituted on December 04, 2007 and the same has been reconstituted on October 05, 2009.

The terms of reference of Remuneration Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of 3 independent Directors.

Name of the Director	Designation	Nature of Directorship
Mr. Shankar Prasad Bhagat	Chairman	Independent Director
Mr. Narendra Kumar Jain Kabdi	Member	Independent Director
Mr. Harshadbhai Navnital Doshi	Member	Independent Director

Our Company Secretary Mr. Hasmukh Kanubhai Modi will act as the secretary of the Committee.

### **The terms of reference of our Remuneration Committee are given below:**

1. To decide and approve the terms and conditions for appointment of executive directors and/or whole time Directors and Remuneration payable to other Directors and matters related thereto.
2. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
3. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
4. To implement, supervise and administer any share or stock option scheme of the Company.



### 3. **Shareholders/ Investor's Grievances Committee**

The Shareholders / Investors Grievance Committee was constituted on October 05, 2009 in compliance with Clause 49 of the Listing Agreement. The Shareholders' / Investors' Grievance Committee has been constituted with the following Directors:

Name of the Director	Designation	Nature of Directorship
Mr. Shankar Prasad Bhagat	Chairman	Independent Director
Mr. Ghanshyambhai Ambalal Thakkar	Member	Executive Chairman
Mr. Krupesh Ghanshyambhai Thakkar	Member	Managing Director

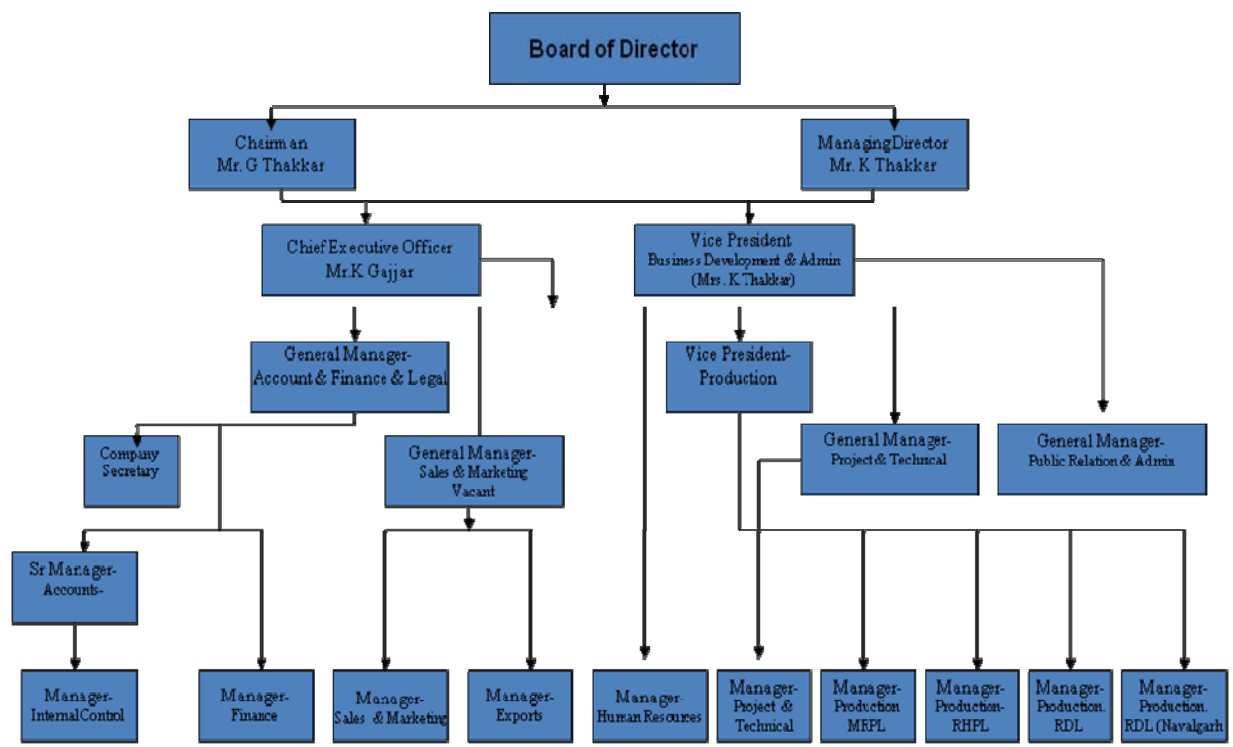
Our Company Secretary, Mr. Hasmukh Kanubhai Modi will act as the secretary of the Committee.

**The terms of reference of our Shareholders'/ Investors Grievance Committee are given below:**

**"To allot the Equity Shares of the Company, and to supervise and ensure:**

- I. Efficient transfer of shares; including review of cases for refusal of transfer transmission of shares and debentures;
- II. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- III. Issue of duplicate / split / consolidated share certificates;
- IV. Allotment and listing of shares;
- V. Review of cases for refusal of transfer / transmission of shares and debentures;
- VI. Reference to statutory and regulatory authorities regarding investor grievances; and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances."

## ORGANISATIONAL CHART OF OUR COMPANY





### Key Managerial Personnel

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Name, Age, Designation and Date of Joining	Qualification	Overall Experience	Details of Previous Employment	Remuneration (Per Annum as on March 31, 2009) in Rs
<b>Mr. Keyur Gajjar</b> <b>Age:</b> 38 years <b>Designation</b> Chief Executive Officer  <b>Date of Joining</b> April 1, 2005	B.E., MBA	13 years	M/s. GMDC, Ahmedabad	1516020
<b>Mr. Vipul Vora</b> <b>Age:</b> 52 Years <b>Designation</b> General Manager- Finance  <b>Date of Joining</b> December 5, 2006	B. Com., FCA, DISA (ICA)	27 years	M/s. Shree Rama Multi-Tech Limited, Ahmedabad	804168
<b>Mr. Hasmukh Modi</b> <b>Age:</b> 35 Years  <b>Designation</b> Company Secretary and Compliance Officer  <b>Date of Joining</b> October 13, 2007	B.Com., A.C.S, Inter (ICWAI)	7 Years	M/s. Decolight Ceramics Ltd.	298421
<b>Mr. Vishal Dave</b> <b>Age:</b> 35 Years <b>Designation</b> Sr. Manager –	B.Com., A.C.A.	5 years	Nehru Foundation for Development – Chetna	359712



Accounts <b>Date of Joining</b> May 01, 2006				
Mr. Jikesh Thakkar <b>Age:</b> 41 Years <b>Designation</b> GM– Public Relation & Administration <b>Date of Joining</b> December 1, 2007	B.Com., D.M.S.	14 years	Disaster Mitration Institute	395403
Mr. Ramnik Kansagara <b>Age:</b> 46 Years <b>Designation</b> Vice President - Production <b>Date of Joining</b> June 15, 1994	S.Y. B.Com.	27 years	Welworth Laminate Pvt. Ltd.	299600
Mr. Vishnu Talele <b>Age:</b> 48 Years <b>Destination</b> General Manager- Project & Technical <b>Date of Joining</b> June 18, 2009	Higher Secondary Certificate Examination	25 years	Genus Paper Products Ltd	NA
Mr. Rahul Pareek <b>Age:</b> 29 Years <b>Designation</b> Manager – Markeing <b>Date of Joining</b> April 17, 2006	B.A., MBA	3 years	First Job	322800
Mr. Mahendra Shahu <b>Age:</b> 33 Years	S.S.C.	13 years	First Job	361518



<b>Designation</b> Manager – Export  <b>Date of Joining</b> August 25, 1996				
Mr. Chirag Modh <b>Age:</b> 30 Years  <b>Designation</b> Manager – Accounts <b>Date of Joining</b> May 15, 2008	B.COM., ACA	2 years	M.M. Shah & Co., CA Firm	164335
Mr. Bhaikhan Lingari <b>Age:</b> 34 Years  <b>Designation</b> Manager – Human Resource <b>Date of Joining</b> May 16, 2007	B.A., L.L.B., M.L.W.	5 years	Subhiksha Trading Services Ltd.	279520
Mr. Vipul Pathak <b>Age:</b> 39 Years  <b>Designation</b> Manager – Accounts <b>Date of Joining</b> January 1, 1997	B.Com.	12 years	Radha Dye Chem. Pvt. Ltd.	273477
Mr. Chintan Shah <b>Age:</b> 33 Years <b>Designation</b> Manager – Finance <b>Date of Joining</b> April 1, 2003	B.B.A, MBA	6 years	First Job	360103
Mr. Manoj Parachalil <b>Age:</b> 39	H.S.C, Diploma in Wood Technology	15 years	Vilsons Particle Board Industries	N.A



<b>Designation:</b> Manager- Production Department  <b>Date of Joining:</b> May 08, 2009			Ltd	
---	--	--	-----	--

*All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.*

*There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned key managerial personnel have been recruited.*

**The details of our Key Managerial Personnel are set out below:**

**1. Mr. Keyur Gajjar – Chief Executive Officer**

Mr.Keyur Gajjar aged 38 years joined our Company on April 01, 2005 as Chief Executive Officer. He holds a degree of Bachelor of Engineering and Masters In Business Administration. He has more than 13 years of experience. The Remuneration paid to him in the financial year 2009 was Rs. 15.16 Lakhs.

**2. Mr. Vipul Vora – General Manager- Finance**

Mr.Vipul Vora aged 52 years joined our Company on December 5, 2006 as General Manager. He is a Commerce Graduate, hold degree as Chartered Accountant from ICAI, holds DISA Course from ICAI. He has more than 27 years of experience in the field of finance. The Remuneration paid to him in the financial year 2009 was Rs. 8.04 Lakhs.

**3. Mr. Has Mukh Modi – Company Secretary and Compliance Officer**

Mr.Has Mukh Modi aged 35 years joined our Company on October 13, 2007 as Company Secretary. He completed his Bachelor of Commerce, hold degree of Company Secretary from ICSI in the year 2003 and completed inter ICWAI course in the year 2006. He has more than 7 years of experience in Company law and legal matters relating to the company. The Remuneration paid to him in the financial year 2009 was Rs. 2.98 Lakhs.

**4. Mr. Vishal Dave- Senior Manager - Accounts**

Mr.Vishal Dave aged 35 years joined our Company on May 01, 2006 as Senior Manager Accounts. He completed his Bachelor of Commerce from Gujarat University in the year 1994 and he holds a Chartered Accountancy degree from ICAI in the year 2002. He has more than 8 years of experience in the field of audit and taxation and finalization of accounts. The Remuneration paid to him in the financial year 2009 was Rs. 3.59 Lakhs.

**5. Mr. Jikesh Thakkar – General Manager – Public relation and Administration**

Mr.Jikesh Thakkar aged 41 years joined our Company on December 01, 2007 as Assistant General Manager in IP and Administration. He completed his Bachelor of Commerce from Gujarat University in the year 1992. He has more than 14 years of experience. The Remuneration paid to him in the financial year 2009 was Rs. 3.95 Lakhs.

**6. Mr. Ramnik- Vice President (Production)**

Mr.Ramnik aged 47 years joined our Company on June 15, 1994 as Vice President Production. He completed his Higher Secondary from Gujarat Higher Secondary Board in the year 1985. He has more than 27 years of experience in production line. The Remuneration paid to him in the financial year 2009 was Rs. 2.99 Lakhs.





**7. Mr. Vishnu Talele General Manager- Project & Technical**

Mr. Vishnu Talele aged 48 years joined our Company on June 18, 2009. Presently he is working as General Manager- Project & Technical. He completed his Higher Secondary Certificate Examination from divisional board of Pune. He has more than 25 years of experience in the field of Project & Technical. The Remuneration paid to him in the financial year 2009 was NIL.

**8. Mr. Rahul Pareek – Manager (Marketing)**

Mr. Rahul Pareek aged 29 years joined our Company on April 27, 2006. Presently he is working as Manager Marketing. He completed his Masters in Business Administration from Institute of Chartered Financial Analyst of India (ICFAI) in the year 2006. He has more than 3 years of experience in the field of marketing. The Remuneration paid to him in the financial year 2009 was Rs. 3.23 Lakhs.

**9. Mr. Mahendra Shahu – Manager (Export)**

Mr. Mahendra Shahu aged 34 years joined our Company on August 25, 1996 as Manager Export. He completed his Secondary School of Education from Gujarat Secondary Board in the year 1993. He has more than 13 years of experience in the field of Import and Export. The Remuneration paid to him in the financial year 2009 was Rs. 3.62 Lakhs.

**10. Mr. Chirag Modh – Manager (Accounts)**

Mr. Chirag Modh aged 30 years joined our Company on May 15, 2008 as Manager Accounts. He completed his Bachelor of Commerce from North Gujarat University in the year 2001 and he holds a Chartered Accountancy degree from ICAI in the year 2007. He has more than 2 years of experience in the field of Accounts and Taxation. The Remuneration paid to him in the financial year 2009 was Rs. 1.64 Lakhs.

**11. Mr. Bhaikhan Lingari – Manager (Human Resource)**

Mr. Bhaikhan Lingari 34 years joined our Company on May 16, 2007. Presently he is working as Manager Human Resource. He completed his Bachelor of Law from Gujarat University in the year 2004 and holds Masters Degree in Labour Law from Gujarat University in 2001. He has more than 8 years of experience in the field of Human Resource Personnel and Administration. The Remuneration paid to him in the financial year 2009 was Rs. 2.79 Lakhs.

**12. Mr. Vipul Pathak – Manager Accounts**

Mr. Vipul Pathak aged 39 years joined our Company on January 1, 1997. Presently he is working as Manager Accounts. He completed his Bachelor of Commerce from Gujarat University in the year 1991. He has more than 10 years of experience in the field of accounts. The Remuneration paid to him in the financial year 2009 was Rs. 2.73 Lakhs.

**13. Mr. Chintan Shah – Manager (Finance)**

Mr. Chintan Shah aged 30 years joined our Company on April 01, 2003. Presently he is working as Manager Finance. He completed his Masters In Business Administration from Gujarat University in the year 2002. He has more than 6 years of experience in the field of finance. The Remuneration paid to him in the financial year 2009 was Rs. 3.60 Lakhs.

**14. Mr. Manoj Parachalil-**

Mr. Manoj Parachalil aged 39 years joined our Company on May 08, 2009. Presently he is working as Manager- Production Department. He completed his Higher Secondary Certificate Examination from Gandhi University, Kerala in the year 1987. He has more than 15 years of experience in the field of finance. The Remuneration paid to him in the financial year 2009 was NIL.

**Shareholding of Key Management Personnel**

None of the Key Managerial Personnel are holding shares as on date of filing Draft Red Herring Prospectus.

**Relation of the Key Managerial Personnel with our Promoters/ Directors**

None of our Key Managerial Personnel are related to our Promoters/ Directors.

**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 Draft 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 Managerial Personnel in the last three years**

Changes in the Key Managerial Personnel of our Company during the last three years are as follows:

S. No	Name of the Key Management Personnel	Designation	Date of Appointment	Date of Resignation	Reason
4.	Mr. Nitin S. Bokey	AGM – Projects and Sales	1.11.2007	1.05.2008	Better Prospects
5.	Mr. Hasmukh K. Modi	Company Secretary	13.10.2007		Appointment
6.	Mr. Alfred	Chief General Manager	26.02.2007	18.11.2007	Better Prospects
7.	Mr. Sagar Rao	AGM – Exports	21.05.2007	30.08.2008	Better Prospects
8.	Mr. Jikesh Thakkar	Public Relation & Admin - GM	1.12.2007		Appointment
9.	Mr. Bhaikhan Lingari	Manager – HR	16.05.2007		Appointment
10.	Mr. Ashish Ganguli	AGM – Sales & Mkt.	11.06.2007	29.08.2007	Better Prospects
11.	Mr. Manojit Das	General Manager - Production	1.05.2006	17.12.2008	Better Prospects
12.	Mr. Chirag N Modh	Manager Accounts	15.05.2008		Appointment
13.	Mr. Manoj Parachalil	Manager- Production Department	May 08, 2009		Appointment
14.	Mr. Vishnu Talele	General	June 18, 2009		Appointment



---

		Manager- Project & Technical			
--	--	------------------------------------	--	--	--

### **Employees**

Our Company has 216 full-time employees as on 01/01/ 2010 and 292 employees on contract basis.

### **Employee Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

### **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.

## OUR PROMOTERS AND THEIR BACKGROUND

Our Individual Promoters are Mr. Ghanshyambhai Ambalal Thakkar and Mr. Krupesh Ghanshyambhai Thakkar.

**The brief profiles of our Promoters are given below:**

### 1. Mr. Ghanshyambhai Ambalal Thakkar – Executive Chairman



Mr. Ghanshyambhai Ambalal Thakkar aged 66 years promoter of our company holds Bachelor of Science degree from Gujarat University and holds Diploma in Civil Engineering from Department of Technical Education from Gujarat State.. He is our Chairman Cum Whole Time Director. He has an experience of more than 30 years in the field of laminated and Plywood Industry. As a Chairman Cum Whole Time Director he is involved in day to day operations of our Company. He is on board since March 2007.

Identification	Details
Voter ID Number	GJ/11/064/0840522
Driving License Number	GJ01-812970-00

### 2. Mr. Krupesh Ghanshyambhai Thakkar – Managing Director



Mr. Krupesh Ghanshyambhai Thakkar aged 40 years is a Bachelor of Commerce (B.Com) from Gujarat University. He is our Promoter and has been on board since incorporation. He has an experience of more than a decade in laminated industry. He has been conferred with several accolades which include" Rajiv Gandhi Shiromani Award and Indira Gandhi Sadbhavana Award in the year 2007 for his contribution towards achievements and services and pioneering work in their field of work and for their contribution to the nation. He is President of Indian Laminate Manufacturers Association. As Managing Director he is involved in the day to day operations of our Company.

Identification	Details
Voter ID Number	GJ/11/064/0840699
Driving License Number	GJ01/990360/02

### 3. Mrs. Krupa Krupesh Thakkar – Vice President –Business Development



Mrs. Krupa Thakkar aged 38 years joined our Company on April 1, 2007. She is Vice President Business Development. She completed her Diploma in Home Science from Gujarat State Education Board. She has more than 5 years of experiences in this field.

Identification	Details
Voter ID Number	GJ/11/064/0840700
Driving License Number	62U979LAB

#### Promoters other than Individual & Corporate Promoters

##### 1. Rushil International

Rushil International a Partnership firm engaged in Trading Decorative Laminated Sheet, Plywood and Block board since formation. The name of the partners are Mr. Ghanshambhai Ambalal Thakkar (50%) and Mr. Krupesh Ghanshyambhai Thakkar (50%).

The Brief Financials are given below:

(Rs. In

Lakhs)

Particulars for the year Ended	March 31, 2009	March 31, 2008	March 31, 2007
Total Income	827.67	4580.51	511.22
Net Profit	3.17	21.72	12.28
Capital	(170.67)	5.35	52.28

##### 2. Ghanshyambhai A. Thakkar (HUF)

Mr. Ghanshyambhai Ambalal Thakkar is the Karta of Ghanshyambhai A. Thakkar (HUF) operates from 4, Pushpadhanwa Bungalows, Opposite Takshshila Apartments, Premchand Nagar Road, Satellite, Ahmedabad – 380 015, Gujarat. The HUFs income has been interest Income and Investments.

##### 3. Krupesh Thakkar (HUF)

Mr. Krupesh Thakkar is the Karta of Krupesh Thakkar (HUF) engaged in in trading of laminated sheets and plywood and operates from Sahakari Lati Bazar- 1, Jagannathji Road, Ahmedabad

**The Permanent Account Number, Bank Account Number and Passport Number of our natural Promoters and Permanent Account Number and Bank Account Number of our Promoters other than individual and corporate promoters shall be submitted to Stock Exchange(s) at the time of filing this Draft Red Herring Prospectus**

Further, our Promoters have not been identified as a wilful defaulter by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

**Relationship of Promoters with each other and with our directors**

Name	Designation	Relationship
Mr. Ghanshyambhai Ambalal Thakkar	Executive Chairman	Father of Mr. Krupesh Ghanshyambhai Thakkar
Mr. Krupesh Ghanshyambhai Thakkar	Managing Director	Son of Mr. Ghanshyambhai Ambalal Thakkar
Mrs. Krupa Krupesh Thakkar	Vice president –Business Development	Wife of Mr. Krupesh Ghanshyambhai Thakkar

**Change in Promoters**

There has been no change of Promoters in the last five years from the date of filing the Draft Red Herring Prospectus by way of acquisition of control as defined under Takeover Code except as mentioned in Changes in Directors during the Last Three years on page no.136 in the Draft Red Herring Prospectus.

**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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus and in the section on 'Related Party Transaction' under the chapter Financial Statements beginning on page 169. Save and except as stated above and as stated in the section '*Our Management*' beginning on page 131 and our Promoter Group beginning on page 182 have no other interest in our Company.

**Payment or Benefits to our Promoters during the last two years**

Mr. Krupesh Ghanshyambhai Thakkar, Mr. Ghanshyambhai Ambalal Thakkar are the Promoters of the Company and draws managerial remuneration as mentioned on page 134 in this Draft Red Herring Prospectus. Further, our promoter, Mrs. Krupa Thakkar is entitled also drawing remuneration for her services as Vice president –Business Development.

Except as stated above and in the section titled "Financial Statements" beginning on page 154, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Draft Red Herring Prospectus.

**Sales or Purchases between companies in the Promoter Group**

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except those transactions mentioned under Related Party Transactions, "Annexure 11" beginning on page 169 under Chapter "Auditor's Report" beginning on page no. 154 of the Draft Red Herring Prospectus.

**Related Party Transactions**

The details of related party transactions have been disclosed as a part of the Auditors Report. For details please refer to *Related Party Transactions, "Annexure 11" beginning on page 169 under Chapter "Auditor's Report" beginning on page no. 154 of the Draft Red Herring Prospectus.*

**Conflict of Interest with Promoter / Promoter Group Entities**

Our Promoter Group entities Vertex Laminate Private Limited, Shri Krupa Decorative Veneer Private Limited and Shri Krupa Eco Products Private Limited have some of the objects that are similar to that of our Company's business. As on date of filing the Draft Red Herring Prospectus, the aforesaid entities are not carrying on any business competing with that of our Company, and currently we do not have any non-compete agreement/arrangement with any of our Promoter Group Entities.



---

### CURRENCY OF PRESENTATION

In this Draft 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 Draft Red Herring Prospectus, currency figures have been expressed in “Lakhs /Lacs” except those, which have been reproduced/ extracted from sources as specified at the respective places.



## DIVIDEND POLICY

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the Shareholders of the Company at their discretion and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition of the Company.

**The dividends declared by Rushil Decor Limited in respect of last five financial years are as under:**

Financial Year	Dividend %	Dividend Amount (Rs. In Lakhs)
2005	10	1.95
2006	10	1.95
2007	10	9.42
2008	10	79.56
2009	20	175.13

The amount paid as dividends in the past is not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. All dividend payments are made in cash / by issue of dividend warrants to the shareholders of the Company.





## SECTION V: FINANCIAL STATEMENTS

### AUDITOR'S REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

To,  
The Board of Directors  
Rushil Decor Limited,  
S.No 125, Kalyanpura Patia,  
Village Itla,  
Gandhinagar Mansa Road,  
Tal: Kalol, Dist. Gandhinagar.

#### **Reg: Initial Public Offer of Equity Shares by Rushil Decor Limited**

We have examined the annexed financial information of Rushil Décor Limited ("the Company") for the financial years ended 31<sup>st</sup> March,2005, 31<sup>st</sup> March,2006, 31<sup>st</sup> March,2007, 31<sup>st</sup> March,2008, and 31<sup>st</sup> March,2009, and for the six months period ended on 30<sup>th</sup> September,2009 being the last date to which the accounts of the Company have been made up and audited by us. At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts in accordance with the requirement of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'); Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 and related amendments and our terms of reference with the Company requesting us to carry out work in connection with the Offer Document as aforesaid.

We report that the restated assets and liabilities of the Company as ended 31<sup>st</sup> March,2005, 31<sup>st</sup> March,2006, 31<sup>st</sup> March,2007, 31<sup>st</sup> March,2008, and 31<sup>st</sup> March,2009, and for the period ended on 30<sup>th</sup> September,2009 are as set out in 'Annexure 1' to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in Annexure 3 to this report.

We report that the restated profits of the Company for the financial years ended on 31<sup>st</sup> March,2005, 31<sup>st</sup> March,2006, 31<sup>st</sup> March,2007, 31<sup>st</sup> March,2008, and 31<sup>st</sup> March,2009, and for the period ended on 30<sup>th</sup> September,2009 are as set out in 'Annexure 2' to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in 'Annexure 3' and notes appearing in Annexure 4 to this report.

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report.

- i. Statement of Cash Flow as appearing in 'Annexure 5' to this report;
- ii. Statement showing Notes to Adjustments carried out in Restated Financial Statements in 'Annexure 6' to this report
- iii. Accounting Ratios as appearing in 'Annexure 7' to this report;
- iv. Statement of Unsecured Loans as appearing in 'Annexure 8' to this report.
- v. Statement of Sundry Debtors as appearing in 'Annexure 9' to this report.
- vi. Details of Loans and Advances as appearing in 'Annexure 10' to this report;
- vii. Statement of Related Parties transactions as appearing in 'Annexure 11' to this report.
- viii. Statement of Dividends as appearing in 'Annexure 12' to this report;
- ix. Capitalisation Statement as appearing in 'Annexure 13' to this report;
- x. Statement of Secured Loans as appearing in 'Annexure 14' to this report.
- xi. Details of Contingent Liabilities as appearing in 'Annexure 15' to this report;
- xii. Statement of Tax Shelter as appearing in 'Annexure 16' to this report.
- xiii. Details of qualifications appearing in the audit reports as given in 'Annexure 17' to this report.



- xiv. Significant changes in the Accounting Policies as appearing 'Annexure 18' to this report.
- xv. Details of Other Income as appearing in 'Annexure 19' to this report.
- xvi. Details of Investments as appearing in 'Annexure 20' to this report.

In our opinion the above financial information of the Company read with Significant Accounting Policies enclosed in Annexure-3 to this report, after making adjustments/restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Statements, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI (ICDR) Regulations, 2009.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Co.

For, D. R. Thakkar &  
Chartered Accountants

[ Dipak R. Thakkar ]

PLACE: AHMEDABAD  
DATE: 24<sup>th</sup> February, 2010.

PROPRIETOR  
M. No. 43166



## Annexure - 1

**SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Rs. In Lakhs)

PARTICULARS	30-Sep-09	As at March, 31st				
		2009	2008	2007	2006	2005
A. FIXED ASSETS :						
Gross Block	4465.99	2564.97	2556.10	2388.42	1540.88	297.69
Less : Depreciation	657.53	591.87	472.94	357.90	281.06	74.61
<b>Net Block</b>	<b>3808.46</b>	<b>1973.10</b>	<b>2083.16</b>	<b>2030.52</b>	<b>1259.82</b>	<b>223.08</b>
B. CAPITAL WORK IN PROGRESS	60.71	424.35	13.50	2.18	388.16	0.00
C. Investment :	0.80	0.80	0.80	0.75	0.75	0.65
D. Current Assets, Loans and Advances;						
Inventories	2579.98	2856.55	3081.00	2540.17	2156.32	554.89
Sundry Debtors	2815.98	3202.65	1980.90	1115.41	1046.33	460.56
Cash and bank Balances	399.38	401.91	227.73	125.95	107.95	9.16
Loans and Advances	948.25	1297.73	635.88	690.31	918.02	191.31
<b>Sub Total .....1</b>	<b>6743.59</b>	<b>7758.84</b>	<b>5925.51</b>	<b>4471.84</b>	<b>4228.62</b>	<b>1215.92</b>
Liabilities and Provisions :	2983.2	3247.81	2926.26	1982.72	2283.66	322.21
Deferred Tax Liability	289.65	289.65	270.51	241.52	201.16	51.27
<b>Sub Total .....2</b>	<b>3272.85</b>	<b>3537.46</b>	<b>3196.77</b>	<b>2224.24</b>	<b>2484.82</b>	<b>373.48</b>
Net Current Assets (1 - 2)	<b>3470.74</b>	<b>4221.38</b>	<b>2728.74</b>	<b>2247.60</b>	<b>1743.80</b>	<b>842.44</b>
E. Loans Funds :						
Secured Loans	3856.57	3503.27	2415.32	1945.32	1129.17	348.93
Unsecured Loans	1179.93	1012.38	856.92	817.76	1502.81	584.38
<b>Total.....</b>	<b>5036.50</b>	<b>4515.65</b>	<b>3272.24</b>	<b>2763.08</b>	<b>2631.98</b>	<b>933.31</b>
<b>F. Networth (A+B+C+D-E)</b>	<b>2304.21</b>	<b>2103.98</b>	<b>1553.96</b>	<b>1517.97</b>	<b>760.55</b>	<b>132.86</b>
G. Represented by						
1. Share Capital	875.62	875.62	795.63	796.12	87.00	20.00
2. Reserves	1459.98	1262.63	869.94	763.04	673.69	112.86
<b>Total.....</b>	<b>2335.60</b>	<b>2138.25</b>	<b>1665.57</b>	<b>1559.16</b>	<b>760.69</b>	<b>132.86</b>
Less : Misc. Expenditure	31.39	34.27	111.61	41.19	0.14	0.00
<b>Total.....</b>	<b>2304.21</b>	<b>2103.98</b>	<b>1553.96</b>	<b>1517.97</b>	<b>760.55</b>	<b>132.86</b>



## Annexure - 2

**SUMMARY STATEMENT OF PROFIT AND LOSS AS RESTATED****(Rs. In Lakhs)**

PARTICULARS	30-Sep-09	As at March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Sales</b>						
Domestic	1636.83	4070.04	7048.34	6822.88	6538.89	1818.35
Export	2954.52	4697.04	228.25	0.00	0.00	0.00
<b>TOTAL.....</b>	<b>4591.35</b>	<b>8767.08</b>	<b>7276.59</b>	<b>6822.88</b>	<b>6538.89</b>	<b>1818.35</b>
Other Income	240.36	793.22	481.88	469.91	631.13	108.74
Increase (Decrease) in Inventories	-290.19	119.32	313.50	633.44	136.97	108.10
<b>TOTAL.....</b>	<b>4541.52</b>	<b>9679.62</b>	<b>8071.97</b>	<b>7926.23</b>	<b>7306.99</b>	<b>2035.19</b>
<b>Expenditure</b>						
Cost of Material	2952.38	6568.25	5510.85	5731.35	5489.71	1564.74
Manufacturing and Other expenses	483.34	892.22	800.09	646.31	507.91	216.29
Employee Cost	104.50	221.19	223.71	141.19	77.47	19.87
Administrative, Selling distribution and Other Expenses	464.48	884.60	720.58	588.98	565.80	125.89
Interest and Other Finance charges	211.75	496.29	372.63	267.52	289.29	64.84
Director's Remuneration	21.42	42.84	41.00	60.00	36.00	7.80
Depreciation	66.30	120.46	117.45	82.13	71.96	13.15
<b>TOTAL.....</b>	<b>4304.17</b>	<b>9225.85</b>	<b>7786.31</b>	<b>7517.48</b>	<b>7038.14</b>	<b>2012.58</b>
Net Profit before tax and extraordinary items	237.35	453.77	285.66	408.75	268.85	22.61
Taxation	40.00	157.05	49.66	108.77	74.88	3.42
Deferred Tax Liability	0.00	19.13	28.99	40.36	12.67	2.35
Profit After Taxation	197.35	277.59	207.01	259.62	181.30	16.84
Carry forward from previous year	438.25	395.54	289.14	640.67	112.86	103.50
Carry forward from previous year of transferor Companies					360.19	
Prior Period Adjustment of Tax						-5.22
Profit available for appropriation	635.60	673.13	496.15	900.29	654.35	115.12
General Reserve	0.00	30.00	0.00	600.00	0.00	
Dividend	0.00	175.12	79.56	9.42	12.00	2.00
Dividend tax	0.00	29.76	13.52	1.73	1.68	0.26
capital Redemption Reserve	0.00		0.50	0.00	0.00	
Gratuity Provision			7.03			
Balance carried to balance sheet	635.60	438.25	395.54	289.14	640.67	112.86



**Annexure - 3**

**SIGNIFICANT ACCOUNTING POLICIES :**

**1 Accounting Convention :**

The financial statements are prepared on historical cost basis and based on accrual method of accounting, and applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of The Companies Act 1956.

**2 Use of Estimates :**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

**3 Fixed Asset :**

a) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets are net of MODVAT/CENVAT/Value Added Tax and includes non refundable taxes, levies, freight and other incidental expenses related to acquisition and installation of the respective assets. When assets are sold or discarded, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting there from is included in Profit And Loss Account.

b) Intangible Fixed assets are stated at cost of acquisition or developed.

b) None of the fixed assets have been revalued during the year.

**4 Impairment of Assets :**

At each balance sheet date, the Management evaluates the impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired the impairment loss is less than recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there is separately identifiable cash flows.

**5 Depreciation and Amortisation :**

a) Depreciation on fixed assets is provided on SLM method under Section 205 (2) (b) of the Companies Act, 1956 at the rate and in the manner prescribed in schedule XIV of the said Act.

b) Computer Software costs are amortized using the Straight Line Method over estimated useful life of 5 years, as estimated at the time of capitalization.

c) Depreciation on additions/disposals during the year is provided on prorata basis according to the period during which assets are put to use/ being used.

**6 Investments :**

Investments are stated at cost.



## **7 Revenue Recognition :**

- a) Sales are recognized when goods are supplied and are recorded net of trade discounts, rebates, sales tax and excise duties.
- b) Interest Income is accounted on its accrual on a time on proportionate basis taking into account the amount outstanding and rate applicable.
- c) Other items of revenue recognized are in accordance with the AS-9 ' Revenue Recognition' issued by The Institute of Chartered Accounts of India. Accordingly, other Income is recognized when no significant uncertainty as to its determination or realization exists.

## **8 Inventories :**

- a) Raw materials, Process stock and Finished Goods are valued at cost or net realizable value whichever is lower.
- b) Cost of Raw Material determined on FIFO basis, net of cenvat credit availed, except base paper which are determined on actual basis.
- c) Cost of Finished Goods and Process stock is determined taking material cost [Net of cenvat credit availed], labour and relevant appropriate overheads.

## **9 Cenvat :**

Cenvat benefit is accounted gross of cenvat benefit availed on inputs of raw material and fixed assets and appropriated against on payment of cenvat duty on clearance of finished goods.

## **10 Prior Period Expenses/ Income :**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

## **11 Foreign Currency Transactions :**

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- (ii) Monetary items denominated foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- (iii) any income or expenses on account of exchange either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition on fixed assets, in which case they adjusted to the carrying cost of such assets.

## **12 Borrowing Cost :**

Interest and other costs in connection with the borrowings of the funds to the extent related / attributed to the acquisition/ construction of qualifying fixed assets are capitalised up to the date when such assets are ready for their intended use. Other borrowing costs are charged to Profit & Loss Account.



### **13 Employees Retirement Benefits :**

Company's contribution to Provident Fund, Family Pension Fund & Gratuity provision are charged to Profit and Loss Account. Leave Encashment Benefit are charged to Profit and Loss Account on the basis of actual payment.

### **14 Miscellaneous Expenditure :**

Preliminary expense are amortised over a period of five years.

### **15 Taxes on Income :**

a) Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with provisions of Income Tax Act, 1961.

b) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the balance sheet date. The Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that sufficient taxable income will be available to realize these assets.

c) Advance taxes and provision for current income tax are represented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction.

### **16 Earnings Per Share :**

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 published by The Institute of Chartered Accountants of India. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

### **17 Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### **18 Turnover :**

Turnover includes sale of goods, excise duty, adjusted for discount (net).

#### ***Annexure-4***

### **NOTES TO ACCOUNTS:**

1. Estimated account of contracts remaining to be executed on capital account and not provided for net of advances, **Rs. 47,02,176/-** (previous year Rs. 7,26,96,199/-)

2. Contingent Liability:

(i) Claim against the Company not acknowledged as debts for L.C. issued by bank **Rs. 2,47,97,409/-** (Previous Year Rs. 1,31,71,807/-)

(ii) Custom Duty of Rs 7.70 lakh (Rs 3.85 lakh each for Unit MRPL and Unit RHPL) demanded by the Central Excise and Customs Authority being disputed by the company, has not been accounted for. The company has deposited Rs 4.08 lakh (Rs 2.04 lakh each for Unit MRPL and Unit RHPL) till the date of our audit under protest and the same has been clubbed under the head Loans & Advances.



3. The Previous year's figures have been regrouped reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

4. Auditors Remuneration:

	<u>For the period ending 30<sup>th</sup> Sept-09 (Rs.)</u>	<u>2008-2009 (Rs.)</u>
As an Auditor	1,10,300	3,37,080
For Taxation & Other matters	0	1,64,045

5. Managerial Remuneration: Rs. 21,42,043/- . (Previous Year Rs.42,83,734 /-)

6. Confirmation of balances received / to be received from debtors, creditors, consignment agents and advances are required to be reconciled whenever necessary and suitably adjusted.

7. Sundry debtors considered good include Rs. 9.01 lakhs for the recovery of which the Company has initiated legal actions.

8. As information and explanation given to us, Company has commenced production of Particle Board at Navalgadh, Dhangadhra, with effect from 15<sup>th</sup> day of September, 2009. For said purpose company has obtained Term Loan from Allahabad Bank. All the expenditure including interest incurred till 15th day of September, 2009 are capitalized

9. Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS – 17) the Company is primarily in the business of manufacture and sale of Laminated Sheets which mainly have similar risk and returns. The Company's business activity falls within a single geographical business segment (Laminated Sheet), hence it has no primary reportable segments.

10. Earnings Per Share [EPS] :

**Earnings Per Share has been computed as under :**

Particulars	Year Ended	
	30-09-2009 (Rs.)	31-03-2009 (Rs.)
(a) Profit after tax as per Profit & Loss Account (a)	19734781	27829145
(b) Weighted average number of Equity Shares* (b)	8756250	8416524
(c) Nominal Value of Equity Shares	10	10
(c) Earning per share : (Basic & Diluted) * (a)/(b)	2.25	3.31

11. Figures have been rounded to the nearest rupee value.

12. Trade deposit received from Dealers/Customers, consignment agents are clubbed under unsecured loans received from others





13. Commission income received during the year Rs. NIL lakhs are clubbed with miscellaneous income under the head other income. (Previous Year Rs. 26.5 Lakhs)

14. All items of inventories as on 30<sup>th</sup> Sept, 2009 is taken as inventories taken, valued and certified by management of the company.

15. Deferred Tax:

a) Consequent to the issuance of Accounting Standard 22 'Accounting for Taxes on Income' the Institute of Chartered Accountant of India, the Company has recognized the **deferred tax liability** aggregating to **Rs NIL/-** in the profit and loss account in the current period ending 30<sup>th</sup> September, 2009.

b) Break up of Deferred Tax Liabilities and Deferred Tax Assets into major components of the respective balances are as under:

Particulars	As On 01/04/2009	Addition during the year	Balance as on 30/09/2009
	(Rs.)	(Rs.)	(Rs.)
<b>Deferred Tax Liabilities :</b>			
On account of timing differences			
[i] Depreciation	28964535	0	28964535
[ii] Others	0	0	0
<b>TOTAL</b>	28964535	0	28964535
Deferred Tax Assets	0	0	0
Net Deferred Tax Liability / ( Asset )	28964535	0	28964535

16. Related Party transaction:

(a) Names of related parties and description of relationship:

S. No	Nature of Relationship	Name of Related Parties
1	Associate Companies/Enterprise	Rushil International Vertax Laminates Pvt. Ltd. Decoply Agency Shri Krupa Decorative Veneer Pvt. Ltd. Shri Krupa Eco Products Pvt. Ltd.
2	Key Management Person	Ghanshyambhai A. Thakkar Krupeshbhai G. Thakkar
3	Relative of key management person	Ambalal D. Thakkar (Estate Account) Ambalal D. Thakkar HUF Ghanshyambhai A. Thakkar HUF Krupeshbhai G. Thakkar HUF Saraswatiben N. Thakkar Deenuben G. Thakkar Krupaben K. Thakkar Rushil K. Thakkar Alpaben S. Thakkar Snehal K. Thakkar

17. Information required by Part II of Schedule VI to the Companies Act, 1956

(a) Quantitative and value analysis of stock, production and sales turnover of finished goods :

**Decorative Laminate Sheets:**

Particulars	Unit	For period 1.4.09 to 30.9.09		2008-2009	
		QUANTITY	VALUE	QUANTITY	VALUE
Opening Stock	Nos	382476	143928176	333653	127836466
Production	Nos	1110358	343572389	2232686	746046827
Purchase	Nos	352	149717	1196	891987
Sales	Nos	1167189	459134934	2181946	876708392
Transfer (Self Consumption)	Nos	1304	0	3113	0
Closing Stock	Nos	324693	125010388	382476	143928176

(b). Particulars of Consumption of major Raw Materials:

**i) Consumption of Raw Materials in terms of Value and Percentage :**

S. No.	Particulars	For period 1.4.09 to 30.9.09 Value	2008-2009 Value
i)	Imported	125649252 (42.56%)	353860016 (53.87%)
ii)	Indigenous	169589611 (57.44%)	302964563 (46.13%)

**ii) Consumption of Raw Materials in terms of quantity and value :**

Name of Raw Material	Period 1.4.09 to 30.9.09		2008-2009	
	Qty.(Kgs.)	Amount (Rs.)	Qty.(Kgs.)	Amount (Rs.)
Base Paper	401974	295238863	828684	656824579
Tissue Paper	29008		62107	
Kraft Paper	3751978		7945044	
Padding Paper	16093		32769	
Phenol	771652		1432351	
Melamine	379119		775777	
Formaldehyde	2952153		6303119	
Methanol	666010		1313433	
Bopp Films	9461		25819	
Urea	224870		269022	
D.E.G.	12572		24773	
PTS Acid/Amide	984		5390	
T.E.A.	150		833	

18. **Foreign Currency Transactions:****\* Expenditure in Foreign Currency:**

Particulars	1.4.09 to 30.9.09	2008-2009
CIF Value For Import Raw Material	88101574/-	137703183/-
CIF Value For Import Capital Goods	35424662/-	34085653/-
Traveling Expenses	286208 /-	525396/-
Exhibition Expenses	1193393/-	227276/-
Bank charges & Commission	734623/-	1087959/-
<b>Earning in foreign Currency:</b>	263521642/-	352209375/-
C.I.F Value of sales		

\* This includes Actual inflow and outflow in Foreign Currency

## 19. Segment Reporting:

**Primary**

Business' is the primary segment of the Company, comprising of 'Decorative Laminates' only.

**Secondary**

Secondary business segments-Revenue by geographical regions

	Decorative Laminated Sheets	
Details	Nos	Amount (in Rs)
India	468409	163682596
Outside India	698780	295452338
<b>Total</b>	<b>1167189</b>	<b>459134934</b>

20.

Remittance made on account of dividend in Foreign currency: Current year Rs. Nil (Previous year Rs. Nil)

21. The balance due to directors during the year . Maximum Balance Rs. 25202009/- Cr and Minimum Balance Rs. 831015/- ( Previous Year : . Maximum Balance Rs. 4965209/-Cr and Minimum Balance Rs. 296766/- )

22. As per the practice consistently followed, Cenvat Duty on finished goods lying in the plants at the end of the year is neither included in expenditure nor valued in such stock, but is accounted for on clearance of goods. This has no effect on profit/loss for the year.

**Annexure- 5****CASH FLOW STATEMENT**

PARTICULARS	For the period ended 30.9.09 (Rs in lakh)	TOTAL (Rs in lakh)	2008-2009 (Rs in lakh)	TOTAL (Rs in lakh)	2007-2008 (Rs in lakh)	TOTAL (Rs in lakh)	2006-2007 (Rs in lakh)	TOTAL (Rs in lakh)	2005-2006 (Rs in lakh)	TOTAL (Rs in lakh)
(A) Cash Flow From Operating Activities										
Profit before tax		237.35		453.77		285.66		408.75		268.85
Adjustments for										



## Rushil Decor Limited

Depreciation	66.30		120.46		117.45		82.13		71.96	
Interest paid	211.75		496.29		372.63		267.52		289.29	
Loss on Sale of Fixed Assets	0.55		3.49		3.50		4.06		2.69	
Preliminary Exp., W/off	2.88		5.76		3.97		3.21		0.02	
Misc. Assets W/off	1.15	282.63	2.27	628.26	2.71	500.26	0.00	356.92	0.00	363.96
Operating Profit Before Working Capital Changes		519.98		1,082.03		785.92		765.67		632.81
Adjustment for Change In:										
Inventories	276.58		224.45		-540.83		-388.64		27.85	
Receivable	386.67		-1,221.75		-865.49		-63.24		-358.68	
Loans & Advances	349.48		-659.36		66.98		237.85		133.38	
Current liabilities	-72.19		141.90		1,070.59		-347.12		-17.39	
Provisions	22.42	962.96	25.02	-1,489.74	-25.53	-294.28	-2.00	-563.15	40.51	-174.34
Income Taxes Paid (including F.B.T.)		1482.94		-407.71		491.64		202.52		458.47
Less : Income Tax Refund	-152.40	-152.40	-29.15	-29.15	-132.80	-132.72		-94.92		-23.94
Net Cash Generated From Operations		<b>1330.53</b>		<b>-436.86</b>		<b>358.92</b>		<b>107.60</b>		<b>434.53</b>
(B) Cash flow from Investing activities										
Purchase Of Fixed Assets	-1542.56		-343.98		-189.39		-484.03		-484.50	
Proceeds From Sale Of Fixed Assets	2.85		0.74		1.78		13.11		2.66	
Sale Of Investments	0.00		0.00		-0.05		0.00		135.38	
Pre-Project Expenses	0.00		-12.19		0.00		-28.32		0.00	
Net Cash Generated From Investing Activities		<b>-1539.71</b>		<b>-355.43</b>		<b>-187.66</b>		<b>-499.25</b>		<b>-346.46</b>
(C) Cash Flow From Financing Activities										
New Shares Issued	0.00		80.00		0.00		110.00		0.00	
Security Premium On Newly Issued Shares	0.00		320.00		0.00		440.00		0.00	
Secured Loans	353.30		1,087.95		470.00		952.17		-260.38	
Unsecured Loans	167.54		155.47		-91.95		-784.24		570.15	
Interest Paid	-211.75		-496.29		-372.63		-267.52		-289.29	
Interim - Dividend Paid (Including Tax on Interim Dividend)	0.00		-87.56		0.00		-11.14		0.00	
Dividend Paid (Including Tax On Dividend)	-102.44		-93.08		0.00		-13.68		-13.57	
Preference Share Capital Redeemed	0.00		0.00		-0.50		0.00		0.00	
Amalgamation & Preliminary Exp.	0.00		0.00		-74.39		-15.93		0.00	
Net Cash Generated From Financing Activities		<b>206.65</b>		<b>966.48</b>		<b>-69.47</b>		<b>409.65</b>		<b>6.90</b>

**Rushil Decor Limited**

Net Increase In Cash & Cash Equivalents	-2.53	174.19	101.79	18.00	94.97
Cash & Cash Equivalents At The Beginning Of The Period	401.91	227.73	125.94	107.95	12.98
Cash & Cash Equivalents At The End Of The Period	399.38	401.91	227.73	125.94	107.95

**Annexure - 6****NOTES TO ADJUSTMENTS CARRIED OUT IN RESTATED FINANCIAL STATEMENTS**

PARTICULARS	30-Sep-09	As at March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Increase/(Decrease) in closing stock of finished goods and stock in progress</b>						
As per Profit and Loss Account Finished goods	-189.18	160.92	198.90	475.75	0.00	
As per Profit and Loss Account stock in progress	-101.01	-41.60	114.60	157.69	120.21	
<b>Net Effect on Consumption of Raw Material</b>	<b>-290.19</b>	<b>119.32</b>	<b>313.50</b>	<b>633.44</b>	<b>120.21</b>	<b>0.00</b>
Consumption of Raw Material: Before Restated as per Profit and Loss Account	3242.57	6448.93	5197.35	5097.91	5369.50	1564.74
Adjustment: As above	-290.19	119.32	313.50	633.44	120.21	
<b>Restated Consumption of Raw Material</b>	<b>2952.38</b>	<b>6568.25</b>	<b>5510.85</b>	<b>5731.35</b>	<b>5489.71</b>	<b>1564.74</b>
<b>Note: The Effect of Stock of Finished Goods and Work in progress which was in the Raw material Consumption is Adjusted and shown separately as Increase/(decrease) in closing Stock of Finished Goods and Stock in Process.</b>						

**Annexure - 7****STATEMENT OF ACCOUNTING RATIO**

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Earning Per Share (EPS)</b>						
Profit After tax (Rs in Lakhs)	197.35	277.59	207.01	259.62	181.30	16.84
Weighted Average No of shares	8756250	8416524	7956250	999973	195000	195000
<b>EPS (In Rupees)</b>	<b>2.25</b>	<b>3.30</b>	<b>2.60</b>	<b>25.96</b>	<b>92.97</b>	<b>8.64</b>
<b>RETURN ON NET</b>						

**Rushil Decor Limited**

<b>WORTH</b>						
Profit After tax (Rs in Lacs)	197.35	277.59	207.01	259.62	181.30	16.84
Net Worth (Rs in lacs)	2304.21	2103.98	1553.96	1517.97	760.55	132.86
Return on Net Worth (%)	8.56	13.19	13.32	17.10	23.84	12.67
<b>NET ASSETS VALUE PER SHARE</b>						
Net Worth (Rs in lacs)	2304.21	2103.98	1553.96	1517.97	760.55	132.86
No of shares	8756250	8756250.00	7956250.00	7956250.00	865000.00	195000.00
Net Asset value( Per Share)	26.32	24.03	19.53	19.08	87.92	68.13
<b>Definitions</b>						
1. Earning Per Share :						
Net Profit After Tax / Weighted average of No of shares						
2. Return of net Worth						
Net Profit After Tax / Net worth						
Where Net Worth = Share Capital + Reserve & Surplus – Preliminary Expenses						
3. Net Assets Value :						
Net Worth / Number of Equity Shares O/s at the end of year.						
Where Net Worth = Share Capital + Reserve & Surplus – Preliminary Expenses						

**Annexure - 8****STATEMENT OF UNSECURED LOAN****(Rs. In Lakhs)**

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>A. Loan from</b>						
Promoters	245.29	10.35	15.75	5.44	184.58	30.25
Shareholders	102.17	156.63	258.96	576.20	935.81	515.30
Inter corporate deposit						31.44
Trade Deposit	144.88	165.20	216.79	85.69	31.42	7.39
Others	375.94	216.00	85.77	14.41	351.00	0.00
B. Financial Institution	311.65	464.20	279.65	136.02	0.00	0.00
<b>Details of Financial Institution</b>						
ABN - AMRO Bank Loan	12.50	16.51	23.58	0.00	0.00	0.00
AIG Consumer Financial Service (I) Ltd	6.99	8.45	0.00	0.00	0.00	0.00
Bajaj Finance Loan	22.56	26.78	0.00	0.00	0.00	0.00
Barclays Loan	17.88	23.56	33.51	0.00	0.00	0.00
Barclays Loan A/c 6634346	6.45	7.97	0.00	0.00	0.00	0.00
Cholamandalam DBS Finance Ltd.	2.48	3.80	0.00	0.00	0.00	0.00
Cholamandalam DBS Finance Ltd.	6.87	9.26	6.15	0.00	0.00	0.00
CITI Bank	5.16	6.39	8.58	0.00	0.00	0.00
Development Credit bank Ltd.	8.50	10.86	15.00	0.00	0.00	0.00
Fullerton	17.79	20.00	0.00	0.00	0.00	0.00

**Rushil Decor Limited**

Future Money	13.10	14.32	0.00	0.00	0.00	0.00
Future Money	6.17	7.71	0.00	0.00	0.00	0.00
Indiabulls Financial Services Limited	11.61	17.82	28.72	0.00	0.00	0.00
Reliance Capital Ltd.	0.00	20.20	28.72	0.00	0.00	0.00
Reliance Capital Loan a/c no RLBAHM000131042	28.72			0.00	0.00	0.00
Dolphin Finance	1.27	2.68	5.19	0.00	0.00	0.00
HDFC Bank Ltd.[ RHPL ]	3.38	7.15	13.85	0.00	0.00	0.00
HDFC Bank Ltd.	13.38	17.39	24.46	0.00	0.00	0.00
HDFC Bank Ltd.	0.00	2.32	10.20	0.00	0.00	0.00
Standard Chartered Bank	2.55	14.37	27.76	39.13	0.00	0.00
Standard Chartered Bank (MRPL)	4.25	0.00	0.00	0.00	0.00	0.00
GE Money	2.40	4.61	8.50	4.04	0.00	0.00
Kotak Mahindra Bank Ltd. Prime loan	21.74	26.07	0.00		0.00	0.00
Kotak Mahindra Bank Ltd.	23.08	19.28	45.43	47.94	0.00	0.00
Kotak Mahindra Bank Ltd.	9.78		0.00	0.00	0.00	0.00
Tata Capital Ltd	16.83	20.54	0.00	0.00	0.00	0.00
Magma Fincorp Limited	15.00	0.00	0.00	0.00	0.00	0.00
Religare Loan	31.20	0.00	0.00	0.00	0.00	0.00
Global Trade Finance	0.00	156.18	0.00	0.00	0.00	0.00
HDFC (Toyota)	0.00	0.00	0.00	44.90	0.00	0.00
Total	<b>311.65</b>	<b>464.20</b>	<b>279.65</b>	<b>136.02</b>		
<b>TOTAL.....</b>	<b>1179.93</b>	<b>1012.38</b>	<b>856.92</b>	<b>817.75</b>	<b>1502.81</b>	<b>584.38</b>

**Annexure - 9****STATEMENT SHOWING AGEWISE ANALYSIS OF SUNDRY DEBTORS***(Rs. In Lakhs)*

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Sundry Debtors (unsecured, considered good)</b>						
Exceeding Six Months	271.23	413.62	181.91	133.51	88.90	37.44
Others	2544.75	2789.02	1798.99	981.90	957.43	423.12
<b>TOTAL.....</b>	<b>2815.98</b>	<b>3202.64</b>	<b>1980.90</b>	<b>1115.41</b>	<b>1046.33</b>	<b>460.56</b>

**SUNDRY DEBTORS DUES RECEIVABLE FROM RELATED PARTIES***(Rs. In Lakhs)*

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
Rushil International (Less than 6 months)	20.98	525.88	582.87	448.90	438.21	0.00
Rushil International (more than 6 months)	76.58					
Vertex Laminare Private Limited (more than 6 months)	0.00	8.46	23.86	0.70		0.00



Rushil Decor Limited

TOTAL.....						
------------	--	--	--	--	--	--

Annexure - 10

**STATEMENT SHOWING DETAILS OF LOANS AND ADVANCES**

(Rs. In Lakhs)

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Loans &amp; Advances, Unsecured, Good</b>						
Balance with Excise, custom and Service tax department	120.00	156.54	156.00	134.49	232.34	22.51
Licence Receivables	539.46	488.18	231.12	336.82	555.76	96.42
Staff Advances	3.95	3.48	3.30	6.48	4.11	
Advance to Suppliers	47.51	19.48	49.60	135.61	34.25	10.10
Advance for capital Goods	6.43	355.28	0.00	0.00		
Advance Income Tax and TDS	33.99	33.99	31.50	18.95	2.97	9.54
Deposits	77.67	25.07	23.24	20.21	11.93	
Prepaid expenditure	2.47	25.67	15.84	11.29	11.88	1.42
Other Advances	116.77	190.04	125.28	26.46	64.78	51.32
<b>TOTAL.....</b>	<b>948.25</b>	<b>1297.73</b>	<b>635.88</b>	<b>690.31</b>	<b>918.02</b>	<b>191.31</b>

**DETAILS OF ADVANCES TO RELATED PARTIES**

(Rs. In Lakhs)

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
Advances to related Party	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL.....</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Annexure - 11

**STATEMENT OF RELATED PARTY TRANSACTIONS**

(Rs. In Lakhs)

Particulars	Nature of Relationship	Up to Sept-09	2008-09	2007-08	2006-07	2005-06	2004-05
Sales of Goods to (Rushil International)	Associate Companies/ Enterprise	20.98	522.87	4019.98	4245.92	4468.71	642.67
Balance at the end of the period (Current Asset) - Rushil International	Associate Companies/ Enterprise	97.56	525.88	582.87	448.90	438.21	0.00
Sales of Goods to (Vertax Laminates Pvt Ltd)	Associate Companies/ Enterprise	0.68	0.42	23.91	0.00	0.00	0.00





Balance at the end of the period (Current Asset) - Vertax Laminates Pvt Ltd	Associate Companies/ Enterprise	0.00	8.46	23.87	0.70	0.00	0.00
Sales of Goods to (Shree Krupa Decorative Veneer Pvt Ltd)	Associate Companies/ Enterprise	1.94	0.00	0.00	0.00	0.00	0.00
Balance at the end of the period (Current Asset) - Shree Krupa Decorative Veneer Pvt Ltd	Associate Companies/ Enterprise	0.00	0.00	0.00	0.00	0.00	0.00
<b>Purchase of Goods</b>							
Vertax Laminates Pvt Ltd	Associate Companies/ Enterprise	0.00	0.00	14.49	0.00	0.00	0.00
Rushil International	Associate Companies/ Enterprise	0.00	75.64	96.83	309.32	0.00	0.00
Shree Krupa Decorative Veneer Pvt Ltd	Associate Companies/ Enterprise	0.03	0.00	0.00	0.00	0.00	0.00
<b>Capital Goods Purchased</b>							
Decoply Agency	Associate Companies/ Enterprise	0.00	1.06	0.31	1.49	0.00	0.00
<b>Expenses Reimbursment</b>							
Rushil International (Foreign Fluctuation)	Associate Companies/ Enterprise	0.00	137.65	0.00	0.00	0.00	0.00
<b>Loan Taken/</b>							
Ambalal D. Thakkar	Relative of key management person	0.00	23.27	0.00	0.00	0.08	0.00
Ambalal D. Thakkar HUF	Relative of key management person	0.00	11.69	0.01	3.04	0.04	0.02
Ghanshyambhai Tharkkar HUF	Relative of key management person	0.00	0.09	1.18	1.47	36.43	37.60
Krupeshbhai G. Thakkar - HUF	Relative of key management person	0.50	0.85	0.90	76.36	208.53	86.76
Ashokbhai H. Thakkar - HUF	Relative of key management person	0.00	0.00	0.00	3.82	37.78	56.04

**Rushil Decor Limited**

Umeshbhai H. Thakkar	Relative of key management person	0.00	0.00	0.00	86.75	32.66	0.00
Umeshbhai H. Thakkar - HUF	Relative of key management person	0.00	0.00	0.82	8.48	46.76	15.00
Saraswatiben Thakkar	Relative of key management person	0.00	3.19	0.52	0.60	0.61	0.00
Smt. Deenuben G. Thakkar	Relative of key management person	0.20	48.08	6.29	1.93	6.92	48.33
Krupaben K. Thakkar	Relative of key management person	103.64	46.67	3.63	15.22	82.30	98.04
Harshaben A. Thakkar	Relative of key management person	0.00	0.00	0.00	44.00	54.08	0.00
Sushmaben U. Thakkar	Relative of key management person	0.00	0.00	0.00	4.25	20.19	19.00
Raja. A. Thakkar	Relative of key management person	0.00	0.00	0.00	0.05	13.76	0.00
Monal A. Thakkar	Relative of key management person	0.00	0.00	0.00	0.00	7.37	5.00
Neel A. Thakkar	Relative of key management person	0.00	0.00	0.00	0.28	0.18	0.00
Rushil K. Thakkar	Relative of key management person	0.00	0.00	0.00	0.00	0.00	0.00
Alpaben S. Thakkar	Relative of key management person	0.00	0.00	0.15	0.00	0.00	0.00
Alkaben G. Thakkar	Relative of key management person	0.00	2.84	0.00	0.00	0.00	0.00
Alpaben G. Thakkar	Relative of key management person	0.00	1.72	0.00	0.00	0.00	0.00
Ashokbhai H. Thakkar	Relative of key	0.00	0.00	0.00	11.72	12.04	4.18



## Rushil Decor Limited

	management person						
Krupeshbhai G. Thakkar	key management person	274.17	73.80	83.35	23.40	10.60	1.90
Ghanshyambhai Thakkar	key management person	10.37	61.92	23.44	114.67	111.81	53.37
<b>Rushil International</b>	Associate Companies/ Enterprise	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>	<b>351.00</b>	<b>0.00</b>
Snehal K. Thakkar	Relative of key management person	3.00	0.00	0.00	0.00	0.00	0.00
<b>Particulars</b>	Nature of Relationship	Up to Sept-09	2008-09	2007-08	2006-07	2005-06	2004-05
<b>Loans repaid</b>							
Ambalal D. Thakkar	Relative of key management person	0.00	25.62	0.00	0.00	0.00	0.00
Ambalal D. Thakkar HUF	Relative of key management person	0.00	17.52	19.44	4.77	0.99	2.37
Ghanshyambhai Thakkar HUF	Relative of key management person	0.00	0.85	0.30	42.24	37.80	39.33
Krupeshbhai G. Thakkar HUF	Relative of key management person	0.48	1.32	0.50	270.43	188.77	120.60
Ashokbhai H. Thakkar - HUF	Relative of key management person	0.00	0.00	16.68	40.89	46.08	77.11
Umeshbhai H. Thakkar	Relative of key management person	0.00	0.00	20.15	89.95	18.72	0.00
Umeshbhai H. Thakkar - HUF	Relative of key management person	0.00	0.00	3.00	6.45	74.65	32.00
Saraswatiben Thakkar	Relative of key management person	0.00	36.08	1.00	1.02	1.35	0.00
Smt. Deenuben G. Thakkar	Relative of key management person	0.91	55.70	51.40	6.24	8.93	43.16
Krupaben K. Thakkar	Relative of key management	6.97	81.52	52.67	34.60	82.69	94.88



# Rushil Decor Limited

	person						
Harshaben A. Thakkar	Relative of key management person	0.00	0.00	24.76	74.88	16.55	2.32
Sushmaben U. Thakkar	Relative of key management person	0.00	0.00	18.34	30.23	15.68	11.11
Raja. A. Thakkar	Relative of key management person	0.00	0.00	18.85	1.45	6.09	0.02
Monal A. Thakkar	Relative of key management person	0.00	0.00	7.87	1.20	5.77	0.02
Neel A. Thakkar	Relative of key management person	0.00	0.00	0.00	0.28	2.32	10.21
Rushil K. Thakkar	Relative of key management person	0.00	1.55	0.00	0.09	0.00	0.00
Alpaben S. Thakkar	Relative of key management person	0.00	0.00	0.00	0.15	0.00	0.10
Alkaben G. Thakkar	Relative of key management person	0.00	2.84	0.82	0.00	0.00	0.00
Alpaben G. Thakkar	Relative of key management person	0.00	2.00	0.00	0.00	0.00	0.00
Ashokbhai H. Thakkar	Relative of key management person	0.00	0.00	5.74	26.50	7.16	6.19
Krupeshbhai G. Thakkar	key management person	40.34	73.77	78.93	72.18	5.04	2.74
Ghanshyambhai Tharkkar	key management person	9.51	68.14	13.18	263.20	71.34	110.99
Rushil International	Associate Companies/ Enterprise	0.00	0.00	1.00	390.99	0.00	0.00
Snehal K. Thakkar	Relative of key management person	0.00	0.00	0.00	0.22	0.00	0.00
<b>Particulars</b>	Nature of Relationship	Up to Sept-09	2008-09	2007-08	2006-07	2005-06	2004-05



Balance Payable at the end of period							
Ambalal D. Thakkar	Relative of key management person	1.91	1.91	2.35	2.14	2.14	1.86
Ambalal D. Thakkar HUF	Relative of key management person	0.94	0.94	4.26	23.70	25.43	1.32
Ghanshyambhai Tharkkar HUF	Relative of key management person	0.25	0.25	0.92	0.01	40.78	36.24
Krupeshbhai G. Thakkar HUF	Relative of key management person	0.02	0.01	0.47	0.01	194.07	86.70
Ashokbhai H. Thakkar - HUF	Relative of key management person	0.00	0.00	0.00	16.09	50.45	51.25
Umeshbhai H. Thakkar	Relative of key management person	0.00	0.00	0.00	19.52	17.43	0.00
Umeshbhai H. Thakkar - HUF	Relative of key management person	0.00	0.00	0.00	2.18	0.00	16.53
Saraswatiben Thakkar	Relative of key management person	0.59	0.59	32.88	30.36	30.78	9.58
Smt. Deenuben G. Thakkar	Relative of key management person	0.01	0.72	7.94	48.44	52.75	47.33
Krupaben K. Thakkar	Relative of key management person	100.36	3.68	38.54	87.58	106.96	96.93
Harshaben A. Thakkar	Relative of key management person	0.00	0.00	0.00	23.88	47.96	0.42
Sushmaben U. Thakkar	Relative of key management person	0.00	0.00	0.00	17.76	39.79	20.15
Raja. A. Thakkar	Relative of key management person	0.00	0.00	0.00	17.98	17.18	3.77
Monal A. Thakkar	Relative of key management	0.00	0.00	0.00	7.57	7.80	4.99



	person						
Neel A. Thakkar	Relative of key management person	0.00	0.00	0.00	0.00	0.00	1.62
Rushil K. Thakkar	Relative of key management person	0.13	0.13	1.55	1.41	1.50	0.09
Alpaben S. Thakkar	Relative of key management person	4.80	4.80	4.37	3.84	3.60	0.12
Alkaben G. Thakkar	Relative of key management person	0.24	0.24	0.00	0.82	0.82	0.82
Alpaben G. Thakkar	Relative of key management person	0.15	0.15	0.28	0.26	0.26	0.26
Ashokbhai H. Thakkar	Relative of key management person	0.00	0.00	0.00	5.44	19.08	10.97
Krupeshbhai G. Thakkar	key management person	238.45	4.45	4.42	0.00	48.79	19.28
Ghanshyambhai Tharkkar	key management person	6.84	5.90	11.33	0.81	149.34	56.79
Rushil International	Associate Companies/ Enterprise	0.00	0.00	0.00	0.00	<b>351.00</b>	0.00
Snehal K. Thakkar	Relative of key management person	5.82	2.70	2.46	2.24	2.24	0.00
<b>Interest Expenses</b>							
Ambalal D. Thakkar	Relative of key management person	0.11	2.15	0.24	0.00	0.22	0.20
Ambalal D. Thakkar HUF	Relative of key management person	0.05	0.28	2.54	0.00	4.15	0.23
Ghanshyambhai Tharkkar HUF	Relative of key management person	0.00	0.10	0.02	0.00	6.57	5.47
Krupeshbhai G. Thakkar HUF	Relative of key management person	0.00	0.00	0.06	0.00	20.04	2.81
Ashokbhai H. Thakkar - HUF	Relative of key	0.00	0.00	0.66	4.52	7.36	0.90



	management person						
Umeshbhai H. Thakkar	Relative of key management person	0.00	0.00	0.70	5.96	0.75	0.00
Umeshbhai H. Thakkar - HUF	Relative of key management person	0.00	0.00	0.00	0.16	3.57	1.31
Saraswatiben Thakkar	Relative of key management person	0.03	0.67	3.40	0.00	4.92	1.12
Smt. Deenuben G. Thakkar	Relative of key management person	0.03	0.45	5.22	0.00	8.12	4.31
Krupaben K. Thakkar	Relative of key management person	0.00	0.00	0.00	0.00	11.74	4.24
Harshaben A. Thakkar	Relative of key management person	0.00	0.00	0.98	7.66	0.76	0.19
Sushmaben U. Thakkar	Relative of key management person	0.00	0.00	0.65	4.45	3.74	0.64
Raja. A. Thakkar	Relative of key management person	0.00	0.00	0.97	2.47	1.15	0.67
Monal A. Thakkar	Relative of key management person	0.00	0.00	0.33	1.09	0.66	0.00
<b>Particulars</b>	Nature of Relationship	Up to Sept-09	2008-09	2007-08	2006-07	2005-06	2004-05
Neel A. Thakkar	Relative of key management person	0.00	0.00	0.00	0.00	0.21	1.30
Rushil K. Thakkar	Relative of key management person	0.01	0.15	0.16	0.00	0.00	0.00
Alpaben S. Thakkar	Relative of key management person	0.26	0.48	0.43	0.43	0.39	0.02
Alkaben G. Thakkar	Relative of key management person	0.01	0.24	0.00	0.00	0.00	0.00



## Rushil Decor Limited

Alpaben G. Thakkar	Relative of key management person	0.01	0.17	0.03	0.00	0.00	0.00
Ashokbhai H. Thakkar	Relative of key management person	0.00	0.00	0.33	1.28	2.77	1.68
Krupeshbhai G. Thakkar	key management person	0.29	0.00	0.00	0.00	4.82	1.46
Ghanshyambhai Tharkkar	key management person	0.33	1.14	0.29	0.00	13.04	3.61
Rushil International	Associate Companies/ Enterprise	0.00	0.00	0.00	45.05	0.00	0.00
Snehal K. Thakkar	Relative of key management person	0.27	0.27	0.25	0.24	0.24	0.00
<b>Managerial Remuneration</b>							
Ghanshyambhai Thakkar	key management person	11.22	21.42	20.50	30.00	12.00	0.00
Krupeshbhai G. Thakkar	key management person	10.20	21.42	20.50	30.00	12.00	1.20
Ashokbhai H. Thakkar	key management person	0.00	0.00	0.00	0.00	12.00	6.60
<b>Corporate Guarantee</b>							
Given By Company							
Rushil International	Associate Companies/ Enterprise	0.00	275.00	1075.00	975.00	775.00	598.25
Vertax Laminates P.L.	Associate Companies/ Enterprise	600.00	600.00	1081.00	376.00	0.00	0.00
<b>Salary to Relative</b>							
Krupaben K. Thakkar	Relative of key management person	2.50	4.84	3.50	0.00	0.00	0.00

### Annexure - 12

#### STATEMENT OF RATE OF DIVIDEND

(Rs. In Lakhs)

PARTICULARS	30-Sep-09	Year ended March, 31st				
		2009	2008	2007	2006	2005
No of equity shares of Rs. 10	8756250	8756250	7956250	7956250	865000	195000



**Rushil Decor Limited**

each						
Rate of Dividend	0	20%	10%	10%	10%	10%
Dividend Amount (Rs. In Lakhs)	0	175.13	79.56	9.42	1.95	1.95

**Annexure - 13****CAPITALISATION STATEMENT**

PARTICULARS	30-Sep-09	PRE ISSUE (31st March, 2009)	POST ISSUE
Long Term Debt	3856.57	3503.27	
Short Term Debt	1179.93	1012.38	
Shareholder's Funds :			
Share Capital	875.62	875.62	
Reserve & Surplus	1459.98	1262.63	
Miscellaneous Expenditure Not Written off	31.39	34.27	
Total Shareholder's funds	2304.21	2103.98	
Long Term Debt / Shareholder's Fund	1.67	1.67	

**Annexure - 14****STATEMENT OF SECURED LOANS***(Rs. In Lakhs)*

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Bank</b>						
Term Loan	1207.82	715.24	535.81	702.61	315.39	12.72
Working capital	2562.43	2711.31	1832.66	1188.99	768.20	336.21
<b>Others</b>						
Vehicle loan	57.76	48.16	18.44	25.30	17.16	
Personal Guarantee Loans	28.56	28.56	28.42	28.42	28.42	
<b>TOTAL.....</b>	<b>3856.57</b>	<b>3503.27</b>	<b>2415.33</b>	<b>1945.32</b>	<b>1129.17</b>	<b>348.93</b>
<b>SECURED LOANS</b>						
<b>Term Loans</b>						
Bank Of Baroda	248.62	332.02				
Allahabad bank	959.21	383.22				
Total	1207.83	715.24				
<b>Working capital</b>						
Bank Of Baroda	2562.43	2711.31				
<b>Vehicle loan</b>						
01. ICI Bank Ltd. (Tata Indigo LX)	0.00	1.72	3.38	4.86	5.46	0.00
02. HDFC Bank Ltd. [M-Esteem VXI] E-3	0.00	0.40	0.88	0.00	0.00	0.00
03. Dolphin Finance [M-800] E-3	0.00	0.49	1.08	18.89	0.00	0.00
04. Dolphin Finance [M-Esteem VXI] E-3	0.00	1.05	2.29	0.00	0.00	0.00
05. Dolphin Finance [M-Wagon]	0.00	0.00	1.56	0.00	0.00	0.00
06. Bank of Baroda [AUDI] A/C	33.67	34.70	0.00	0.00	0.00	0.00

**Rushil Decor Limited**

20340						
07. Bank of Baroda [Swif] 20385	4.42	0.00	0.00	0.00	0.00	0.00
07. Bank of Baroda [INDIGO] A/C	3.89	4.01	0.00	0.00	0.00	0.00
08. Kotak Mahindra Prime Ltd-5218257 (ESTEEM)	1.68	0.00	0.00	0.00	0.00	0.00
08. Kotak Mahindra Prime Ltd-5218426 (INDIGO)	2.56	0.00	0.00	0.00	0.00	0.00
08. Kotak Mahindra Prime Ltd-5218315 (KOROLA)	2.84	0.00	0.00	0.00	0.00	0.00
08. Kotak Mahindra Prime Ltd (ALTO)	2.02	0.00	0.00	0.00	0.00	0.00
08. Kotak Mahindra Prime Ltd (WAGON R)	1.31	0.00	0.00	0.00	0.00	0.00
08. Kotak Mahindra Prime Ltd	3.91	5.79	9.25	0.00	0.00	0.00
09. Kotak Mahindra (INDIGO)	1.47	0.00	0.00	0.00	0.00	0.00
09. HDFC Bank Ltd.(Maruti Car)	0.00	0.00	0.00	1.55	0.00	0.00
10. HDFC Bank Ltd.(Maruti Car)	0.00	0.00	0.00	0.00	0.59	0.00
10. HDFC Bank Ltd.(Toyota)	0.00	0.00	0.00	0.00	11.11	0.00
<b>Sub Total</b>	<b>57.76</b>	<b>48.16</b>	<b>18.44</b>	<b>25.30</b>	<b>17.16</b>	<b>0.00</b>
<b>Personal Guarantee Loans</b>						
01. LIC Loan	28.56	28.56	28.42	28.42	28.42	0.00

**Annexure - 15****DETAILS OF CONTINGENT LIABILITIES****(Rs. In Lakhs)**

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
Letter of Credit issued by Bank	247.97	131.71	325.31	215.64	NA	NA
Central Excise and Customs	7.70	7.70	7.70	7.70	7.70	
<b>TOTAL.....</b>	<b>255.67</b>	<b>139.41</b>	<b>333.01</b>	<b>223.34</b>	<b>7.70</b>	<b>0.00</b>

**Annexure - 16****STATEMENT OF TAX SHELTER****(Rs. In Lakhs)**

S. No	Particulars	08-09	07-08	06-07	05-06	04-05
<b>A</b>	<b>Profit before Tax as per Books-[A]</b>	453.77	285.66	408.75	268.85	22.61
	Tax %	33.99	33.99	33.66	33.66	36.59
	Tax at actual rate on book profits	154.24	97.10	137.59	90.49	8.27
	Adjustments:					
<b>I</b>	<b>Timing Differences</b>					
1	Difference between Tax Depreciation and Book Depreciation	64.78	86.13	187.72	48.1	6.43
2	Exp debited in profit and loss a/c for accounting purpose but allowed for tax purpose in subsequent years		85.33	9.09	1.25	
3	Deferred Revenue Expenditure 100% written off	-1.99	9.93			



4	43B Disallowance				-0.05	
5	Intangible Assets Written Off	-2.27				
6	Prior Period Disallowance	-14.83	-7.66	-0.84	-0.95	-0.77
	Sub total of Timing Difference-[I]	45.69	173.73	195.97	48.35	5.66
<b>II</b>	<b>Permanent Differences</b>					
1	Donation 50% allowed u/s 80 G	1.45	0.43	2.10	0.40	0.05
2	Deduction u/s 80IB	0.00	0.00	0.00	22.22	0.00
3	Loss on sales of Fixed Assets	-3.49	-3.50	-4.06	-2.69	-1.30
4	Other Interest (late payment interest)		-0.60			
5	Penalty Disallowance	-0.37	-0.11			
6	Donation disallowed	-3.00	-1.02	-4.64	-1.43	-0.11
7	Disallowance of 06-07 & 05-06 & 04-05 u/s 40(a)			-86.16	-9.09	-1.25
	Sub total of Permanent Difference-[II]	-5.41	-4.80	-92.76	9.41	-2.61
<b>B</b>	Net Adjustments- I + II+ III = [B]	40.28	168.93	103.21	57.76	3.05
	Profit and loss as per Income Tax Returns (A-B)	413.49	116.73	305.54	211.09	19.56
	Tax as per Income Tax Returns	140.55	39.68	102.84	71.05	7.16

**Annexure - 17****DETAILS OF QUALIFICATIONS**

The Company has maintained proper records of inventory, except in the case of process stock. As explained to us, there were no material discrepancies noticed on physical verification of stocks, as compared to book records.

**Annexure - 18****SIGNIFICANT CHANGES IN THE ACCOUNTING POLICIES**

1. For the financial year 2004-05 valuation of Raw Material are as per FIFO Method
2. From financial year 2005-06 to 2008-09 & for the period 1st April-09 to 30th Sept-09 Base paper, Kraft paper are valued on actual basis and other raw material are as per FIFO Method

**Annexure - 19**

**STATEMENT OF OTHER INCOME  
(IF > 20% OF PROFIT BEFORE TAX)**

*(Rs. In Lakhs)*

PARTICULARS	30-Sep-09	Year ended March, 31st				
		2009	2008	2007	2006	2005
Profit Before Tax	237.35	453.77	285.66	408.75	268.85	22.61
20 % of Profit Before Tax	47.47	90.75	57.13	81.75	53.77	4.52
<b>Other Income during the period / year</b>	<b>240.36</b>	<b>793.22</b>	<b>481.88</b>	<b>469.91</b>	<b>631.13</b>	<b>108.74</b>
Licence Income	213.13	463.48	310.63	394.53	487.15	86.10
Royalty, commission and kasar vatav	5.82	269.45	139.61	11.67	3.25	2.88
Interest Income	14.08	15.55	13.70	10.20	8.30	0.35
Insurance Claim		1.63	16.81	0.00		11.32
Foreign Exchange Gain	7.33	43.08	1.10	0.00		
Dividend		0.03	0.03	0.03	0.02	



Rushil Decor Limited

Excise Rebate		0.00	0.00	53.04	97.95	
Process Charge Income				0.00	0.43	
Miscellaneous Income				0.44	3.46	1.49
GEB SSI Refund					12.12	
Sales Tax Refund					6.13	
Rent Income					1.00	3.00
Export incentive						14.92
<b>TOTAL</b>	<b>240.36</b>	<b>793.22</b>	<b>481.88</b>	<b>469.91</b>	<b>631.13</b>	<b>108.74</b>

**Annexure - 20**

**DETAILS OF INVESTMENTS**

**(Rs. In Lakhs)**

PARTICULARS	30-Sep-09	Year ended March, 31 <sup>st</sup>				
		2009	2008	2007	2006	2005
<b>Unquoted Shares</b>						
Shares of Ahmedabad Mercantile Co -Op Bank Limited	0.20	0.20	0.20	0.20	0.20	0.10
<b>TOTAL.....</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.10</b>
<b>Government Securities</b>						
National Saving Certificate	0.60	0.60	0.60	0.55	0.55	0.55
<b>TOTAL.....</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.55</b>	<b>0.55</b>	<b>0.55</b>
<b>TOTAL.....</b>	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>	<b>0.75</b>	<b>0.75</b>	<b>0.65</b>

**FINANCIAL INFORMATION OF GROUP COMPANIES****Following are our Group Companies**

- 1)Vertex Laminate Private Limited
- 2)Shri Krupa Decorative Veneer Private Limited
- 3)Shri Krupa Eco Products Private Limited
- 4)Deco Ply Agency
- 5)Ghanshyam Sales Agency

**1.Vertex Laminate Private Limited ("VLPL")**

<b>Date of Incorporation</b>	The Company was incorporated as <b>Vertex Laminate Private Limited</b> on 05/04/2006
<b>CIN</b>	U20200GJ2006PTC048081
<b>Registered Office</b>	1, Krinkal Apartment, Mahalaxmi Society, Paldi, Ahmedabad – 380 007, Gujarat, India
<b>Nature of Business</b>	The Company is engaged in manufacture of Prelam Particle Board.

**Promoters**

1. Krupesh Ghanshyambhai Thakkar
2. Ganeshlal Chogalal Jain

**Board of Directors**

As on January 1, 2010, the Board of Directors of VLPL are:

S. No	Name	Designation
1	Krupesh Ghanshyambhai Thakkar	Promoter Director
2	Ganeshlal Chogalal Jain	Promoter Director

**Shareholding Pattern**

As on January 1, 2010, the Shareholding Pattern of VLPL is as follows:

S. No	Name of Shareholders	Number of Equity Shares	% of holding
1	Krupesh Ghanshyambhai Thakkar	251250	25.13
2	Ghanshyambhai Ambalal Thakkar	248747	24.87
3	Krupaben Krupeshbhai Thakkar	500000	50.00
4	Ghanshyambhai A. Thakkar and Hiren Jaynarayan Thakkar (HUF), Mehul Bhartia	1	0.00
5	Ghanshyambhai Ambalal Thakkar and Jay Construction and Shraddha Parikh	1	0.00
6	Ghanshyambhai Ambalal Thakkar and Purna Developers and Ramdev Marketing	1	0.00
	<b>TOTAL</b>	<b>1000000</b>	<b>100.00</b>

The Brief financials are given below:

Particulars for the year Ended	<b>(Rs. In Lakhs)</b>		
	March 31, 2009	March 31, 2008	March 31, 2007
Total Income	675.88	485.24	Nil



Profit/ Loss After Tax	(219.66)	(203.44)	(0.51)
Equity Share Capital	100.00	100.00	100.00
Reserves & Surplus (Excluding Revaluation Reserves)	Nil	Nil	Nil
Net Worth (Rs)	(324.64)	(105.48)	(75.42)
NAV Per Share of FV of Rs 10/- each (Rs.)	(32.46)	(10.55)	(7.54)
EPS of FV of Rs 10/- each (Rs)	Nil	Nil	Nil

## 2. Shri Krupa Decorative Veneer Private Limited (“SKDVPL”)

<b>Date of Incorporation</b>	The Company was incorporated as <b>Shri Krupa Decorative Veneer Private Limited</b> on 09/07/2008
<b>CIN</b>	U74900GJ2008PTC054428
<b>Registered Office</b>	1, Krinkal Apartment, Mahalaxmi Society, Paldi, Ahmedabad – 380 007, Gujarat, India
<b>Nature of Business</b>	The Company is engaged in manufacture of decorative Veneer.

### Promoters

1. Krupesh Ghanshyambhai Thakkar
2. Suresh Kumar Nopchand Poddar

### Board of Directors

As on January 1, 2010, the Board of Directors of SKDVPL are:

S. No	Name	Designation
1	Krupesh Ghanshyambhai Thakkar	Promoter
2	Suresh Kumar Nopchand Poddar	Promoter
3	Keyurbhai Mohanbhai Gajjar	Professional Director

### Shareholding Pattern

As on January 1, 2010, the Shareholding Pattern of SKDVPL is as follows:

S. No	Name of Shareholders	Number of Equity Shares	% of holding
1	Sureshkumar Poddar	70000	4.12
2	Suresh Kumar Mehul Kumar (HUF)	125000	7.35
3	Nop Chand Poddar	40000	2.35
4	Asha Poddar	70000	4.12
5	Suraj Devi Poddar	135000	7.94
6	Babita Poddar	95000	5.59
7	Niranjan Poddar	30000	1.76
8	Niranjan & Sons	40000	2.35
9	Neeta Poddar	30000	1.76
10	Chetan Poddar	10000	0.59
11	Rajesh Poddar	55000	3.24
12	Rajesh Kumar Vedant Kumar	125000	7.35
13	Nop Chand Niranjan Kumar (HUF)	25000	1.47
14	Rushil International	425500	25.03

**Rushil Decor Limited**

15	Krupaben Krupesh Thakkar	424500	24.97
	<b>TOTAL</b>	<b>1700000</b>	<b>100</b>

The Brief financials are given below:

(Rs. In Lakhs)

Particulars for the year Ended	March 31, 2009
Total Income	Nil
Profit/ Loss After Tax	Nil
Equity Share Capital	170
Reserves & Surplus (Excluding Revaluation Reserves)	Nil
Net Worth (Rs)	133.68
NAV Per Share of FV of Rs 10/- each (Rs.)	7.86
EPS of FV of Rs 10/-each (Rs)	Nil

### 3. Shri Krupa Eco Products Private Limited ("SKEPPL")

<b>Date of Incorporation</b>	The Company was incorporated as <b>Shri Krupa Eco Products Private Limited</b> on 09/06/2008
<b>CIN</b>	U21023GJ2008PTC054165
<b>Registered Office</b>	1, Krinkal Apartment, Mahalaxmi Society, Paldi, Ahmedabad – 380 007, Gujarat, India
<b>Nature of Business</b>	The Company's object is to do activities as manufacturer, dealer, trader, converter, importer and exporter of Medium Density Fibreboard from the Agricultural Waste including Cotton waste.

#### Promoters

1. Krupaben Krupesh Thakkar
2. Deenuben G. Thakkar

#### Board of Directors

As on January 1, 2010 the Board of Directors of SKEPPL are:

S. No	Name	Designation
1	Krupaben Krupesh Thakkar	Promoter
2	Deenuben G. Thakkar	Promoter

#### Shareholding Pattern

As on January 1, 2010 Shareholding Pattern of SKEPPL is as

S. No	Name of Shareholders	Number of Equity Shares	% of holding
1	Krupaben Krupesh Thakkar	5000	50
2	Deenuben G. Thakkar	5000	50
	<b>TOTAL</b>	<b>10000</b>	<b>100</b>

The Brief financials are given below:

(Rs. In Lakhs)

Particulars for the year Ended	March 31, 2009
Total Income	Nil
Profit/ Loss After Tax	(0.0087)
Equity Share Capital	1.00

**Rushil Decor Limited**

Reserves & Surplus (Excluding Revaluation Reserves)	Nil
Net Worth (Rs)	0.59
NAV Per Share of FV of Rs 10/- each (Rs.)	0.059
EPS of FV of Rs 10/-each (Rs)	Nil

**4. Deco Ply Agency**

Deco Ply Agency a proprietary concern engaged in trading of laminated sheets and plywood since formation. The name of the proprietor is Mr. Krupesh Ghanshyambhai Thakkar (H.U.F).

The Brief Financials are given below:

(Rs. In Lakhs)

Particulars for the year Ended	March 31, 2009	March 31, 2008	March 31, 2007
Total Income	153.58	151.10	97.92
Net Profit	5.12	5.71	4.43
Capital	44.58	39.47	33.76

**5. Ghanshyam Sales Agency**

Ghanshyam Sales Agency a proprietary concern engaged in trading of wood industry since formation. The name of the Proprietor is Mr. Ghanshyambhai Ambalal Thakkar.

The Brief Financials are given below:

(Rs. In Lakhs)

Particulars for the year Ended	March 31, 2009	March 31, 2008	March 31, 2007
Sales	11.44	1.54	3.14
Net Profit	0.90	0.27	0.25
Capital	17.14	16.25	15.98

**Details about Companies/Firms from which Promoters have disassociated during the last three years**

Our Promoters have not disassociated themselves from any of the companies/firms during three preceding years except as mentioned below:

Name of the Promoters	Name of Company	Date of Disassociation
Mr. Ghanshyambhai Ambalal Thakkar	Vertex Laminate Private Limited	26/09/2009

**Common Pursuits**

Our Promoter Group Companies Vertex Laminate Private Limited, Shri Krupa Decorative Veneer Private Limited and Shri Krupa Eco Products Private Limited, have some of the objects similar to that of our Company's business. As on date of filing Draft Red Herring Prospectus, the aforesaid entities are not carrying any business competing with that of our Company.

**Business Interests amongst our Company and Group Companies /Associate Companies**

Except as mentioned under *Related Party Transactions*, "Annexure 11" beginning on page 169 under Chapter "Auditor's Report and Financial Information of our Company" there is no business interest amongst Group Companies.

**Changes in accounting policies in the last three years**

Except as mentioned under the paragraph *Changes in Significant Accounting Policies*, "Annexure 18" beginning on page 180 under Chapter "Auditor's Report and Financial Information of our Company"





Rushil Decor Limited

---

*beginning on page 154 of the Draft Red Herring Prospectus*, there have been no changes in the accounting policies in the last three years.



## MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. You should also read the *Section 'Risk Factors' beginning on page 13 of the Draft Red Herring Prospectus*, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations, 2009. Our Financial year ends on March 31 of each year.

### **Business Overview**

Our Company is engaged in manufacture of Decorative Laminated sheets and Plain Particles Board. We carry out our manufacturing operations at four locations in the State of Gujarat comprising of unit situated at Mehsana, Mansa, Gandhinagar and Surendranagar. The Product manufactured by the Company are used in furniture industry.

### **Significant developments subsequent to the last financial year:**

After the date of last financial year i.e. March 31, 2009, the Directors of our Company confirm that in their opinion, there have not been any significant material developments except as follows:

1. Our Company has started manufacturing of Plain Particle Board at New Plant Location at Survey No. 270, Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat. Our Plain Particle Board are used by Prelam Particle Board Manufacturer and Furniture manufacture.
2. Our Company has acquired land at Plot No. 58 & 59, Amble Industrial Area, Taluka and District: Chikmagalur, Karnataka, for the proposed project.

### **Key Factors affecting the results of operation:**

Our Company's future results of operations could be affected potentially by the following factors:

- Competition from existing players;
- Growing expenditure on branding costs;
- Capital expenditure including capacity expansion;
- Working capital arrangements;
- Growth from unorganised sector and threat from national/regional players;
- General economic and business conditions;
- Company's ability to successfully implement our growth strategy;
- Changes in laws and regulations;
- 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 reasons;
- Changes in buying habit and consumer pattern;
- Changes in prices of critical raw materials. and
- Changes in International market

**Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the years ended 31st March, 2006, 2007, 2008 & 2009.

**RESULTS OF OUR OPERATIONS**

<i>(Rs. In Lakhs)</i>				
<b>Particulars</b>	<b>March 31-2006</b>	<b>March 31 – 2007</b>	<b>March 31- 2008</b>	<b>March 31- 2009</b>
<b>Income</b>				
<b>Income from Operations</b>	6538.89	6822.88	7276.59	8767.08
Increase/ Decrease (%)		4.34	6.65	20.48
<b>Other Income</b>	631.13	469.91	481.88	793.22
Increase/ Decrease (%)		(25.54)	2.55	64.61
<b>Stock</b>	136.97	633.44	313.50	119.32
Increase/ Decrease (%)		362.47	(50.51)	(61.94)
<b>Total Income</b>	7306.99	7926.23	8071.97	9679.62
Increase/ Decrease (%)		8.47	1.84	19.92
<b>Expenditure</b>				
<b>Operating Cost</b>	5997.62	6377.66	6310.94	7460.47
Increase/ Decrease (%)		6.34	(1.05)	18.21
<b>Staff Cost</b>	77.47	141.19	223.71	221.19
Increase/ Decrease (%)		82.25	58.45	(1.13)
<b>Administrative and other expenses</b>	601.80	648.98	761.58	927.44
Increase/ Decrease (%)		7.84	17.35	21.80
<b>Total Expenditure</b>	6676.89	7167.83	7296.23	8609.10
Increase/ Decrease (%)		7.35	1.79	18
<b>PBIDT</b>	630.10	758.40	775.74	1070.52
Increase/ Decrease (%)		20.36	2.29	38
<b>Depreciation</b>	71.96	82.13	117.45	120.46
Increase/ Decrease (%)		14.13	43	2.56
<b>Profit before Interest and Tax</b>	558.14	676.27	658.29	950.06
Increase/ Decrease (%)		21.16	(2.66)	44.32
<b>Interest and Financial Charges</b>	289.29	267.52	372.63	496.29
Increase/ Decrease (%)		(7.52)	39.29	33.18
<b>Profit Before Tax</b>	268.85	408.75	285.66	453.77
Increase/ Decrease (%)		52.04	(30.11)	58.85
<b>Tax Expenses</b>	87.55	149.13	78.65	176.18
Increase/ Decrease (%)		70.34	(47.26)	124.00



<b>Profit After Tax</b>	181.30	259.62	207.01	277.59
Increase/ Decrease (%)		43.20	(20.26)	34.09

**Comparison of Financial Year 2009 with Financial Year 2008****Revenue from Operations**

The Income from operations increased to Rs. 9679.62 Lakhs for the FY 2009 as compared to Rs. 8071.97 Lakhs during the FY 2008 showing increase of 19.92% which primarily was due to increase in export sales in FY 2009 as compared to the FY 2008. Other income is also increased by 64.61 % in the FY 2009 due to increase in licence Income, Commission income and Royalty income and Foreign exchange gain in FY 2009 as compared to FY2008 .The company has changed the modality of export in the FY 2009 as compared to FY 2008.

**Expenditure****Operating Cost**

Operating Cost increased from Rs. 6310.94 for the FY 2008 to Rs. 7460.47 Lakhs for the FY 2009 showing an increase of 18.21%. During the FY.2009 raw material consumption cost increase as compared to the FY 2008 due to increase purchase price of raw material. Also power fuel consumption cost increase in the FY 2009 as compared to the FY 2008 due to increase in rate per unit of energy

**Staff Cost**

Staff Cost decreased from Rs. 223.71 Lakhs for the year ended March 31, 2008 to Rs. 221.19 Lakhs for the FY 2009 showing decrease of (1.13%). During the FY 2009 staff strength has been reduced marginally so decrease employee cost as compare to the FY 2008.

**Administrative and Other Expenses**

Administrative and Other Expenses has been increased from Rs. 761.58 Lakhs for the year ended March 31, 2008 to Rs. 927.44 Lakhs for FY 2009 showing an increase of 21.80%. Our Company has changed modality of exporting goods. The Expenses related to exports are debited to administrative and other expenses resulting into increase in administrative expenses in the FY 2009 compared to FY 2008.

**Profit Before Interest, Depreciation and Tax (PBDIT)**

PBDIT increase from Rs. 775.74 Lakhs for the year ended March, 31,2008 to Rs. 1070.52 Lakhs during the FY 2009 showing an increase of 38.00% mainly on account of change in modality of sales in export thereby increase in income from operation.

**Depreciation**

There is no significant change in depreciation between F.Y.2009 & F.Y. 2008

**Interest and Financial Charges**

Interest and Financial Charges increased from Rs. 372.63 Lakhs for FY 2008 to Rs. 496.29 Lakhs for the FY 2009 showing the increase of 33.18%. Interest and Financial expenses mainly includes interest, bank charges, processing charges and syndication fees. The absolute increase is attributed to increase in the utilisation of working capital due to increase in operations.



### **Profit Before Tax**

Profit Before Tax was increased from Rs. 285.66 Lakhs in the FY 2008 to Rs. 453.77 Lakhs during the FY 2009 on account of change in modality of sales in export thereby increase in income from operation.

### **Tax**

Tax increased from Rs 78.65 Lakhs during the FY 2008 to Rs. 176.18 Lakhs during the FY 2009 due to increase in profit and allowance of expenditure in the FY 2008 which was incurred in FY2007

### **Profit after Tax**

PAT increased from Rs. 207.01 Lakhs for the FY 2008 to Rs. 277.39 Lakhs in FY 2009 due to increase in income from operations. During FY 2009, our Company recorded PAT margin of 34.091% as against (20.26%) for FY 2008.

### **Comparison of Financial Year 2008 with Financial Year 2007**

#### **Revenue from Operations**

The Income from operations increased to Rs. 8071.97 Lakhs in FY 2008 as compared to Rs. 7926.23 Lakhs during the FY 2007 showing increase of 1.84% which was due to increase in export sales (net) and nominal increase in local sales (net) in FY 2008 as compared to FY 2007.

#### **Expenditure**

##### **Operating Cost**

Operating Cost decreased from Rs. 6377.66 lakhs during the FY 2007 to Rs. 6310.94 Lakhs for the FY 2008 showing decrease of (1.05%). During the FY 2008 raw material consumption cost increase as compared to the FY 2007 due to decrease in purchase price of raw material.

##### **Staff Cost**

Staff Cost increased from Rs. 141.19 Lakhs for the FY 2007 to Rs. 223.71 Lakhs for the FY 2008 showing increase of (58.45%). This was due to increment given to staff and increase in number of employees in the FY 2008 as compared to the FY 2007.

##### **Administrative and Other Expenses**

Administrative and Other Expenses has been increased from Rs. 648.98 Lakhs for the year ended March 31, 2007 to Rs. 761.58 Lakhs for FY 2008 showing an increase of 17.35%. This increase was mainly due to increase in transportation cost, sales promotion and traveling expenses in the FY 2008 as compared to the FY 2007.

##### **Profit Before Interest, Depreciation and Tax (PBDIT)**

PBDIT increase from Rs. 758.40 Lakhs for the FY 2007 to Rs. 775.74 Lakhs for the FY 2008 showing an increase of 2.29% mainly on account of increase in income of operation.

##### **Depreciation**

The total depreciation during FY 2008 was Rs. 117.45 Lakhs and during FY 2007 it was Rs. 82.13 Lakhs. This increase was mainly due to increase in production capacity by way of additional plant and machinery in the fixed assets block.

##### **Interest and Financial Charges**

Interest and Financial Charges increased from Rs. 267.52 Lakhs for FY 2007 to Rs. 372.63 Lakhs for the FY 2008 showing the increase of 39.29%. Interest and Financial expenses mainly includes



interest, bank charges, processing charges and syndication fees. The absolute increase is attributed to increase in the utilisation of working capital due to increase in operations.

### **Profit Before Tax**

Profit Before Tax was decreased from Rs. 408.75 Lakhs for the FY 2007 to Rs.285.66 for the FY 2008 Lakhs due to increase in employee cost ,increase in administrative and other expenses ,increase in interest and finance charges, increase in depreciation .

### **Tax**

Tax decreased from Rs 149.13 Lakhs for the FY 2007 to Rs. 78.65 Lakhs for the FY 2008 due to decrease in profit before tax.

### **Profit after Tax**

PAT decreased to Rs. 207.01 Lakhs for the FY 2008 from Rs. 259.62 Lakhs in FY 2008 due to decreased in income from operations.

### **Comparison of Financial Year 2007 with Financial Year 2006**

#### **Revenue from Operations**

The Income from operations increased to Rs 7926.23 lakhs in the FY 2007 as compared to Rs. 7306.99 Lakhs during the FY 2006 showing increase of 8.47%. The increase in revenue is mainly due to increase in local sales in the FY 2007 as compared to the FY 2006.

#### **Expenditure**

##### **Operating Cost**

Operating Cost increased from Rs. 5997.62 lakhs during the FY 2006 to Rs. 6377.66 Lakhs for the FY 2007 showing an increase of 6.34%. During the FY 2007 raw material consumption cost increase as compared to the FY 2006 due to increase in purchase price of raw material Also power fuel consumption cost and wages increase in the FY 2007 as compare to the FY 2006.

##### **Staff Cost**

Staff Cost increased from Rs. 77.47 Lakhs for the year ended March 31, 2006 to Rs. 141.19 Lakhs for the FY 2007 showing increase of 82.25%. This was due to increment given to staff, recruitment of sales personnel , appointment of Key Managerial Personnel in the FY 2007 as compared to the FY 2006.

##### **Administrative and Other Expenses**

Administrative and Other Expenses has been increased from Rs. 601.80 Lakhs for the FY 2006 to Rs. 648.98 Lakhs for FY 2007 showing an increase of 7.84%. This increase was mainly due to increase in travelling cost and sales promotion expenses in the FY 2007 as compared to the FY 2006.

##### **Profit Before Interest, Depreciation and Tax (PBDIT)**

PBDIT increase from Rs. 630.10 Lakhs for the year ended March, 31, 2006 to Rs. 758.40 Lakhs for the FY 2007 showing an increase of 20.36% mainly on account of increase in operations.

##### **Depreciation**

The total depreciation increased during FY 2007 was Rs. 82.13 Lakhs and during FY 2006 it was Rs. 71.96 Lakhs. This increase was mainly due to additions in the fixed assets



### **Interest and Financial Charges**

Interest and Financial Charges decreased from Rs. 289.29 Lakhs for FY 2006 to Rs. 267.52 Lakhs for the FY 2007 showing the decrease of (7.52%) due to reduction of interest rate on account of change in the bank and not optimum utilization of bank credit limit.

### **Profit Before Tax**

Profit Before Tax increased from Rs. 268.85 Lakhs for the FY 2006 to Rs. 408.75 Lakhs for the FY 2007 due to increase in sales and also decrease in interest and financial charges.

### **Tax**

Tax increased from Rs. 87.55 Lakhs for the FY 2006 to Rs. 149.13 Lakhs for the FY 2007 due to increase of profit and disallowance of the expenditure as per the provisions of Income Tax Act which was allowed in the subsequent year.

### **Profit after Tax**

PAT increased to Rs. 259.62 Lakhs for the FY 2007 from Rs. 181.30 Lakhs in FY 2006 due to increase in income from operations.

### **Related Party Transactions**

*For further information please refer "Annexure 11" beginning on page 169 under Chapter "Auditor's Report and Financial Information of our Company" beginning on page 154 of the Draft Red Herring Prospectus.*

### **Financial Market Risks**

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

#### **Interest Rate Risk**

Our interest rate risk results from changes in interest rates, which may affect our finance expenses. We bear interest rate risk with respect to the debts, which we have for the financial year ended March 31, 2009, since the interest rates could fluctuate in the near future. Any rise in interest rates would result in higher interest bearing debts.

#### **Exchange Rate Risk**

Changes in currency exchange rates influence our results of operations. We report results in our financial statements in Indian Rupee. The exchange rate between the Indian Rupee and other foreign currencies has changed substantially in recent years and may continue to fluctuate significantly in the future.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the operating cost, staff costs, fuel cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Factors that may affect the results of the operations:**

**1. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**



There is no unusual infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 13 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

**6. Total turnover of each major industry segment in which the issuer company operated.**

For details on the total turnover of the industry *please refer to Chapter "Industry Overview" beginning on page 76 of the Draft Red Herring Prospectus.*

**7. Status of any publicly announced new products or business segment.**

Our Company has not announced any new product and segment, other than through the Draft Red Herring Prospectus.

**8. The extent to which business is seasonal.**

Our Company's business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers.**

The % of contribution of our Company's customers and suppliers' vis-à-vis the total income and operating cost respectively, for the FY 2009 is as follows:

Particulars	Customers	Suppliers
Top 5 (%)	35.5 %	35.7 %
Top 10(%)	49.9 %	52.6 %

**10. Competitive conditions.**

Competitive conditions are as described under the *Chapters "Industry Overview" and "Business Overview" beginning on pages 76 and 82, respectively of the Draft Red Herring Prospectus.*



**SECTION VI: LEGAL AND OTHER REGULATORY INFORMATION****OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES**

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.*

**This chapter has been divided into five parts:**

- I. Litigation relating to our Company
- II. Litigation against our Directors
- III. Litigation relating to our Promoters and Promoters Group
- IV. Penalties imposed in past cases for the last five years
  - a) Our Company
  - b) Our Directors and Promoters
  - c) Our Promoter Group Entities
- V. Amounts owed to small scale undertakings

**I. Litigation Relating to our Company**

**I. Cases Filed by our Company**

**A. Civil Cases**

SL. No	Reference to Case No	Opposite Party	Gist of the Case	Amount disputed (Rs.)
1.	Company Petition No. 26 of 2010	SANGHVI FURNITURE PRIVATE LIMITED, Mumbai	Our Company supplied goods to the said company on various dates. The amount of Rs. 6,07,786.50 remained outstanding / unpaid and therefore our company has filed a petition under section 433, 434 and 439 of the Companies, Act, 1956 in the High Court of Judicature at Bombay. The petition is at pre- admission stage.	6,07,786.50

**B. Criminal Cases**

SL. No	Reference to Case No	Opposite Party	Gist of the Case	Amount disputed (Rs.)
1.	11648/2009	JEE KRAFTS LIMITED, C/2, Sonarika Apartment, ATIRA Road, Panjarapole, Ahmedabad – 380 015.	Our Company has filed a case in the Metropolitan Magistrate Court No. 4 at Ahmedabad against the said company and its directors under Section 138 of the Negotiable Instrument Act of 1881. The Case is pending with the Court.	1,68,709
2	14600/09	MAJESTIK LINK	Our company has filed a case in the Metropolitan Magistrate at Ahmedabad under Section 138 of the Negotiable Instrument Act of 1881. The Case is pending with the Court.	2,50,000
3	14601/09	MAJESTIK LINK	Our company has filed a case in the Metropolitan Magistrate at Ahmedabad under Section 138 of the Negotiable Instrument Act of 1881. The Case is pending with the Court.	2,50,000

**II. Cases Filed against our Company****A. Civil Cases – Income tax and Service tax matters**

SL. No	Reference to Case No	Opposite Party	Gist of the Case	Amount disputed (Rs.)
1	3 Notices all dated 18/02/2010	Deputy Commissioner of Income-Tax, Circle-5, Ahmedabad	Notice under section 148 of the Income-Tax Act, 1961 proposing to reassess the income for the assessment years 2004-2005, 2005-2006 and 2006-2007 issued to MICA Rushil Pvt. Ltd. (Now merged with our Company) The company is in the process of complying with the said notices.	--N.A.--
2	Show Cause Notice for default under section 201(1) / 206C(7) of the Income-tax Act, 1961	ITO, TDS-4, Ahmedabad	The notice has been served on our company for alleged Short deduction /short payment of TDS for Financial Year 2005-06. The company is in the process of replying to the said notice.	1,18,259
3	Summons to furnish information / documents u/s. 14 of The Central Excise Act, 1944, which is made applicable to	Superintendent (Prev. Group V) Service Tax, Ahmedabad.	Our Company has been asked to furnish certain information / documents. The company is in the process of complying with the same.	N.A.



	the Service Tax under the provisions of Section 83 of the Finance Act, 1994 which was served to the company on 17.06.2009.			
4	F.No.SD-02/Ref-41/09-10/35113 dated 22.01.2010 & Original Order No. SD-02/Ref-140/09-10.	Asst. Commissioner, Service Tax Division II, Ahmedabad	Rejection of refund claim of Service Tax paid on service relating to export of goods for the period 01.10.2008 to 31.12.2008 in terms of Notification No. 41/2007-ST dated 06.10.2007. The Company proposes to prefer appeal with the Appellant Commissioner for rejected refund amount.	52,519.00
5	Show Cause Notice F.No. SD/02/Ref-75/09-10.	Asst. Commissioner, Service Tax Division II, Ahmedabad	Show Cause Notice for discrepancies in documents and work sheet in Service Tax Refund Claim for the period 01.01.2009 to 31.03.2009. The case is pending with the service tax authority.	43,640.00
6	Show Cause Notice File No. V/18-59/R/STC/09-10.	Asst. Commissioner, Service Tax Division II, Ahmedabad	Deficiency Memo requiring our Company to furnish documents relating the Service Tax Refund Claim for the period 01.04.2009 to 30.06.2009. The case is pending with the authority.	1,48,005.00

## II. Litigation against our Directors

There are no litigations pending against any of our Directors.

## III. Litigation relating to our Promoters and Promoter Group Entities

### I. Cases filed by the Promoter Group Entities

#### A. Civil cases and Tax Matters

SL. No	Reference to Case No	Opposite Party	Gist of the Case	Amount disputed (Rs.)
1	357/2009	MR. GOPAL KRISHAN AGARWAL AND MR. ABHISHEK G. AGARWAL 5 <sup>th</sup> Floor, 501, Maheshwar Prakash – II, Cottage Lane, Santacruz (West) Mumbai – 400 054.	Vertex Laminate Private Limited, our Group Company has filed a case in Additional Chief Metropolitan Magistrate at Ahmedabad for recovery of Property under section 630 of the Companies Act, 1956. The case is pending with the court.	For recovery of Property
2	05/2010	MR. ABHISHEK G. AGARWAL 5 <sup>th</sup> Floor, 501,	Vertex Laminate Private Limited Our Group Company has filed a case in Additional Chief Metropolitan	Rs.3,00,000.00



		Maheshwar Prakash – II, Cottage Lane, Santacruz (West) Mumbai – 400 054.	Magistrate at Ahmedabad for recovering amount of salary aggregating to Rs. 3,00,000.00 wrongly withdrawn as salary by Mr. Abhisek Agarwal. The case is pending with the court.	
3	1336/2009	SAI DURGA GLASS TRADERS Door No. 14-7-9, Hanuman Peth, Near Kesineni Cargo Services, Namburu Gopala Rao Street, Vijaywada – 520 003 (A.P.)	Our Group Company Vertex Laminate Pvt. Ltd. has filed a Summary Suit under Code of Civil Procedure to recover the dues from the party in respect of goods supplied in various transactions from time to time. The matter is pending for hearing before the City Civil Court, Ahmedabad	Rs.2,82,154.00
4	Appeal No. 810/2007	Deputy Commissioner of Income-Tax, Circle-11, Ahmedabad	Rushil International, a Partnership Firm in which our Promoters Mr. Krupesh G. Thakkar and Mr. Ghanshyambhai A. Thakkar are the partners, have filed an appeal in Income-Tax Appellate Tribunal at Ahmedabad against order passed under section 143(3) of Income-Tax Act, 1961 by Commissioner of Income-tax (Appeals) XVII, Ahmedabad disallowing certain income under section 80HHC and expenses relating to sales promotion for the assessment year 2003-2004	Rs.60,14,926.00
5	Appeal No. 1153/2006	Deputy Commissioner of Income-Tax, Circle-11, Ahmedabad	Rushil International, a Partnership Firm in which our Promoters Mr. Krupesh G. Thakkar and Mr. Ghanshyambhai A. Thakkar are the partners, have filed an appeal in Income-Tax Appellate Tribunal at Ahmedabad against order passed under section 143(3) of Income-Tax Act, 1961 by Commissioner of Income-tax (Appeals) XVII, Ahmedabad in respect of the following:  1. Considering reassessment proceedings under section 147 as valid 2. Not considering receipt due to Foreign Exchange Rate Fluctuation as part of Export Turnover. 3. Deducting amount for overseas commission out of export turnover eligible for deduction under section 80HHC for assessment year 2001-2002	Rs.6,55,878.00
9	F.No.SD-02/REF-31/08-	Asst. Commissioner Service Tax,	Rejection of refund claim of Service Tax paid on service relating to export of goods for the period 01.01.2008 to	1,23,389.00



	09/4845 dated 17.04.2009	Division II, Ahmedabad	31.03.2008 in terms of Notification No. 41/2007-ST dated 06.10.2007. Application is filed with CESTAT Tribunal for rejected Service Tax refund.	
10	Notice dated 27/08/2009	Deputy Commissioner of Income- Tax, Circle-11, Ahmedabad	Notices under section 142(1) and 143(2) of the Income - Tax Act, 1961 for assessment year 2008-2009 issued to Rushil International	NA
11	Notice dated 31/08/2009	Assessing Officer, ITO Ward 11(2), Ahmedabad	Notice under section 143(2) of the Income - Tax Act, 1961, for assessment year 2008-2009 issued to Vertex Laminates Private Limited	NA
10	F.No.SD- 02/REF- 35/08- 09/4890 dated 21.04.2009	Asst. Commissioner Service Tax, Division II, Ahmedabad	Rejection of refund claim of Service Tax paid on service relating to export of goods for the period 01.04.2008 to 30.06.2008 in terms of Notification No. 41/2007-ST dated 06.10.2007. Application is filed with CESTAT Tribunal for rejected Service Tax refund.	33,041.00

**B. Criminal Cases**

There are no criminal cases filed by the promoters and promoter group entities.

**C. Consumer Dispute Cases**

There are no consumer dispute cases filed by the promoters and promoter group entities.

**II. Cases filed against the Promoter Group Entities****A. Civil cases and Tax Matters**

SL. No	Reference to Case No.	Opposite Party	Gist of the Case	Amount
1	950/2009	Gopal Krishan Om Prakash Agarwal and others.	Petition under section 9 of the Arbitration and Conciliation Act, 1996 has been filed in the High Court of Judicature at Bombay against our group company Vertex Laminates Pvt. Ltd. and the Directors Mr. Krupesh G. Thakkar and Mr. Ghanshyambhai A. Thakkar. The matter is pending for hearing in court.	Rs.15,00,000
2	148/2009	Gopal Krishan Om Prakash Agarwal and others.	Application under section 11 of Arbitration and Conciliation Act, 1996 for appointment of Arbitrator has been filed in the High Court of Judicature at Bombay against our group company Vertex Laminates Pvt. Ltd. and the Directors Mr. Krupesh G. Thakkar and Mr. Ghanshyambhai A. Thakkar. The application is still in the	--N.A.--



			Pre-Admission stage.	
--	--	--	----------------------	--

**IV. Penalties Imposed in Past Cases***(in Rs)*

Sr. No	Nature of Penalty	2006-07	2007-08	2008-09
1	Sales Tax	NIL	10505	33481
2	Service Tax	NIL	NIL	2000
3	RTO (Vehicle)	200	NIL	50
4	Others	NIL	200	1770

**V. - Amounts owed to Small Scale Undertakings**

Except as stated below, the Company does not owe any sum exceeding Rs. 1 Lakh to any small scale undertaking which is outstanding for more than 30 days:

*(in Rs.)*

Sr. No	Party's Name	Outstanding as on 30.09.2009
1	S.P. Wood Works	734197

**Material Developments**

Except as mentioned under the sub heading 'Significant Developments after the Date of the Last Financial Statement' on page no. 187 in the chapter titled '*Mangement's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page no 187 of this Prospectus, in the opinion of the Board of Directors of our Company, there have not arisen since the date of the last financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of our Company to pay our material liabilities within the next twelve months.

**Adverse Events**

There has been no adverse event affecting the operations of our Company, occurring within one year prior to the date of filing of the Draft Red Herring Prospectus with the Registrar of Companies.

**GOVERNMENT APPROVALS / LICENSING ARRANGEMENTS**

Our Company has received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for its present businesses and further approvals are required for carrying on the present businesses except as stated in this Draft Red Herring Prospectus.

**A. Registrations / Approvals obtained by Our Company for carrying out its business:**

S. No	License	License / Certificate Number	Date of Grant	Date of Expiry
1	Certificate of incorporation under the Companies Act	04-19532	24/05/1993	N.A
2	Fresh Certificate of incorporation pursuant to change of name from Rushil Decor Private Limited to Rushil Decor Limited	U25209GJ1993PLC019532	04/12/2007	N.A
3	Permanent Account Number (PAN) issued by the Income Tax Department	AABCR3005N	24/05/1993 (Date taken from the Pan Card)	N.A
4	Tax Deduction Number (TAN) issued by the Income Tax Department	AHMR01041F	08/07/2002	N.A
5	Service Tax Code Registration Number issued by Deputy Commissioner of Service Tax.	AABCR3005NST001 Reg.Code:230800	02/03/2005	N.A
6	Gujarat Value Added Tax Registration Number	24060200315	1/07/2002	N.A
7	Delhi Value Added Tax Registration Number	07480278986	Date of Grant required	NA
8	Bihar Value Added Tax Registration Number	10041383062	23/05/2007	N.A.
9	Maharashtra Value Added Tax Registration Number	27450609491V	22/05/2007	N.A.
10	Punjab Value Added Tax Registration Number	04570031830	03/04/2007	N.A.
11	Andhra Pradesh Value Added Tax Registration Number	28881228864	01/06/2007	N.A.
12	Registration under Central Sales Tax Act	24560200315	16/06/1993	N.A
13	Certificate for Registration under the Shops and Establishment	PII/EL/00/0007052	01/01/2000	31/12/2010
14	Central Excise Registration Certificate	AABCR3005NXM001	23/04/2007	N.A.
15	Certificate of Importer-Exporter Code	0893008401	04/10/1993	N.A.
16	ISO Registration approved by ISOQAR to 9001:2000 standard	6478QMS001	08/10/2007	08/10/2010



**Rushil Decor Limited**

17	ISO Registration approved by ISOQAR to 14001:2004 standard	6478EMS001	08/10/2007	08/10/2010
18	ISO Registration approved by ISOQAR to 18001:1999 standard	6478OHS001	08/10/2007	08/10/2010

**B. Manufacturing Unit : Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat (Unit: RDPL)**

S. No	License	License / Certificate Number	Date of Grant	Date of Expiry
1	Certificate of membership from The Green Environment Services Co-operative Society Limited, Dump of Solid Waste	G.E.S.C.S.L./O.O.V./CERT/3/2003/366	26/11/2003	N.A.
2	Secretariat for Industrial Assistance, Ministry of Commerce & Industry.	3557/SIA/IMO/2007	13/12/2007	N.A.
3	Air (Prevention & Control of Pollution) Act, 1961 and Water (Prevention & Control of Pollution) Act, 1974 and Hazardous waste (Management and Handling) Rules, 1989	AWH-35049	03/11/2009	15/07/2014
4	Bureau of Indian Standards permitting use ISI Mark for Decorative Thermosetting synthetic resin bonded laminated sheets	IS 2046 : 1995	26/06/2009	25/06/2010
5	Sanction for release of power load of 150 KVA, Gujarat Electricity Board.	MCO/TECH/16828	31/12/1999	N.A
6	Certificate for the use of Boiler	GT – 2514	13/03/2009	12/03/2010
7	Factory License by the Chief Inspector of Factories, Gujarat (Unit : RDPL )	28(283-9)540/A/LIC NO. 104273	01/07/2009	31/12/2010
8	Employees' Provident Funds and Miscellaneous	GJ/14368		NA





	Provisions Act 1952			
--	---------------------	--	--	--

**C. Manufacturing Unit: S. No.125, Near Kalyanpura Patia, Mansa Road, Village – Itla, Gandhinagar, Tal. Kalol, Dist. Gandhinagar (Unit: RHPL)**

S. No	License	License / Certificate Number	Date of Grant	Date of Expiry
1	Secretariat for Industrial Assistance, Ministry of Commerce & Industry.	3558/SIA/IMO/2007	13/12/2007	N.A.
2	Central Excise Registration Certificate	AABCR3005NXM003	25/04/2007	N.A.
3	Tax Deduction Number (TAN) issued by the Income Tax Department	AHMR01888F	13/05/2003	N.A.
4	Permanent Account Number (PAN) issued by the Income Tax Department	AACCR2785A	11/12/2002	N.A.
5	Secretariat for Industrial Assistance, Ministry of Commerce & Industry.	1684/SIA/IMO/2003	23/06/2003	N.A.
6	Importer – Exporter Code, Director General of Foreign Trade	0803000481	23.04.2003	N.A.
7	Certificate of membership from The Green Environment Services Co-operative Society Limited, Dump of Solid Waste	G.E.S.C.S.L./O.O.V./CERT/3/2003/1364	26/11/2003	N.A.
8	Air (Prevention & Control of Pollution) Act, 1961 and Water (Prevention & Control of Pollution) Act, 1974 and Hazardous waste (Management and Handling) Rules, 1989	AWH-34784	08/10/2009	15/07/2014
9	Employee' Provident Funds and Miscellaneous Provisions Act, 1952	GJ/AHD/50393	01/08/2003	N.A.



10.	Service Tax Code Registration Number	AACCR2785AST001 Regi.Code:230800	09.02.2005	N.A.
11.	Factory License by the Chief Inspector Factories, Gujarat (Unit: RHPL)	20211/790/A/2(M)(1) License No. 15913	01/01/2009	31/12/2010
12.	Sanction for Power release of power load of 200 KVA Gujarat	COM/CC/PT.Procurement77/62	04/08/2003	
13	Certificate for use of Boiler	GT- 4688	16/06/2009	15/06/2010

**D. Manufacturing Unit: Dholakuva Patia, Gandhinagar- Mansa Road, Dist. Gandhinagar, Gujarat ( Unit: MRPL)**

S. No	License	License / Certificate Number	Date of Grant	Date of Expiry
1	Secretariat for Industrial Assistance, Ministry of Commerce & Industry	3556/SIA/IMO/2007	13/12/2007	N.A.
2	Certificate of membership to dump the solid waste	G.E.S.C.S.L./O.O.V./CERT/3/2003/1365	26/11/2003	N.A.
3	Tax Deduction Number (TAN) issued by the Income Tax Department	AHMM00866F	28/12/2001	N.A
4	Permanent Account Number (PAN) issued by the Income Tax Department	AABCM4515E	03/12/1998	N.A
5	Air (Prevention & Control of Pollution) Act, 1961 and Water (Prevention & Control of Pollution) Act, 1974 and Hazarduos waste (Management and Handling) Rules, 1989	AWH-34785	08/10/2009	15/07/2014
6	Sanction for power load of 250 KVA, Gujarat.	UGVCL/Corpt/Com/19844/8969	26.12.2005	N.A



**Rushil Decor Limited**

7	Export – Import Code	0898008255	22.02.1999	N.A
8	Employees' Provident Funds and Miscellaneous Provisions Act 1952	GJ/AHD/28489	01.04.2000	N.A.
9	Central Excise Registration Certificate	AABCR3005NXM002	23 /04/2007	N.A.
10	Factory License by the Chief Inspector of Factories, Gujarat ( Unit: MRPL)	26991/5.A.2 (m) (i)	01/01/2009	31/12/2010

**E. Survey No. 270, at Village Navalgadh, Taluka: Dhrangadhra, District: Surendranagar, Gujarat (Unit: Navalgadh)**

S. No	License	License / Certificate Number	Date of Grant	Date of Expiry
1	Secretariat for Industrial Assistance, Ministry of Commerce & Industry	3559/SIA/IMO/2007	13/12/2007	N.A.
2	Secretariat for Industrial Assistance, Ministry of Commerce & Industry	1920/SIA/IMO/2007	04/07/2007	N.A.
3	Secretariat for Industrial Assistance, New Delhi (This is the amendment of certificate no. 1920/SIA/IMO/2007 reflecting change of name by deleting Private word from the name)	1920/SIA/IMO/2007	13/12/2007	N.A.
4	License to establish/ operate/ unit for conversion of timber	49/2010	01/01/2010	31/12/2010
5	Registration under the Contract Labour Act, Gujarat	84/2009	31/07/2009	NA

**Pending Licenses at Village Navalgadh, Taluka: Dhrangadhra, District: Surenderanagar, Gujarat ( Unit: Navalgadh).**

Our Company has applied for Air (Prevention & Control of Pollution) Act, 1961 and Water( Prevention & Control of Pollution) Actm 1974 and Hazarduos waste ( Management and Handling) Ruls, 1989, waiting for approval.

**F. LICENSES AND APPROVALS RELATED TO PROPOSED PROJECT**

**Manufacturing Unit: Chikmangalur, Karnataka (Proposed Project)**

**Our Company will apply for necessary licenses for the Proposed Project at Chikmangalur, Karnataka:**



S. No	License
1	License from The Principal Chief Conservator of Forests & Chairman of the Expert Committee of Karnataka, Government of Karnataka for establishment of MDF Plant.
2	Registration under the Karnataka State Tax on Professions, Trades, Callings and Employments Act, 1975 for registration as an employer
3	Registration under the Employees' Provident Funds and Miscellaneous Provisions Act 1952, Karnataka.
4	Employee State Insurance Corporation Certificate, Karnataka.
5	Industrial License issued by the Ministry of Commerce and Industry, Government of India
6	Factory License by the Chief Inspector of factories, Karnataka
7	Central Excise Registration Certificate, Karnataka
8	Registration under the Contract Labour (Regulation and Abolition) Act, 1970 Karnataka
9	Authorization for handling hazardous wastes, Karnataka
10	Permission to run a Generating Set, Karnataka
11	Test Certificate for Generator, Karnataka
12	Karnataka Forest Department, Karnataka
13	Permission from Karnataka State Pollution Control Board.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The shareholders of our Company have approved this Issue under section 81 (1A) of the Companies Act, 1956 at our Company's Extra Ordinary General Meeting held on February 03, 2010.

### Prohibition by SEBI

Our Company, our Directors, our Promoters, the group companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the Stock Exchanges in India. Our Company, our Promoters, their relatives, group companies and associate companies has, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

### Eligibility for the Issue

This is being made in terms of Clause 26(2) (a) (ii) and (b)(i) of SEBI (ICDR) Regulations, 2009

- a) The "Project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.
- b) The minimum post issue face value capital of our company shall be Rs 10 Crores.

Our Company fulfils the criteria as stated in Clause 26(2) (a) (ii) and (b)(i) of SEBI (ICDR) Regulations, 2009, as the participation from the Scheduled Banks/ Financial Institutions is above the required limits of 15% and the participation from the Appraising Entity (i.e. Bank of Baroda) is in excess of 10% of the project cost as required. However, the Company is making a "Book-building issue" wherein the Company proposes to allot upto 50% of the Issue to QIBs and at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded

Appraising Bank	Amount Sanctioned	% of Total Project Cost
Bank of Baroda	Rs. 4400.00 Lakhs	65.40

The participation of Appraising Bank is in excess of 10% of the project cost and further the participation of the bank in the project is in excess of 15% of the Project cost.

Further, if the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

### DISCLAIMER CLAUSE

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 DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, CORPORATE STRATEGIC ALLIANZ LIMITED AND CO- BOOK



RUNNING LEAD MANAGER, INDBANK MERCHANT BANKING SERVICES LIMITED HAVE 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 DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER AND CO- BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, BOOK RUNNING LEAD MANAGER, CORPORATE STRATEGIC ALLIANZ LIMITED AND CO- BOOK RUNNING LEAD MANAGER, INDBANK MERCHANT BANKING SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 22, 2010 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

WE THE UNDER NOTED LEAD MERCHANT BANKERS 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 IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, 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 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 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 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 WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD 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.
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 BOARD 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.
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 DRAFT RED HERRING PROSPECTUS. 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 THAT THE INVESTOR SHALL BE GIVEN AN OPTION TO GET THE SHARES IN THE DEMAT MODE 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:
  - 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 WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."**

**THE FILING OF THE DRAFT 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 MANAGER AND CO- BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

**CAUTION - DISCLAIMER FROM THE COMPANY, THE BOOK RUNNING LEAD MANAGER AND THE CO- BOOK RUNNING LEAD MANAGER**

Our Company, our Directors, Book Running Lead Manager and Co- Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft 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.rushil.com](http://www.rushil.com), would be doing so at his or her own risk.

The Book Running Lead Manager and Co- Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU entered into between the Book Running Lead Manager and Co- Book Running Lead Manager respectively with 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 Book Running Lead Manager and Co- Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Applicationding centres or elsewhere.

Neither our Company nor the Book Running Lead Manager nor the Co- Book Running Lead Manager nor the Syndicate members is liable for any failure in downloading the Applications due to faults in any software/hardware system or otherwise.

Investors that Application 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 in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, companies, corporate bodies and societies registered under the applicable laws in India and authorized 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), Trusts registered under the Societies Registration Act, 1860, or under any other trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, and FIIs as defined under the applicable Indian laws. This Draft Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself 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 Gandhinagar, Ahmedabad Only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed to the SEBI. Accordingly, the equity shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Investors may please note that Central Government / RBI does not take any responsibility for the financial soundness or correctness of the statements disclosed in the Red Herring Prospectus.

#### **Disclaimer Clause of Bombay Stock Exchange Limited (BSE, the Designated Stock Exchange):**

Bombay Stock Exchange Limited ("the Exchange") has given *vide* its letter no. [●] dated [●], 2010 given permission to this Company 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 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 this 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 this Company, its promoters, its management or any scheme or project of this Company;

#### **Disclaimer Clause of National Stock Exchange of India Limited (NSE):**

As required, a copy of this Offer Document has been submitted to NSE. NSE has given *vide* its letter reference: [●] dated [●], 2010, permission to the Company to use the NSE'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 the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. 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 this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company.

**Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE 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 Draft Red Herring Prospectus will be filed with SEBI at Securities and Exchange Board of India Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp: Nehru Bridge Ashram Road, Ahmedabad – 380 009.

A copy of Red Herring Prospectus, will be filed to BSE along with Material Contracts and Documents. All the legal requirements applicable till the date of filing the Red Herring Prospectus with the Stock Exchanges and SEBI will be complied with. A copy of this Draft Red Herring Prospectus will be filed to Bombay Stock Exchange Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai - 400 001; and

A copy of this Red Herring Prospectus, will be filed to NSE along with Material Contracts and Documents. All the legal requirements applicable till the date of filing the Red Herring Prospectus with the Stock Exchanges and SEBI will be complied with. A copy of this Draft Red Herring Prospectus will be filed to National Stock Exchange Limited (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 Material Contract and Documents will be filed under Section 60 of the Companies Act would be delivered to the Registrar of Companies, Gujarat at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013.

### **Listing**

Application will be made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. 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 the Equity Shares is not granted by BSE and NSE, our Company and the Selling Shareholders shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e., from the date of refusal or within 70 days from the date of Issue Closing Date, whichever is earlier), then our Company, the Selling Shareholders and every Directors of the Company who is an officer in default shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above to be taken within seven working days of finalisation of the Basis of Allotment for the Issue.

### **Consents**

**Necessary Consents for the issue have been obtained from the following:**

1. Directors of our Company
2. Bankers to our Company
3. Auditors to our Company
4. Book Running Lead Manager to the Issue
5. Co- Book Running Lead Manager to the Issue
6. Legal Advisor to the Issue
7. Registrar to the Issue
8. IPO Grading Agency
9. Company Secretary cum Compliance Officer
10. Syndicate Member(s)
11. Underwriter(s)
12. Escrow Collection Banker(s) to the Issue



The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Gujarat at Ahmedabad, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the Registrar of Companies, Gujarat at Ahmedabad.

#### Expert Opinion obtained, If Any

**Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not obtained any expert opinion.**

- We have obtained the IPO grading report from [•] dated [•]
- We have obtained Certificate dated [•] 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. [•] Lakhs. The expenses of this Issue include Book Running Lead Manager Fees, Co- Book Running Lead Manager, Fees Registrar Fees, Legal Advisors Fees, Auditors Fees, Underwriting Fees, Printing and Stationery Fees, Advertising Fees, IPO Grading Fees and Listing Fess. All expenses with respect to the Issue would be paid by our Company. The estimated Issue expenses are as follows:

S. No	Activity	Amount	Percentage of Issue Expenses	Percentage of Issue Size
1.	Fees to Book Running Lead Manager to the Issue	[•]	[•]	[•]
2.	Fees to Co- Book Running Lead Manager to the Issue	[•]	[•]	[•]
3.	Fees to the Registrar to the Issue	[•]	[•]	[•]
4.	Fees to the Legal Advisors to the Issue	[•]	[•]	[•]
5.	Fees to the Auditors	[•]	[•]	[•]
6.	Underwriting and Selling Commission	[•]	[•]	[•]
7.	Printing and Stationery	[•]	[•]	[•]
8.	Advertising Expenses	[•]	[•]	[•]
9.	IPO Grading Expenses	[•]	[•]	[•]
10.	Other Expenses ( including filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
11.	Contingencies	[•]	[•]	[•]
	<b>TOTAL</b>	[•]	[•]	[•]

#### Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

#### Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as mentioned in the Chapter "Capital Structure" beginning on page 43 of the Draft Red Herring Prospectus.



### **Commission or Brokerage on Previous Issues**

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

### **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:

### **Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.**

There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

### **Promise vis-à-vis Performance – Last 3 issues**

Our Company has not made any Public Issue in the past.

### **Listed ventures of Promoters**

There are no listed ventures of our Promoters.

### **Promise vis-à-vis Performance – Last One Issue of Group Companies**

There are no listed ventures of our Promoters.

### **Outstanding debentures or bonds and redeemable preference shares and other instruments issued and outstanding as on the date of the Draft Red Herring Prospectus and terms of Issue**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of the Draft Red Herring Prospectus.

### **Stock Market Data**

This being an initial public offering 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 Application Form was submitted by the ASBA applicants.



### Disposal of Investor Grievances

The average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Hasmukh Kanubhai Modi, Company Secretary & Compliance Officer of our Company. Investors may contact him in case of any pre-issue or post-issue related problems, at the following address:

Mr. Hasmukh Kanubhai Modi,  
1, Krinkal Apartment, Mahalaxmi Society,  
Paldi, Ahmedabad – 380 007, Gujarat, India  
**Tel No:** +91-79-2665 1346/ 2662 2 323;  
**Fax No:** +91-79-2664 0969;  
**Email:** ipo@rushilcom;  
**Website:** www.rushil.com

### Change in Statutory Auditors during the last three years and reasons thereof

There has been no change in the Statutory Auditors of the Company for the last three years

### Capitalization of Reserves or Profits

Date	Particulars	Amount (Rs)
March 27, 2007	Bonus ( 3.05:1)	5,99,12,500
<b>TOTAL</b>		<b>5,99,12,500</b>

### Revaluation of Assets

We have not re-valued our assets in the last five years.



## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring, the Red Herring Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

#### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. *For further details, please refer to Chapter titled “Main Provisions of Articles of Association” on page 263 of the Draft Red Herring Prospectus.*

#### Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash.

#### Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10 each are being offered in terms of the Draft Red Herring Prospectus at a price of Rs. [•] per Equity Share. The issue price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

#### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter “Main Provisions of Articles of Association” on page 263 of the Draft Red Herring Prospectus.*



### 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 the existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. For details of Allocation and Allotment, please refer to the paragraph "Basis of Allotment" beginning on page 244 under Chapter "Issue Procedure" beginning on page 221 of the Draft Red Herring Prospectus.

### Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, 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 transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office 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 the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.**

### Bid/Issue Program

The period of operation of subscription list of public issue:

Bid/ Issue Opens on [●]

Bid/ Issue Closes on [●]

The Company may consider participation by Anchor Investors for upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.



### **Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Net Issue through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

### **Arrangements for Disposal of Odd Lots**

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

### **Restrictions, if any on Transfer and Transmission of Equity 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 under the Chapter titled "Main Provisions of Articles of Association" on page 263 of the Draft Red Herring Prospectus.*

### **Compliance with SEBI (ICDR) Regulations, 2009**

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

### **Option to Receive Securities in Dematerialized Form**

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.



**ISSUE STRUCTURE**

Issue of 56,43,750 Equity Shares of face value Rs. 10/- each at a price of Rs. [●] for cash aggregating Rs. [●] Lakhs, including Promoters Contribution of 2,43,750 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share for cash aggregating to Rs. [●] Lakhs, and a Net Issue of 54,00,000 Equity Shares at a price of Rs. [●] for cash aggregating Rs. [●] Lakhs. The Net Issue would constitute 37.50% of the post Issue paid-up capital of the our Company.

**The Issue is being made through 100% Book Building Process:**

Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto 27,00,000 Equity Shares (subject to mandatory allotment of minimum 10% of the Issue to QIBs) shall be available for allocation to QIBs aggregating to Rs. [●] Lakhs	Atleast 8,10,000 Equity Shares shall be available for allocation aggregating to Rs. [●] Lakhs	Atleast 18,90,000 Equity Shares shall be available for allocation aggregating to Rs. [●] Lakhs
Percentage of issue size available for allocation	Upto 50 % of the Net Issue with a mandatory allotment of 10% of the Issue (of which 5% shall be reserved for Mutual Funds)*  Mutual Funds participation in the 5% reservation in the QIB Portion (i.e. 1,35,000 Equity Shares aggregating to Rs. [●] Lakhs) will be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Atleast 15 % of the Net Issue*	Atleast 35% of the Net Issue
Basis of Allocation if Respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares per Retail Individual Bidder so as to ensure that the Bid Amount does not exceed Rs. 1,00,000/-
Mode of Allotment	Compulsory in Dematerialized mode	Compulsory in Dematerialized mode	Compulsory in Dematerialized mode



Trading Lot/Market lot	One Equity Share	One Equity Share	One Equity Share
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor 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. 2500 Lakhs and pension funds with minimum corpus of Rs. 2500 Lakhs, National Investment Fund in accordance with applicable law and Insurance funds set up and managed by Army, Navy or Air Force of the Union of India	Resident Indian Individuals, HUF, (in the name of Karta), companies, corporate bodies, NRIs, Societies and trusts	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000/- in value
Terms of payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Non – Institutional Bidder at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid cum Application form to the members of the syndicate
Margin Amount	10% of the Bid amount in respect of bids placed by QIB bidder on bidding  25% of the Bid amount in respect of bids placed by QIB bidder in the Anchor Investor Portion, on bidding#	Full Bid amount on Bidding	Full Bid amount on Bidding



# The QIB Portion includes Anchor Investor Portion, as per the SEBI (ICDR) Regulations, 2009. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor.

\* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any of the other categories, at the sole discretion of the our Company, the Book Running Lead Manager subject to applicable provisions of the SEBI (ICDR) Regulations, 2009.

\*\* In case the Bid Cum Application Form/ ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

Note: Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.



## ISSUE PROCEDURE

### Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% (Subject to mandatory allotment of minimum 10% of the Issue size to QIBs) of the Net Issue to the Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated for Mutual Funds). Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35% of the Net Issue to the 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.

Bidders are required to submit their Bids through the Syndicate. We, in consultation with the BRLM and CBRLM, 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 and Retail Individual Bidders, 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 Equity Shares would be allotted to all successful Bidders only in 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 Exchanges.**

### Illustration of Book Building and Price Discovery Process

***(Investors should note that this illustration is solely for the purpose of illustration and is not specific to the Issue)***

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 60 to Rs. 72 per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. 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
1500	72	1500	27.78%
3000	69	4500	83.33%
4500	66	9000	166.67%
6000	63	15000	277.78%
7500	60	22500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.66 in the above example. Our Company, in consultation with the BRLM and CBRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below Rs.66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

### 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 the Draft 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 allotment of Equity Shares, dispatch of the CAN and filing of the Red Herring 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 authorized us to make the necessary changes in the Draft Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Red Herring Prospectus with the ROC and as would be required by the ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

**The prescribed colour of the Bid-cum-Application Form for various categories is as follows:**

Category	Colour of Bid- Cum- Application Form
Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis	[.]
Non-residents, NRIs or FIIs applying on a repatriation basis	[.]
ASBA Bidders	

In accordance with SEBI ICDR Regulations, 2009, only QIBs can participate in the Anchor Investor Portion.

Only Retail Individual Investors or Non Institutional Investors can participate by way of ASBA Process.

#### Who Can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian Nationals resident in India who are majors, in single or joint names (not more than three);
3. 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;
4. Companies corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Indian mutual funds registered with SEBI;
6. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI (ICDR) Regulations, 2009 and other Regulations, as applicable);
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI;
9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;
13. Multilateral and bilateral development financial institutions;
14. 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;
15. Eligible Non-residents including NRIs and FIIs on a repatriation/non- repatriation basis subject to applicable local laws; and
16. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares.
17. As per existing regulations promulgated under FEMA, Overseas Corporate Bodies (OCBs) cannot bid/participate in this issue.

**Note: 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 the relevant laws, rules, regulations, guidelines and approvals.**



### **Participation by Associates of the Book Running Lead Manager, Co- Book Running Lead Manager and Syndicate Members**

The Book Running Lead Manager, Co- Book Running Lead Manager and the Syndicate Members shall not be entitled to participate in this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, CBRLM and Syndicate Members are entitled to bid and 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 allotment will be on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

### **Procedure for Application by Mutual Funds**

In accordance with the current regulations, no mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up 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 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 name of the scheme concerned for which the Bid has been made.

### **Application by FIIs**

In accordance with the current regulations, the Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

### **Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

### **Application by NRI**

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our corporate office situated at 1, Krinkal Apartment, Mahalaxmi Society, Paldi, Ahmedabad – 380 007, Gujarat, India or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour)

The above information is given for the benefit of the Bidders. The Bidders are advised to make to their own enquiries about the limits applicable to them. Our Company Book Running Lead Manager and Co- Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company Book Running Lead Manager Co- Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Draft 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.

#### Maximum and Minimum Bid size

a) **For Retail Individual Bidders:** The Bid must be for minimum [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to maximum bid amount of Rs. 1,00,000/-. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision in bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount payable by the Bidder exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI (ICDR) Regulations, 2009, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB margin on 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 Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

c) **Anchor Investor Portion:** The Company may consider participation by Anchor Investor in the Net Issue for up to [●] Equity Shares in accordance with the applicable SEBI (ICDR) Regulations, 2009. 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.

Anchor Investors shall be QIBs as defined in the SEBI (ICDR) Regulations, 2009. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 10 Crores and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.

The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.

#### Information for the Bidders

1. We will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
3. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from our registered office or from the BRLM, or CBRLM or from a member of the Syndicate.
4. Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLM or Syndicate Member or their authorized agent(s) to register their Bid.





5. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

#### Method and Process of bidding

a) We, with the BRLM and CBRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and the Price Band after the filing of the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and a regional newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the SEBI (ICDR) Regulations, 2009. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation

with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date.

b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid. c) The Bidding Period shall be a minimum of 3 working (three) days and not exceed 7 working (seven) days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper and the Bidding Period may be extended, if required, by an additional 3 working (three) days, subject to the total Bidding Period not exceeding 10 working (ten) days.

d) During the Bidding Period, the Bidders may approach 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.

e) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices *(for details please refer to the paragraph titled "Bids at Different Price Levels" beginning on page 226 under this Chapter in the Draft Red Herring Prospectus)* 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 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 Bids on one Bid cum Application Form have 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 bidding 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 allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form. *For details please refer to the paragraph titled "Build up of the Book and Revision of Bids" beginning on page 229 under this Chapter in the Draft Red Herring Prospectus.*

g) The members of the Syndicate will enter each 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 TRS's for each Bid cum application Form. **It is the responsibility of the bidder to obtain the TRS from the Syndicate Member.**

h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described *under paragraph titled "Terms of Payment and Payment into the Escrow Collection Account" beginning on page 227 under this Chapter in the Draft Red Herring Prospectus.*





### Bids at Different Price Levels

a) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date. The Bidders can bid at any price within the Price Band, in multiples of Re 1. The minimum application size should be in the range of Rs. 5,000 to Rs. 7,000.

b) In accordance with SEBI (ICDR) Regulations, 2009, our Company in consultation with the BRLM in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. 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. In case of a revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.

c) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be suitably revised, if necessary such that the minimum application is in the range of Rs. 5,000 to Rs. 7,000.

d) Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper, and also indicating the change on the relevant websites of the BRLM, CBRLM and the terminals of the members of the Syndicate.

e) We, in consultation with the BRLM and CBRLM can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

f) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific 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'. However, bidding at 'Cut-off' is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

g) Retail Individual Bidders, who bid at the 'Cut-Off' agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at 'cut-off' shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account.

h) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at 'Cut-off' Price could either

i) revise their Bid

ii) make additional payment based on the cap of the revised Price Band, 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 category in terms of the Draft 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 for the purpose of allocation, 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

iii) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.

### Option to Subscribe in the Issue

- Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.
- The Equity Shares on allotment shall be traded on Stock Exchanges in demat segment only.
- A single bid from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines.

### Escrow Mechanism

Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of our Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. 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 Banks shall transfer an amount equivalent to Issue proceeds (Final Issue price multiplied by the number of Equity Shares allotted through this issue) from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company and the balance amount shall be transferred to the Refund Account, from where payment of refund to the Bidders shall be made.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

### Terms of Payment and Payment into the Escrow Collection Account

In case of Non-institutional Bidders and Retail Individual Bidders, each Bidder shall, with the submission of the Bid-cum- Application Form draw 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 members of the Syndicate to whom the Bid is being submitted. In case of QIB Bidders, the Margin Amount has to be submitted along with the Bid to the members of the Syndicate. Bid-cum-Application Forms accompanied by cash and stock invests shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid-cum- Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account. Not later than 15 days from the Bid / Issue Closing Date, our Company will instruct the Refund Banker to refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders, failing which our Company shall pay interest @15% per annum for any delay beyond the period mentioned above.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders, would be required to pay their Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned *under the Chapter titled "Issue Structure" beginning on page 218 of the Draft Red Herring prospectus* and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated 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 two days from the date



of communication of the allocation list to the members of the Syndicate by the Registrar to the Issue. 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. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application Form.

### Electronic Registration of Bids

a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one BSE / NSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.

b) NSE and BSE 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 Period. Members of the Syndicate can also set up facilities for offline 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 Syndicate Member shall upload the Bids till such time as may be permitted by the BSE and NSE.

c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be assessed on BSE's website at [www.bseindia.com](http://www.bseindia.com) or on NSE's website at [www.nseindia.com](http://www.nseindia.com). The online, real-time graphical display of demand and bid prices at the bidding terminals shall be made. The BRLM shall ensure the availability of adequate infrastructure for data entry of the bids on a real time basis. At the end of each day of the bidding period the demand shall be shown graphically on the terminals for information of the syndicate members as well as the investors.

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 investor (Investors 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, investors 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 price
- Bid Amount
- Bid-cum-Application Form number
- Whether payment is made upon submission of Bid-cum-Application Form
- Margin Amount and
- Depository Participant Identification Number and Client Identification Number of the demat 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 members of the Syndicate does not guarantee that the Equity Shares shall be allocated 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) Consequently, all or any of the members of the Syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed as mentioned *under paragraph titled "Grounds for Technical Rejections" beginning on page 239 under this Chapter in the Draft Red Herring Prospectus.*



h) It is to be distinctly understood that 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 our Company or 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, its Promoters, its management or any scheme or project of our Company.

i) It is also to be distinctly understood that the approval given by BSE and NSE for the use of their online IPO system should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

### **Build Up of the Book and Revision of Bids**

a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.

c) During the Bidding 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.

d) Revisions can be made in both the desired numbers of Equity Shares and the bid price 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 changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. 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.

f) 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 Draft Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments 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. QIB Bidders shall not be allowed to withdraw their Bid after Bid/Issue closing date.

g) 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.

h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between NSE or BSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid cum Application forms shall be final and binding to all concerned.



### Price Discovery and Allocation

- a) After the Bid/Issue Closing Date, the BRLM and CBRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- b) Our Company, in consultation with the BRLM and CBRLM shall finalise the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.
- c) The allocation for QIBs for not more than 50% (subject to mandatory allocation of 10%) of the Net Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- d) Under subscription, if any, in QIBs (*subject to mandatory allocation of 10%*), Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
- e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them. f) The BRLM and CBRLM, in consultation with us, shall notify the Syndicate Members 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 in consultation with the BRLM and CBRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.
- h) The allotment details shall be uploaded on the website of the Registrar to the Issue.

### Signing of Underwriting Agreement and ROC Filing

1. Our Company, the BRLM, CBRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
2. After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Red Herring Prospectus'. The Red Herring Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

### Filing of the Prospectus with the ROC

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC, Gujarat situated at Ahmedabad. A copy of the Red Herring Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, Gujarat, Ahmedabad. We will ensure that all the legal requirements applicable till the filing of the Red Herring Prospectus with RoC are complied with.

### Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by



the SEBI (ICDR) Regulations, 2009 in an English national daily with wide circulation, one Hindi National newspaper, and a regional language newspaper.

#### **Advertisement regarding Issue Price and Prospectus**

We will issue a statutory advertisement at the time of/after filing of Red Herring Prospectus with 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 Intimation Note and Confirmation of Allocation/Allotment Note to bidders, other than QIBs**

The Registrar to the Issue shall send Confirmation of Allocation Note/Allotment Advice-cum- Refund Orders to all the Bidders intimating the number of shares allotted and the amount refunded.

#### **Issuance of Intimation Note and Confirmation of Allocation Note to QIB bidders**

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. Based on the electronic book, if so required, QIBs may be sent an Intimation Note, indicating the number of Equity Shares that may be allocated to them and the additional margin required which shall be payable by the QIBs within the pay-in date specified therein. This Intimation Note is subject to the Basis of Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI (ICDR) Regulations, 2009, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciled book and basis of allotment as approved by the Designated Stock Exchange. In addition, there are foreign investment limitations applicable to our Company, which may result in a change (including a potential decrease) in the number of Equity Shares being finally allotted to nonresident investors (including FIIs). As a result, a CAN may be sent to QIBs and the allocation of Equity Shares in such CAN, may be different from that specified in the earlier Intimation Note. QIBs should note that they may be required to pay additional amounts if any, by way of cheque, DD, RTGS, NEFT or any other electronic mode by the Pay-in Date specified in the CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract for the QIB for all the Equity Shares allocated to such QIB.

#### **Designated Date and Transfer of Funds to Public Issue Account**

a) Our 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, we would allot the Equity Shares to the allottees and would ensure the credit to the successful Bidders depository account within two working days from the date of finalization of the basis of allotment with the Designated Stock Exchange. In case, our Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.

b) In accordance with the SEBI (ICDR) Regulations, 2009, Equity Shares will be issued and allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.**

#### **General Instructions**

##### **Do's:**

a) Check if you are eligible to apply;





- b) Complete the bid-cum-application form after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
- e) Ensure that the Bids are submitted at the Bidding Centres only on forms bearing stamp of the Syndicate Member;
- f) Ensure that you have been given a TRS for all your Bid options;
- g) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- h) Ensure that the Bid is within the Price Band;
- i) 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, investors 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.
- j) Ensure that Permanent Account Number (PAN) is mentioned in the Bid-cum-Application Form.
- k) If you have mentioned 'Applied For' or 'Not Applicable' in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.
- l) Ensure that the Demographic details as registered with your Depository participant are updated, true and correct at all respects.

**Don'ts:**

- a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- b) Do not Bid for lower than minimum Bid size;
- c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- e) Do not pay bid amount in cash, through stock invest, by money order or by postal order.
- f) Do not provide your GIR number instead of PAN number;
- g) Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000);
- h) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable law.
- i) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.
- j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.



### **Instructions for completing the Bid-Cum-Application Form**

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from our registered/corporate office, or from the Syndicate Members or from the BRLM or from CBRLM.

### **Bids and Revisions of Bids**

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 NRI or FII or foreign venture capital fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained therein, 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) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum of Rs. 100,000.
- (d) For non-institutional 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 size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.
- (e) In single name or in joint names (not more than three and in the same order as their Depository Participant details).
- (f) 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.

### ***Bidder's Bank Account Details***

Bidders should note that on the basis of name of the Bidders, Depository Participants Name, Depository Participants 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 Bidder's bank account details. These bank account details would be printed on the Refund Orders/Refund Advices, if any, to be sent to the Bidders and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT. 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 credit of refunds to Bidders at the Bidder's sole risk and neither the BRLM nor CBRLM nor our Company shall have any responsibility and undertake any liability for the same.

### ***BIDDER'S DEPOSITORY ACCOUNT DETAILS***

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S 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.**



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 demographic details of the Bidders such as address, occupation, bank account details for printing on refund orders / refund advices or and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form. These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ refund advice / ECS credit for refunds/ Direct Credit of refund/CANs/Allocation Advice and printing of Bank particulars on the refund order / refund advice, and the Registrar would not use the Demographic Details given by Bidders in the Bidcum- Application Form for these purposes.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants. By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records. Refund Advice / Refund Orders/ Allocation Advice/ CANs would be mailed at address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. In case no corresponding record is available with the Depositories that match 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. Investors should note that the refund cheques/allocation advice/refund advice would be overprinted with details of bank account as per the details received from the depository.

#### **Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies**

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 & Article 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 case of Bids made pursuant to a Power of Attorney by FIIs, 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 submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

#### **Procedure for Bids by Mutual Funds**

In case of Bids made by mutual fund registered with SEBI, Venture Capital Fund registered with SEBI and Foreign Venture Capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

#### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

#### **Bids by Provident Funds**

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 Lacs and pension fund with the minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant



certifying the corpus of the provident fund/ pension fund must be lodged with the Bidcum- Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part. We, in our 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 as our Company/BRLM may deem fit.

**Bids by NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI on a repatriation basis**

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office or from members of the Syndicate.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians.

***Bids and Revision to Bids must be made:***

On the Bid cum Application Form or Revision Form, as applicable and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

- In a single name or joint names (not more than three)
- **By NRIs:** For a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of Rs. 100,000 for the Bid to be considered as part of the Retail Portion. Bids for Bid Amount more than Rs. 100,000 would be considered under Non Institutional Category for the purposes of allocation. *For further details refer to paragraph titled "Maximum and Minimum Bid Size" beginning on page 224 under this Chapter in the Draft Red Herring Prospectus.*
- **By FIIs:** In multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. *For further details refer to paragraph titled "Maximum and Minimum Bid Size" beginning on page 224 under this Chapter in the Draft Red Herring Prospectus.*
- 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.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. 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/speed 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. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

**Payment Instructions**

We along with BRLM, CBRLM and Syndicate Member(s) shall open an Escrow Account of our Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:



### Payment into Escrow Account to the Issue

1. The applicable Margin Amount for Non Institutional Bidders and Retail Individual Bidders is equal to 100% whereas for QIBs it is 10% and while submitting the Bid cum Application Form, shall be drawn as a payment instrument for the Bid Amount in favour of the Escrow Account and submitted to the members of the Syndicate.

2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of our Company within the period specified in the Intimation Note/CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM and CBRLM.

3. **The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:**

(i)	In case of Resident Bidders	<b>Escrow Account – Rushil Public Issue - R</b>
(ii)	In case of Non Resident Bidders	<b>Escrow Account – Rushil Public Issue – NR</b>
(iii)	In case of Resident QIB Bidders	<b>Escrow Account – Rushil Public issue - QIB – R</b>
(iv)	IN case of Non Resident QIB Bidders	<b>Escrow Account – Rushil Public Issue – QIB – NR</b>

**For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:**

- In case of Resident Anchor Investors: **“Escrow Account – Rushil Public Issue – Anchor – R”**
- In case of Non-Resident Anchor Investor: **“Escrow Account – Rushil Public Issue – Anchor - 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 a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

5. Payment will not be accepted out of a Non Resident Ordinary (NRO) Account of a Non Resident bidder bidding on a repatriation basis.

6. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

7. Where a Bidder has been allocated a lesser number of Equity Shares than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of our Company.

8. The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and Refund Account with the Refund Bankers.



10. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Banker shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

***Payments should be made by cheque, or demand drafts 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 cheque/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.***

#### **Submission of Bid-cum-Application Form**

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Each member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form. However, for QIB Bidders, the members of the Syndicate member shall collect the Margin Amount.

**No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms 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.**

#### **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 ('First Bidder'). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

##### **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 with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

ii) In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

iii) The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

iv) The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and nonnumeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for



common names. The applications with same name and same address will be treated as multiple applications.

v) The applications will be scrutinized for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

vi) Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

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. The applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

We reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

#### **Permanent Account Number (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, 1961, irrespective of the amount for which application or bid is made. 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.**

In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention 'Not Applicable' and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention 'Applied for' in the Bid cum Application Form. Further, where the Bidder(s) has mentioned 'Applied for' or 'Not Applicable', the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration.

**It may be noted that Form 60 and Form 61 have been amended vide a notification issued on 01st December 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

#### **Unique Identification Number – MAPIN**

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.



## Right to Reject Bids

Our Company, in consultation with the BRLM and CBRLM, reserves 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 and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds. Consequent refunds shall be made by Cheque/Pay Order/Demand Draft/ECS/Direct Credit/RTGS/NEFT, as the case may be, and will be sent to the bidder's address at the bidder's risk.

## Grounds for Technical Rejections

**Bidders are advised to note that Bids are liable to be rejected on technical grounds, including the following:-**

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. Bank account details for Bidders not given;
4. 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;
5. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons
7. PAN not mentioned in the Bid-cum-Application form
8. GIR Number given instead of PAN Number;
9. Bids for lower number of Equity Shares than specified for that category of investors;
10. Bids at a price less than the lower end of the Price Band;
11. Bids at a price more than the higher end of the Price Band;
12. Bids at cut-off price by Non-Institutional and QIB Bidders;
13. Bids for number of Equity Shares, which are not in multiples of [●];
14. Category not ticked;
15. Multiple bids as defined in the Draft Red Herring Prospectus;
16. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
17. Bids accompanied by Stockinvest/money order/ postal order/ cash;
18. Bids not duly signed by the sole /joint Bidders;
19. Bid-cum-Application Form does not have the stamp of the BRLM/CBRLM/Syndicate Member;
20. Bid-cum-Application Form does not have Bidder's depository account details;





21. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid-cum-Application Form; or
22. 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 identity;
23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
24. Bid in respect of which Bid cum Application form do not reach the Registrar prior to the finalization of the basis of allotment;
25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
26. Bids by OCBs;
27. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act;
28. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
30. Bids not uploaded in the electronic bidding system of Stock Exchanges would be rejected; and
31. Bids by NRIs not disclosing their residential status;
32. Any other reason which the BRLM or CBRLM or our Company deem necessary.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized 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 tripartite agreements have been signed among our Company, the Depositories and the Registrar:

- 1) An Agreement dated [.] among NSDL, our Company and Registrar.
- 2) An Agreement dated [.] among CDSL, our Company and Registrar.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected. All Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

- 1) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
- 2) 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.
- 3) Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.



- 4) 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 depository account of the Bidder(s).
- 5) Non-transferable allocation advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.
- 6) 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.
- 7) 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/her Depository Participant.
- 8) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE, where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
- 9) The trading of our Equity Shares would only be in dematerialized form for all investors in the demat segment of BSE and NSE.
- 10) Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them, pursuant to the issue.

### 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 cum-Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Our Company has appointed Mr. Hasmukh Kanubhai Modi as the Compliance Officer for the purposes of this IPO and he may be contacted at the 1, Krinkal Apartment, Mahalaxmi Society, Paldi, Ahmedabad – 380 007, Gujarat, India. Investors may contact him in case of any Pre-Issue or Post-Issue related problems.

**The 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 account, refund orders, etc.**

### Disposal of Applications and Application Money

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

### Mode of Making Refunds

**The payment of refund, if any, would be done through various modes as given hereunder:**

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following sixty eight centres:

1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneshwar	10. Surat	11. Tirupati (non-MICR)	12. Indore





13. Kolkata	14. Trichy	15. Dhanbad(non-MICR)	16. Pune
17. Chandigarh	18. Trichur	19. Nellore (non- MICR)	20. Salem
21. Chennai	22. Jodhpur	23. Kakinada(non- MICR)	24. Jamshedpur
25. Guwahati	26. Gwalior	27. Agra	28. Visakhapatnam
29. Hyderabad	30. Jabalpur	31. Allahabad	32. Mangalore
33. Jaipur	34. Raipur	35. Jalandhar	36. Coimbatore
37. Kanpur	38. Calicut	39. Lucknow	40. Rajkot
41. Mumbai	42. Siliguri (non- MICR)	43. Ludhiana	44. Kochi/Ernakulam
45. Nagpur	46. Pondicherry	47. Varanasi	48. Bhopal
49. New Delhi	50. Hubli	51. Kolhapur	52. Madurai
53. Patna	54. Shimla (non- MICR)	55. Aurangabad	56. Amritsar
57. Thiruvananthapuram	58. Tirupur	59. Mysore	60. Haldia (non- MICR)
61. Baroda	62. Burdwan (non-MICR)	63. Erode	64. Vijaywada
65. Dehradun	66. Durgapur (non- MICR)	67. Udaipur	68. Bhilwara

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned sixty eight centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the 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 our Company.

3. RTGS – Applicants having a bank account at any of the abovementioned sixty eight centres and 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 event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers.

Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be 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 Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

We shall 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 taken within seven working days of finalization of the basis of allotment.



**In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, our Company, further undertakes that:**

- Allotment of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/Issue Closing Date;
- Our Company shall, within 15 days of the Bid/Issue Closing Date, ensure giving instruction in respect of refunds to the clearing system or dispatch the refund orders as the case may be; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment/transfer is not made, refund orders are not dispatched or refund instructions have not been given to the clearing system in the manner disclosed above and/or demat credits are not made to bidders within the 15 day time prescribed above.

Our Company will provide adequate funds required to the Registrar to the Issue for refunds to unsuccessful applicants or allotment advice. Refunds if, not made by Electronic Clearing Services (ECS), Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) will be made through cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the bidders within 15 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

**The bank account details for ECS/ Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories' database and hence bidders are required to ensure that bank details including MICR code maintained at the depository level are updated and correct.**

We shall 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 taken within seven working days of finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, Our Company further undertakes that allotment/ transfer of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/ Offer Closing Date.

**We will provide adequate funds required for dispatch of refund orders, Direct Credit, ECS, RTGS or allotment advice to the Registrar to the Issue.**

Refunds will be made by Direct Credit, ECS, RTGS cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member(s) will acknowledge the receipt of the Bid-cum-Application Forms 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.

#### **Impersonation**

**Attention of the Bidders 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, a Bid 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.”**

**Interest on Refund of Excess Bid Amount**

We shall pay interest at the rate of 15% per annum on the excess Bid Amount received by us if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date.

**Basis of Allotment**

Basis of allotment shall be finalized by our Company, BRLM and CBRLM in consultation with BSE.

**I. 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 portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allocation, refer below.

**II. 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 portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allotment refer below.



### III. 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 up to [●] Equity Shares.

### IV. For Anchor Investors

- Our Company, in consultation with the BRLM and CBRLM, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of 2 allottees.
- 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 and CBRLM before the Bid/Issue Opening Date.
- Anchor Investors shall pay Anchor Investor Margin Amount representing 25% of 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.
- 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.

- Allocation to Anchor Investors shall be completed on the day of bidding by Anchor Investors
- 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.
- The BRLM and CBRLM or any person related to the BRLM / CBRLM/ Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
- Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

#### **Procedure and Time Schedule for Allotment and Issue of Certificates**

The Issue will be conducted through a '100% book building process' pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM and CBRLM, will determine the issue price, and, in consultation with the BRLM and CBRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the Stock Exchanges. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with Registrar of Companies, Gujarat, Ahmedabad and SEBI, Ahmedabad. SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful bidders within 15 days from the Bid/Issue Closing Date. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and traded on BSE and NSE.

#### **Method of Proportionate Allotment**

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director of the Bombay Stock Exchange (Designated Stock Exchange) along with the post Issue Lead Merchant Banker/ CBRLM and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

#### **The allotment shall be made in marketable lots, on a proportional basis as explained below:**

- (a) Bidders will be categorized 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, in that category subject to a minimum allotment of [●] Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the price band.
- (d) **In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:**
- Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and



- 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.

(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 marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares 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 Equity 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.

#### **Letters of Allotment or Refund Orders**

We shall give credit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Direct Credit or RTGS or NEFT, or ECS as applicable (subject to availability of all information for crediting through electronic mode). In case of other applicants, the Bank 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, except for Bidders who have opted to receive refunds through the electronic facility. 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 working days of closure of Issue. We shall ensure dispatch of refund orders, if any, by 'Under Certificate of Posting' or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS or NEFT, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds 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.

#### **In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, 2009, we undertake that:**

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;
- We 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 as prescribed under SEBI (ICDR) Regulations, 2009.

We 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 a Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit/RTGS/NEFT/ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

#### **Dispatch of Refund Orders**

*For details of Dispatch of Refund Orders refer to paragraph titled "Disposal of Applications and Application Money" beginning on page 241 under this Chapter in the Draft Red Herring Prospectus.*





### Interest in case of delay in Dispatch of Allotment Letters/Refund Orders in case of public issues

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of issue. Our Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue closing date.

### Bid/Issue Program

Bid/ Issue Opens on [●]

Bid/ Issue Closes on [●]

Our Company may consider participation by Anchor Investors for upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. 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 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-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-à-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.

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 the times mentioned above. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLM, CBRLM and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM and CBRLM to the Stock Exchanges within half an hour of such closure.

**Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.**

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening



Date. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. 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 and can move up or down to the extent of 20%.

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 the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/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 in English and other in Hindi, and also by indicating the change on the web sites of the BRLM and CBRLM and at the terminals of the Syndicate and to the SCSBs.





## ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI, introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains in the ASBA Account until allotment in the public issue. Set forth below is the procedure for Bidding under the ASBA procedure, for the benefit of the Bidders.

**This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in entirety.**

Our Company, the BRLM and CBRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

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>. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

### ASBA Process

A resident Retail Individual Bidder can submit his Bid through an ASBA 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 ASBA Account specified in the ASBA 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 ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. 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 Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. 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 ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### Who can Bid?

**In order to be eligible to apply under the ASBA process, a Bidder has to satisfy the following conditions:**

- a) is a "Resident Retail Individual Investor";
- b) is bidding at cut-off, with single option as to the number of shares bid for;
- c) is applying through blocking of funds in a bank account with the Self Certified Syndicate Bank (SCSB);
- d) has agreed not to revise his/her bid;
- e) is not bidding under any of the reserved categories.

### ASBA Form

An ASBA Bidder shall use the ASBA Form which is [●] colour obtained from the Designated Branches of the SCSBs for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Form shall bear the stamp of the syndicate member/SCSBs and if not, the same shall be rejected. 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 Form at the Designated Branch



of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA 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. *For further information on how to complete ASBA Forms refer to paragraph titled "Instructions for Completing the ASBA Form" beginning on page 251 under this Chapter in the Draft Red Herring Prospectus.*

- The ASBA Bidders can submit only one Bid option in the ASBA Form which shall be at Cutoff Price. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will be considered for allocation along with the other Retail Individual Bidders who have Bid for the Equity Shares at or above the Issue Price or at the Cut-off Price.
- In the ASBA Form, the ASBA Bidder shall, inter alia, give the following confirmations/ declarations:
  - a. That he/she is an ASBA Bidder as per the SEBI (ICDR) Regulations, 2009;
  - b. That he/she has authorized the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the Basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and
  - c. That he/she has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the Basis of Allotment and to transfer the requisite money to the Public Issue Account.
- An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch of the SCSB or a Bid cum Application to the Members of Syndicate will be treated as multiple Bid 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 Allotment of Equity Shares in the Issue. **ASBA Bidders are cautioned that Bids for Equity Shares in the Issue through the ASBA Form cannot be revised.**
- Upon completing and submitting the ASBA 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 Draft Red Herring Prospectus as would be required for filing the Red Herring 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.

#### Instructions for completing the ASBA Form

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.
2. The Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.
4. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
5. 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.



6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA 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 Form.

#### **Maximum and Minimum Bid Size for ASBA Bidders**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000.

#### **Information for the ASBA Bidders:**

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

2. Our Company, the BRLM and CBRLM will declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same two national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM and CBRLM, and advertised at least two working days prior to the Bid/Issue Opening Date.

3. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of the SCSBs. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

4. The Bids should be submitted to the SCSBs on the prescribed ASBA 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 ASBA Account. *For further information on how to complete ASBA Forms refer to paragraph titled "Instructions for Completing the ASBA Form" beginning on page 251 under this Chapter in the Draft Red Herring Prospectus.*

5. ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares. In accordance with the SEBI (ICDR) Regulations, 2009, our Company, in consultation with the BRLM and CBRLM, reserves the right to revise the Price Band during the Bidding/Issue Period. In case of revision, the cap on the Price Band will not be more than 120% 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.

6. Our Company, in consultation with the BRLM and CBRLM, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.

7. Our Company, BRLM and CBRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two circulated national newspapers (one each in English and Hindi) and one regional newspaper, each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under SEBI (ICDR) Regulations, 2009. The SCSBs shall accept Bids from the ASBA Bidders during the Bidding/Issue Period.

8. The Bidding/Issue Period shall be for a minimum of three working Days and shall not exceed seven working Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and one regional newspaper, each with wide circulation and also by indicating the change on the website of the BRLM, CBRLM and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days.

#### **Payment Instructions/Mode of Payment**

Upon submission of an ASBA 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 ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue or withdrawal/failure of the Issue or withdrawal/failure of the Bid through ASBA, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA shall be rejected by the SCSB and no funds shall be blocked in the said ASBA Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

#### **Electronic Registration of Bids**

Upon receipt of the ASBA Form, the Designated Branch of the SCSBs shall register and upload the Bid. **The BRLM, CBRLM, our Company and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

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;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

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).

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. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

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 Bidding/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.

#### **Instruction to SCSBs for unblocking of ASBA Account**

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock 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 finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

#### **Price Discovery and Allocation**

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process along with the demand generated by other Retail Individual Bidders to determine the demand generated.
2. Our Company, in consultation with the BRLM and CBRLM, shall finalise the Issue Price.
3. The Allotment to QIBs will be upto 50% of the Net Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders (including ASBA Bidders) will be upto 15% and 35% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI (ICDR) Regulations, 2009 and the Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. Our Company, in consultation with the BRLM and CBRLM, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

#### **Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs**

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 (fifteen) days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.



### Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:

- The number of shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
- The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn / unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) 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.

### Allotment of Equity Shares

- Our 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 ASBA Accounts to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two Business Days from the date of Allotment.
- As per the SEBI (ICDR) Regulations, 2009, Equity Shares will be issued, transferred and allotted only in the dematerialized 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:

1. Check if you are a person resident in India as defined under the FEMA.
2. Check if you are a Retail Individual Bidder and eligible to Bid under ASBA process.
3. Ensure that you use the ASBA Form specified for the purposes of ASBA process.
4. Read all the instructions carefully and complete the ASBA Form.
5. Ensure that your Bid is at the Cut-off Price.
6. Ensure that you have mentioned only one Bid option with respect to the number of Equity Shares in the ASBA Form.
7. 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 dematerialized form only.
8. Ensure that your Bid is submitted at a Designated Branch of a 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 our Company or the Registrar or the BRLM.





9. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.
10. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
11. Ensure that you have funds equal to the number of Equity Shares Bid for at the Cap Price available in your ASBA Account before submitting the ASBA Form to the respective Designated Branch of the SCSB.
12. Ensure that you have correctly checked the authorisation box in the ASBA 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 Form in your ASBA Account maintained with a branch of the concerned SCSB.
13. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSBs for the submission of your ASBA Form.
14. Ensure that you have mentioned your PAN.
15. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA 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 ASBA Form.
16. Ensure that the Demographic Details are updated, true and correct, in all respects.

**DON'Ts:**

1. Do not submit an ASBA if you are not a resident as defined in the FEMA and are not a Retail Individual Bidder.
2. Do not Bid at any price within the Price Band other than at Cut-Off Price.
3. Do not Bid with more than a single option as to the number of Equity Shares Bid for.
4. Do not revise your Bid.
5. Do not Bid for lower than the minimum Bid size.
6. Do not Bid on another ASBA or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
7. Payment of Bid Amounts in any mode other than blocked amounts in the ASBA Accounts, shall not be accepted under the ASBA process.
8. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch of the SCSB only.
9. Do not fill up the ASBA Form such that the Bid Amount against the number of Equity Shares Bid for exceeds Rs. 100,000.
10. Do not submit the GIR number instead of the PAN Number.

**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 AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE**



**THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA 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 FORM.**

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA 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 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 Form, the ASBA Bidder is deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice 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 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, our Company or the Registrar to the Issue 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 match 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 dematerialized form only.

#### **ASBA Bids under Power of Attorney**

In case an ASBA Bidder makes a Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the BRLM and CBRLM, reserves the right to reject such 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 Form, subject to such terms and conditions that we, in consultation with the BRLM and CBRLM may deem fit.

#### **OTHER INSTRUCTIONS**

##### **Withdrawal of ASBA Bids**

The ASBA Bidders are not entitled to revise their Bid. However, they can withdraw their Bids during the Bidding/Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after 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 Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

### Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act on the ASBA form. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs.** It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

### 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 ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

### Grounds for Technical Rejections under the ASBA Process

**ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:**

1. Application on plain paper or on split form;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
4. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;
5. Bids at a price other than at the Cut-off Price;
6. Bids for a value of more than Rs. 100,000 by ASBA Bidders;
7. Bid made by categories of investors other than Retail Individual Bidders;
8. PAN not stated, or GIR number furnished instead of PAN;
9. Bids for number of Equity Shares, which are not in multiples of [●];
10. Authorization for blocking funds in the ASBA Account not ticked or provided;
11. Multiple Bids as defined in the Draft Red Herring Prospectus;
12. In case of Bid under power of attorney, relevant documents are not submitted;
13. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;



14. ASBA Form does not have the Bidder's depository account details;
15. ASBA 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 Form and the Red Herring Prospectus;
16. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
17. 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 DP ID and the beneficiary account number; and
18. If the ASBA Bid in the Issue is revised.

### **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 Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. 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.

ASBA Bidders can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre 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 of the ASBA 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.

### **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 (ICDR) Regulations, 2009, we undertake that:**

- Allotment and transfer shall be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made; and
- We shall pay interest at 15% p.a. for any delay beyond the 15 day period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

### **Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue**

Bids received from ASBA Bidders will be considered at par with Bids received from other Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and other Retail Individual Bidders.



The basis of allocation to such valid ASBA and other Retail Individual Bidders will be that applicable to Retail Individual Bidders.

### **Undertaking by our Company**

#### **We undertake as follows:**

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within 7 working days of finalization of the basis of allotment;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time.
6. that no further issue of securities shall be made till the securities offered through the Draft Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
7. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company, in consultation with the BRLM and CBRML, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with the Board.

### **Utilization of Issue Proceeds**

#### **The Board of Directors of our Company certifies that:**

- i) All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- ii) Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and
- iii) Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;



### **Restrictions on Foreign Ownership of Indian Securities**

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Civil Construction) is allowed upto 100% under the automatic route. RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

### **Investment by Non-Resident Indians**

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

### **Investment by Foreign Institutional Investors**

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 10% of the total issued capital of that Company.

### **Registration of Equity Shares under US Laws**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the



U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

**The above information is given for the benefit of the Bidders and neither our Company nor the BRLM nor the CBRLM are liable for any changes in the regulations after the date of the Draft Red Herring Prospectus.**



## SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restriction on transfer and transmission of Equity Shares / Debenture and/or their consolidation / splitting are detailed below.

The Authorized capital of our Company is Rs. 20.00 Crores divided into 2,00,00,000 Equity Shares of Rs. 10 each.

### SHARE CAPITAL AND VARIATION OF RIGHTS

Title of Article	Article No.	Contents
Share Capital	5	<p>(a) The Authorised Share Capital of the Company shall be as per paragraph 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 in such equity shares respectively at the commencement of the winding up.</p>
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.
On what conditions the new shares may be issued	6(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.
Further Issue of Shares	6(b)	Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its



		<p>formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un-issued share capital or out of the increased share capital.</p> <p>(l) 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 one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(iii) 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 shall contain a statement of this right.</p> <p><b>PROVIDED THAT</b> the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.</p> <p>(iv) after the expiry of the 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 may dispose of them in such manner as they think most beneficial to the Company.</p>
	6(c)	<p>Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof 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>
	6(d)	<p>(d) Nothing in sub-clause (c) of (1) hereof 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>
	6(e)	<p>(e) Nothing in this Article shall apply to the increase of the subscribed capital of, the company caused by the exercise of an option attached to the debenture 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 (whether such option is conferred in these Articles or otherwise).</p> <p><b>PROVIDED THAT</b> the terms of issue of such debentures or the terms of such loans include a term providing for such option and</p>





		<p>such term;</p> <p>(i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and</p> <p>(ii) in the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.</p>
Directors may allot shares as fully paid up	6(f)	Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied 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 or partially paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.
Same as Original Capital	6(g)	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 payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.
Power to Issue Redeemable Preference Shares	7	<p>(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares, which are or at the option of the Company are liable to be redeemed;</p> <p>Provided that :</p> <p>(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;</p> <p>(ii) no such shares shall be redeemed unless they are fully paid;</p> <p>(iii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.</p> <p>(iv) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.</p> <p>(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.</p>





		<p>(c) The redemption of preference shares under these provisions by the company shall not be taken as reducing the amount of its Authorised Share Capital.</p> <p>(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.</p> <p>Provided that where new shares are issued before redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.</p> <p>(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares</p>
Provision in case of Redemption of Preference Shares	8	The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:
	8(a)	The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and
	8(b)	Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.
Power to Issue Sweat Equity Shares.	8(c)	The Board shall have a power to issue sweat equity shares in manner and subject to conditions contained in section 79 (A) of the Act.
Reduction of Share Capital	9	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



		<p>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; and may, if and so far as is necessary, after 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) convert, 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 Registrar of Consolidation of Share Capital, Conversion of shares into stocks	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>



Modification of rights	12	If at any time the share capital by reason of the issue of Preference Share or otherwise, is 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 is 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 Articles 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 shareholders	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 pari passu therewith.
Provisions of Sections 85 to 88 of the Act to apply	14	The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company
Register of Members and Debenture holders	15	<p>(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.</p> <p>(b) The Company shall also comply with provisions of Sections 159 and 161 of the Act as to filing of Annual Returns.</p> <p>(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;</p>
Commencement of business	16	The Company shall comply with the provisions of Section 149 of the Act.
Restriction on allotment	17	The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.
Shares to be numbered progressively and no shares to be sub-divided	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 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.
Shares at the disposal of the Directors	19(a)	Subject to the Compliance of provisions of section 81(IA) or any other provisions of the Company read with the rules or regulations and guidelines framed there under, if any, the Company have an authority to create, other, issue or allot to or for the benefit of any person(s) or Company(ies) or body(ies) corporate including Promoters or Directors or relatives and friends of Directors or employees of the Company, shares of securities of any kind whether convertible or non-convertible into shares, or warrants giving an option to holder thereof to subscribe to shares or securities of any kind whether convertible or non-convertible into shares, on such terms and conditions including condition as to price as may be determine by the general meeting authorizing issue/offer and allotment of such shares or securities on preferential basis or private placement basis or in any manner and where no such terms and conditions determined by the general meeting, on such terms and conditions including the conditions as to price as may be determined by the Board of Directors.
Every share transferable etc.	20	<p>(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.</p> <p>(ii) Each share in the Company shall be distinguished by its appropriate number.</p> <p>(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie, evidence of the title of the member of such shares.</p>
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> <ul style="list-style-type: none"> <li>(i) in paying up un-issued shares of the Company to be issued to members of the company as fully paid bonus shares;</li> <li>(ii) in writing off the preliminary expenses of the Company;</li> <li>(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</li> <li>(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company;</li> </ul>
Sale of fractional Shares	22	If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any share are held by members in fractions, the Directors shall, subject to the provisions



		of the Act and the 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.
Acceptance of Shares	23(a)	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.
Power of Company to purchase its own Securities	23(b)	Notwithstanding anything contained in the Act, but subject to the provision of Sub-section (2) and Section 77 B of the Act, the Company shall have power to purchase its own shares or other specified securities (Referred to as Buy-Back) from. (A) Out of free Reserve or, (B) Out of Share Premium Account or, (C) Out of proceeds of an earlier Issue other than fresh Issue of share made specifically for the purpose of Buy-Back Shares.
Deposits and calls etc, to be a debt payable immediately	24	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 Company from the allottee thereof, and shall be paid by him accordingly.
Trusts not recognised	25	Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder 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 Certificate 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	26(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.
	26(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 of issue of certificates	27.	<p>(a) Every member shall be entitled, without payment, to one Certificate 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 the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide. 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 Director shall prescribe or approve provided that in respect of a Share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.</p> <p>(b) 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 (Regulation) Act, 1956 as may be applicable.</p>
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 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 certificates under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re.1/- for each certificate) as the Directors shall prescribe. Out-of-pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors. 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 Contract (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf. The provision of this Article shall mutatis mutandis apply to debenture of the Company.

**INTEREST OUT OF CAPITAL**

Title of Article	Article No.	Contents
Interest out of capital	29	Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by





		Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.
--	--	---

**UNDERWRITING AND BROKERAGE**

<b>Title of Article</b>	<b>Article No.</b>	<b>Contents</b>
Power to pay certain commission and prohibition of payment of all other commissions, discounts etc.	30(a)	<p>The Company may pay a commission to any person in consideration of :</p> <ul style="list-style-type: none"> <li>(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or</li> <li>(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely : <ul style="list-style-type: none"> <li>(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;</li> <li>(b) the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;</li> <li>(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and</li> <li>(d) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.</li> </ul> </li> </ul>
	30(b)	<p>Save as aforesaid and save as provided in Section 75 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :</p> <ul style="list-style-type: none"> <li>(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;</li> <li>(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise</li> </ul>
	30 (c)	Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.



	30(d)	A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.
	30(e)	The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in shares, debentures or debenture-stocks of the Company.

**CALLS**

Title of Article	Article No.	Contents
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 member/debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.
Calls to date from Resolution	32	A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by members/debenture holders on a subsequent date 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 Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
Sums deemed to be calls	35	Any sum, which by the terms of issue of 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 of his legal representative
Calls on shares of the same class to be made on	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.





uniform basis		<b>Explanation :</b> For the purpose of this provisions, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class
Liability of Joint holders	38	The joint holders of a share shall be severally as well as jointly liable for the payment of all installment 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 is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Partial payment not to preclude forfeiture	40	Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Proof on trial of suits for money due on shares	41	On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment in anticipation of calls may carry interest	42	<p>(a) The Directors may, if they think fit, subject to the provision of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.</p> <p>(b) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.</p>
Term of issue of Debenture	43	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition



		that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
--	--	---

**LIEN**

Title of Article	Article No.	Contents
Company's lien on Shares/ Debentures	44	The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.
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 authorise 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, fulfillment, 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	46(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**

Title of Article	Article No.	Contents
If money payable	47(a)	If any member or debenture holder fails to pay the whole or any part



on Shares not paid notice to be given		of any call or installment or any money due in respect of any share 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 installment or any part thereof or other moneys remain unpaid or a judgment 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 installment 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	47(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 installment 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 installment or such part or other moneys is or are payable will be liable to be forfeited
In default of payment Shares 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 installments, 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 actually paid before the forfeiture.
Entry of forfeiture in Register of member/debenture holders	49	When any shares/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name in 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 Shares to be the property of the Company and may be sold etc.	50	Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
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, annul 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.



Effects of forfeiture	53	The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
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 the 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 shares certificates in respect of forfeited Shares	56	Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
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 surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

**TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES**

Title of Article	Article No.	Contents
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, shall be duly complied with in respect of all transfer of shares and registration thereof.
Instrument of	61	Every such instrument of transfer shall be signed both by the transferor



transfer to be executed by transferor and transferee		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	<p>(a) Subject to the provisions of Section 111 of the Act, the Directors may, at their own absolute and uncontrolled discretion and 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 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 a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall 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(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.
	63(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.
	63(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 alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith 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.
	63(d)	Nothing in clause (c) above shall prejudice any power of the company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.
	63(e)	<p>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</p>





		<p>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 provision 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>
	63(f)	Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.
Custody of Instrument of transfer	64(a)	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.
Dematerialisation/ Rematerialisation	64(b)	Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.
Option for Investors	64(c)	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 option 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, issued to the beneficial owner the required Certificates for the Securities. If a person opts to hold its Security with Depository, the Company shall intimate such depository the details of allotment of the Security.
Securities in Depository to be in fungible form	64(d)	All securities of the Company held by the Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.
Rights of Depositories and Beneficial Owners Service of Documents	64(e)	<p>(i) Notwithstanding any thing 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>(ii) Save as otherwise provided in (i) 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>(iii) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record of the depository shall</p>



		<p>be deemed to be a member of the Company.</p> <p>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>
Service Documents	64(f)	Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in 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.
Transfer or Securities	64(g)	Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effect by a transferor and transferee both of whom are entered as beneficial owners in the record of a depository.
Allotment of Securities dealt with in a depository	64(h)	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.
Register and Index of Members.	64(i)	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 Sections 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. 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.
Applicability of the depositories Act	64(j)	In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form with a Depository, the provisions of the Depositories Act, 1996 shall apply.
Transfer books and Register of members when closed	65	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.
No transfers to minors etc.	66	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.
Titles of Shares of deceased Member	67	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member.



Registration of persons entitled to Shares otherwise than by transfer	68(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 provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.
	68(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.
Nominations	68(c)	<p>(i) 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 Deposits shall vest in the event of his death in such manner as may be prescribed under the Act, and shall have all powers vested under Section 1098 of the Depository Act, 1996.</p> <p>(ii) Where the Shares of 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.</p> <p>(iii) 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 purpose 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 prescribed under the Act.</p> <p>(iv) 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>
Claimant to be entitled to same advantage	69	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 others 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, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.
Person entitled	70	A person entitled to a Share by transmission shall subject to the right of





may receive dividend without being registered as a Member		the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share/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 Fee on transfer or transmission	74	No fees shall be charged for registration of transfer, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
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 effect 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

Title of Article	Article No.	Contents
Joint-holder	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	77(a)	The joint holders of any share/debenture shall be liable severally four persons as the holders of any share/debenture
Transfer by joint holders	77(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	77(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	77(d)	On the death of any one or more of such joint holders the survivor/



more joint holders		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	77(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	77(f)	Only the person whose name stands first in the Register of Members/debenture holders as one of the joint holder 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	77(g)	<p>(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 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.</p> <p>(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.</p>

**BORROWING POWERS**

Title of Article	Article No.	Contents
Restriction on powers of the Board	78	<p>The Board of Directors shall not, except with the consent of the Company in general meeting and subject to Article 172 of articles of the Association of the Company:</p> <p>(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.</p> <p>(b) Remit, or give time for the repayment of any debt due by a Director.</p> <p>(c) invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition after the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.</p>



		<p>(d) borrow monies where the moneys to be borrowed, together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.</p> <p><b>Explanation:</b> Every resolution passed by the Company in general meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount upto which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).</p>
Conditions on which money may be borrowed	79	The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
Bonds, debentures, etc. to be subject to 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 to be for the benefit of the Company. Provided that bonds, debentures, debenture stock 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	82(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.
	82(b)	The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
	82(c)	Payment 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.
	82(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.
	82(e)	The term 'charge' shall include mortgage in these Articles.



	82(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	82(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. 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.
Right to obtain copies of and inspect Trust Deed	82(h)	<p>(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 mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
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(a)	The provisions of the Act relating to registration of charges shall be complied with.
	85(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.
	85(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 situate, as provided by Section 125 of the Act.
	85(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 person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
	85(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.
	85(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 <i>pari passu</i> .
	85(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.
	85(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.
	85(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.
	85(j)	As to modification of charges the Company shall comply with the provisions of Section 135 of the Act.
	85(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 officer 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 Manager as therein provided.
	85(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.
	85(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. (i) a short description of the property charged. (ii) the amount of the charge; and (iii) except in the case of securities to bearer, the names of persons entitled to the charge.
	85(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.
Trust not recognised	86	No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.

**SHARE WARRANTS**

Title of Article	Article No.	Contents
Power to issue share warrants	87	The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any 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 warrants	88	(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



		<p>signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant</p> <p>(b) Not more than one person shall be recognized as depositor of the Share Warrant</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor</p>
Privileges and disabilities of the holders of share warrant	89	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>
Issue of new share warrant coupons	90	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

**CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

Title of Article	Article No.	Contents
Share 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.
Right 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 share from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.

**GENERAL MEETING**

Title of Article	Article No.	Contents
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





		<p>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.</p> <p>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.</p>
Summary of Annual General Meeting	93	<p>The 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 statements 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.</p>
Time and place of Annual General Meeting	94	<p>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.</p>
Sections 171 to 186 of the Act shall apply to meetings	95	<p>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.</p>
Powers of Director's to call Extraordinary General meeting	96	<p>The Directors may call an extraordinary general meeting of the Company whenever they think fit.</p>
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 the 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</p>



		<p>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> <ul style="list-style-type: none"><li>(i) by the requisitionists themselves;</li><li>(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.</li></ul> <p><b>Explanation :</b> 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> <ul style="list-style-type: none"><li>(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</li><li>(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.</li></ul> <p><b>Explanation :</b> 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 purposes 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 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 specified in clause (a) above, if consent is accorded thereto;</p> <ul style="list-style-type: none"><li>(i) in the case of an annual general meeting by all the members entitled to vote thereat; and</li><li>(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;</li></ul> <p>Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the</p>





		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.
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> <ul style="list-style-type: none"><li>(i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;</li><li>(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;</li><li>(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 or members of the Company and</li><li>(iv) to all the Directors of the Company.</li></ul> <p>Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood 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> <ul style="list-style-type: none"><li>(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with exception of business relating to:<ul style="list-style-type: none"><li>(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.</li><li>(b) the declaration of a dividend;</li><li>(c) the appointment of Directors in the place of those retiring, and</li><li>(d) the appoint of and the fixing of the remuneration of the auditors, and</li></ul></li><li>(ii) in the case of any other meetings, all business shall be deemed special.</li></ul> <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 meeting of the Company relates, to or affects, any</p>



		<p>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 provision to sub-section (2) of Section 173 of the Act.</p> <p>(C) Where any item of business consists 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 statements aforesaid.</p>
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	101(b)	<p>(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.</p> <p>(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.</p>
Adjourned meeting to transact business	101(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 is vacant	102(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	102(c)	<p>(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 the 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 themselves to be the Chairman.</p> <p>(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.</p>
Chairman with consent may adjourn the meeting	102(d)	The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.
Business at adjourned meeting	102(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	102(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	102(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(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.
	103(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.
	103(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 (fourty eight) hours before the meeting in order that the appointment may be effective thereat.
	103(d)	The instrument appointing a proxy shall : (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	103(e)	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form.
	103(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.
	103(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 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.

**VOTES OF MEMBERS**

Title of Article	Article No.	Article Contents
Restriction on exercise of voting rights of Members who have not paid calls	104	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.  (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 187B of the Act.
Restriction on exercise of voting right in other cases to be void	105	A member is not prohibited from 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	107	At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded 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	108(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	108(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.	108(d)	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.
Custody of Instrument	108(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.	108(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	108(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	108(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	(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



		<p>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 (fourty eight) hours from the time when the demand was made, as the Chairman may direct.</p>
Rights of Members to use votes differently	112	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
Scrutinizers at poll	113	<p>(a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize 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 scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.</p> <p>(c) Of the two scrutinizers 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.
	117(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	117(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 resolutions.
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 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(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 that purpose with their pages consecutively numbered.
	122(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: <ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> </ul>
	122(c)	In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
	122(d)	The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
	122(e)	All appointment of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
	122(f)	In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: <ul style="list-style-type: none"> <li>(i) the names of the Directors present at the meetings, and</li> <li>(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.</li> </ul>
	122(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 : <ul style="list-style-type: none"> <li>(i) is or could reasonably be regarded, as defamatory of any person</li> <li>(ii) is irrelevant or immaterial to the proceedings; or</li> <li>(iii) is detrimental to the interests of the Company.</li> </ul>





		The Chairman shall exercise an absolute discretion in regard to the inclusion or no-inclusion of any matter in the minutes on the grounds specified in this clause.
Minutes to be considered to be evidence	122(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 Minute Books of General Meetings	124	(a) The books containing the minutes of the proceedings of any general meeting of the Company shall; (i) be kept at the registered office of the Company, and (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. (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.
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.

**MANAGERIAL PERSONNEL**

Title of Article	Article No.	Contents
Managerial Personnel	126	The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

**BOARD OF DIRECTORS**

Title of Article	Article No.	Article Contents
Board of Directors	127	The First Directors of the Company shall be : The Subscribers to the Memorandum of Association and Articles of Association are the First Directors.
Appointment of Senior Executive as Whole time Directors	128	(a) Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a Whole time Director of the Company for such period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions: (i) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His



		<p>reappointment as a Director shall not constitute a break in his appointment as Whole time Director.</p> <p>(ii) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.</p> <p>(iii) He shall cease to be a Director of the Company on the happening of any event specified in Sections 283 and 314(2C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever, he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.</p> <p>(iv) Subject to what is stated hereinabove he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and/or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and/or the Board may, from time to time determine.</p> <p>(b) Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such Wholetime Directors.</p>
Debenture Director	129	<p>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.</p>
Nominee Director	130	<p>Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Industrial Finance Corporation of India (IFCI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right</p>





		<p>to appoint from time to time any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation. The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.</p> <p><b>Provided that</b> if any such Nominee Director/s is an officer of the Corporation the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.</p> <p>Provided also that in the event of the Nominee Director/s being appointed as Wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a Wholetime Director in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders.</p>
Special Directors	131	(a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical



		<p>know-how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification share to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under collaboration arrangements or at any time thereafter.</p> <p>(b) The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make the appointment.</p>
	132	Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 130 and 131 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.
Appointment of Alternate Directors	133	<p>(a) The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.</p> <p>(b) An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.</p> <p>(c) If the term of office of the Original Director is determined before he returns to the State aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director.</p>
Appointment of Additional Director	134	Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by these Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for re-appointment.
Appointment of Director to fill the casual vacancy	135(a)	Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office



		only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.
Individual Resolution for Directors' appointment	135(b)	At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Director of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this Article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring Director by virtue of these Articles and the Act in default of another appointment shall apply.
Appointment of chairman	136	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.
Qualification of Director	137	A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.
Remuneration of Directors	138	(a) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. (b) Subject to the provisions of the Act, a Director, who is neither in the whole time employment nor a Managing Director may be paid remuneration either : (i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or (ii) by way of commission if the Company by a special resolution has authorised such payment. (c) the fee payable to Directors (other than Managing or Wholetime Director, if any) for attending each meeting of the Board or Committee thereof shall be such sum as may be prescribed by the Act or the Central Government from time to time.
Traveling and other expenses	139	The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for traveling, board and lodging and incidental and/or such actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meeting to and from the place at which the meetings of the Board or Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.
Remuneration for extra services	140	If any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to provision of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.
Increase in Remuneration of Directors	141(a)	Any provisions relating to the remuneration of any Director including a Managing or Joint Managing or Wholetime Director or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision is contained in the Company's Memorandum or its



		Articles, or in an agreement entered into by it or any resolution, passed by the Company in general meeting or by the Board of Directors, shall require 310, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and their amendment from time to time.
Increase in remuneration of Managing Director on re-appointment or appointment	141(b)	If the terms of any re-appointment of a Managing or Joint Managing or Wholtime Director, purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration which the Managing or Joint Managing or Wholtime Director, as the case may be was receiving immediately before such reappointment or appointment shall require the approval of the Central Government unless they are in accordance with Sections 198, 269, 309, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and their amendment from time to time.
Directors not to act when number falls below minimum	142	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	143	A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.
Directors vacating office	144	<p>(a) The Office of a Director shall become vacant if;</p> <ul style="list-style-type: none"> <li>(i) he is found to be of unsound mind by a Court of competent jurisdiction;</li> <li>(ii) he applied to be adjudicated an insolvent;</li> <li>(iii) he is adjudged an insolvent;</li> <li>(iv) he is convicted by a Court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;</li> <li>(v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;</li> <li>(vi) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;</li> <li>(vii) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act;</li> <li>(viii) he acts in contravention of Section 299 of the Act;</li> <li>(ix) he becomes disqualified by an order of Court under Section 203 of the Act;</li> <li>(x) he is removed in pursuance of Section 284 of the Act;</li> <li>(xi) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;</li> <li>(xii) he resigns his office by notice in writing given to the Company.</li> </ul> <p>(b) Notwithstanding anything in sub-clauses (iii), (iv) and (v) of clause (a) above, the disqualifications referred to in these sub-clauses shall not take effect;</p>



		<ul style="list-style-type: none"><li>(i) for thirty days from the date of the adjudication, sentence or order;</li><li>(ii) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off, or</li><li>(iii) where within the seven days aforesaid, any further appeal, or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.</li></ul>
Removal of Directors	145	<p>a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director other than ex-officio Directors or special Directors or debenture Directors or a nominee Director or a Director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.</p> <p>(b) Special notice as provided by Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.</p> <p>(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it do so,</p> <ul style="list-style-type: none"><li>(i) in the notice of the resolution given to members of the Company states the fact of the representations having been made, and</li><li>(ii) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.</li></ul> <p>(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p>



		<p>(f) If the vacancy is not filled under clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 262 of the Act, and all the provisions of that Section shall apply accordingly;</p> <p>Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(g) Nothing contained in this Article shall be taken;</p> <p>(i) as depriving a person removed there under of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
Directors may contract with Company	146	<p>(a) Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director, or other Officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Joint Managing Director, Executive Director, other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Director, Officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable.</p> <p>(b) In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.</p> <p>Provided that above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.</p> <p>(c) A General notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section.</p>
Directors may be Directors of companies promoted by the company	147	<p>A Director, Managing Director, Officer or employee of the Company may be, or become a Director, of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company except to the extent and under the circumstances as may be provided in the Act.</p>
Duty of Directors etc. to make disclosure	148	<p>(a) Every Director (including a person deemed to be a Director by virtue of the explanation to subsection (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company, who is appointed to or relinquishes the office of Director, Managing Director, Manager or Secretary of any other body corporate shall, within twenty days of his appointment or relinquishment of such office, as the case</p>





		<p>may be, disclose to the Company aforesaid the particulars relating to the office in the other body corporate which are required to be specified under subsection (1) of Section 303 of the Act.</p> <p>(b) Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act and every other person referred to in sub-section (11) of Section 307 of the Act, shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section and Section 308 of the Act.</p>
Directors etc. not to hold office or place of profit	149	The provisions of Section 314 of the Act shall be complied with when applicable in regard to holding of office or place of profit under the Company or under any subsidiary of the Company by any person mentioned in the said section. The words office or place of profit shall have the meaning assigned to them by Section 314 of the Act.
Loans to Directors	150	The Company shall observe the restrictions imposed on the Company in regard to granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any of the Act.
Appointment of Sole Selling Agents	151	<p>(a) The appointment, re-appointment and extension of the term of a Sole Selling Agent, shall be regulated in accordance with the provision of Section 294 of the Act and any rules or Notifications issued by competent authority in accordance with that section and the Directors and/or the Company in general meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such Rules or Notification, if any, as may be applicable.</p> <p>(b) The payment of any compensation to a Sole Selling Agent shall be subject to the provisions under Section 294 A of the Act.</p>
Board resolution at a meeting necessary for certain contract	152	<p>(a) Except with the consent of the Board of Directors of the Company and with the previous approval of the Central Government a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or Director, shall not enter into any contract with the Company;</p> <p>(i) for the sale, purchase or supply of any goods, materials or services, or</p> <p>(ii) for underwriting the subscription of any shares in, or debentures of the Company;</p> <p>(b) Nothing contained in the foregoing sub-clause (a) shall affect:</p> <p>(i) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side of sale, purchase, or supply of any goods, materials and services in which either the Company or the Directors, relative firm, partner or private company as the case may be, regularly trades or does business;</p> <p>Provided that such contract or contracts do not relate to goods and materials the value of which, or service cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>(c) Notwithstanding anything contained in the foregoing sub-clause</p>



		<p>(a) and (b) a Director, relative, firm, partner of private company as aforesaid, may in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods, materials or services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.</p> <p>(d) Every consent of the Board required under this clause shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under subclause (a) above shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.</p> <p>(e) If consent is not accorded to any contract under this clause, anything done in pursuance of the contract shall be voidable at the option of the Board.</p> <p>(f) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p> <p>(g) The Company shall also comply with such other provision of Section 297 of the Act, as may be applicable.</p>
--	--	---

**ROTATION OF DIRECTORS**

<b>Title of Article</b>	<b>Article No</b>	<b>Article Contents</b>
Rotation of Directors	153	<p>Not less than two third of the total number of Directors shall</p> <p>(a) be persons whose period of the office is liable to termination by retirement by rotation, and</p> <p>(b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.</p>
Ascertainment of Directors retiring by rotation and filling up vacancies	154	<p>(a) At every annual general meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.</p> <p>(b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.</p> <p>(c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly</p>





		<p>resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:</p> <ol style="list-style-type: none"> <li>(1) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</li> <li>(2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</li> <li>(3) he is not qualified or is disqualified for appointment;</li> <li>(4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or</li> </ol> <p>(e) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.</p> <p><b>Explanation:</b> In this Article and Article 156 the expression 'Retiring Director' means Director retiring by rotation.</p>
Right of persons other than retiring Directors to stand for Directorship	155	<p>(a) A person who is not a retiring Director shall, in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member or members to propose him as a candidate for that office, as the case may be alongwith a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.</p> <p>(b) The Company shall inform its members of the candidature of a person for the office of Director or the intention of a member(s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.</p>
Consent of candidate for Directorship to be filed with the Registrar	156	<p>Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.</p>

#### PROCEEDINGS OF THE DIRECTORS

Title of Article	Article No	Article Contents
Meetings of Directors	157	The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum.
When meeting to be convened	158	Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
Directors entitled to notice	159	Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and



		at his usual address in India.
Questions at Board meeting how decided	160	Question arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.
Who to preside at meetings of the Board	161	<p>(a) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. The Directors may also appoint a Vice Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office.</p> <p>(b) All the meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice Chairman, if present, shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.</p>
Quorum at Board Meeting	162(a)	The quorum at a meeting of the Director shall be as prescribed by Section 287 of the Act.
Quorum competent to exercise power	162(b)	A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles of the Company for the time being vested in or exercisable by the Directors generally.
Procedure in case of want of quorum	162(c)	If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a Public Holiday, till the next succeeding day which is not a public holiday, at the same time and place.
Directors may appoint committee	163	Subject to the provisions of Section 292 and other provisions of the Act and Article 165 the Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointments but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.
Resolution by circular	164	<p>Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these Articles.</p> <p>Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in</p>



		number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.
Limit of Directors' numbers	165	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.
Acts of Board or Committee valid notwithstanding defect of appointment	166	All acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in these Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.
Minutes of proceedings of the Board and the Committees to be valid	167	The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with these Articles and Section 193 of the Act.
Board Minutes to be evidence	168	Minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purposes whatsoever prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place.
Register of Directors and Managing Directors etc.	169	<p>The Directors shall cause to be kept at the registered office of the Company:</p> <p>(a) (i) A Register of the Directors, Managing Directors, Manager and Secretary of the Company containing the particulars required by Section 303 of the Act.</p> <p>(ii) A Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by Section 301 of the Act, and</p> <p>(iii) A Register of Directors shareholding containing the particulars required by Section 307 of the Act. They shall also cause to be kept other registers and indexes as required by the Act.</p> <p>(b) The Company shall comply with the provisions of Sections 301, 303 and 307 and other Section of the Act with regard to the inspection of registers and furnishing copies or extracts so far as the same be applicable to the Company.</p>

**POWERS OF DIRECTORS**

Title of Article	Article No.	Article Contents
Certain powers to be exercised by the Board only at Meetings	170	<p>(a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>(i) The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(ii) The power to issue debenture;</p> <p>(iii) The power to borrow moneys otherwise than on</p>



		<p>debentures;</p> <p>(iv) The power to invest the funds of the Company, and</p> <p>(v) The power to make loans.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clause (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribe.</p> <p>(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.</p> <p>(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>(d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be and the maximum amount upto which loans may be made for each such purpose in individual cases.</p> <p>(e) Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any other powers referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.</p>
Restriction on powers of Board	171(a)	<p>The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p> <p>(i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.</p> <p>(ii) remit, or give time for the repayment of any debt, due by a Director;</p> <p>(iii) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(iv) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>(v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will</p>



		in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years, immediately proceedings, whichever is greater.
	171(b)	Nothing contained in sub-clause (a) above shall affect: (i) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or (ii) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
	171(c)	Any resolution passed by the Company permitting any transaction such as is referred to in subclause (a) (i) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
	171(d)	No debt incurred by the Company in excess of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
Prohibition regarding making of political contributions	171(e)	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293A of the Act.
General powers of the Company vested in Directors	172	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
Specific powers given to Directors	173	Without prejudice to the general powers conferred by Article 172 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers :
To pay registration expense	173(i)	to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
	173(ii)	to pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
To acquire	173(iii)	Subject to the provisions of the Act and these Articles to



property		purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;
To purchase lands, buildings etc.	173(iv)	Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
To construct buildings	173(v)	To erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
To mortgage, charge property	173(vi)	To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
To pay for property etc.	173(vii)	At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
To insure	173(viii)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
To open accounts	173(ix)	Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
To secure contracts	173(x)	To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
To attach to Shares such conditions	173(xi)	To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;





To accept surrender of shares	173(xii)	To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
To appoint trustees	173(xiii)	To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
To bring and defend actions	173(xiv)	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
To refer to arbitration	173(xv)	To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
To act on insolvency matters	173(xvi)	To act on behalf of the Company in all matters relating to bankrupts and insolvents;
To give receipts	173(xvii)	To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act.
To authorise acceptances	173(xviii)	To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;
To invest moneys	173(xix)	Subject to the provisions of Sections 292, 293, 370, 372 of the Act, invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
To provide for personal liabilities	173(xx)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the for benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
To give to Directors etc. an interest in business	173(xxi)	Subject to such sanction as may be necessary under the Act or these Articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
To provide for welfare of employees	173(xxii)	To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chaws or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other



		attendances and other assistance as the Directors shall think fit.
To subscribe to charitable and other funds	173(xxiii)	To subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national public or any other useful institutions, object or purposes for any exhibition;
To maintain pension funds	173(xxiv)	To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidies and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid;
	173(xxv)	To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
To create Reserve Fund	173(xxvi)	Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalizing dividend or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Sections 292 and 293 and other provisions of the Act) as the Directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.
To appoint	173(xxvii)	To appoint and at their discretion to remove or suspend such





Managers etc.		Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. the provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
To authorise by Power of Attorney	173(xxviii)	At any time and from time to time by Power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.
To authorise, delegate	173(xxix)	Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of Sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any, as the Directors may think proper.
To Negotiate	173(xxx)	To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

**MANAGING DIRECTOR**

Title of Article	Article No.	Article Contents
Powers to appoint Managing Director or Whole time Director	174(a)	Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Wholetime Directors and/or Special Directors like Technical Director, Financial Director, etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors/Wholetime Director(s), Technical Director(s) Financial Director(s) and Special Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any



		other mode not expressly prohibited by the Act.
	174(b)	The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Directors" as the case may be.
Appointment and payment of remuneration to Managing or Wholetime Director	174(c)	Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

**THE SECRETARY**

Title of Article	Article No	Article Contents
Secretary	175	Subject to the provisions of Section 383A of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called 'the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

**SEAL**

Title of Article	Article No	Article Contents
The Seal , its custody and use	176(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 at the least, who shall sign every instrument to which the Seal is so affixed in his presence.
Seal abroad	176(b).	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.

**INTEREST OUT OF CAPITAL**

Title of Article	Article No	Article Contents
Interest may be paid out of capital	177	Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provisions of plant.

**DIVIDENDS**

Title of Article	Article No	Article Content
------------------	------------	-----------------



Division of profits	178	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	179	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 for payment of Dividend	180	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	181	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	182	<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 shall rank for dividend accordingly.</p>
Company in Annual General Meeting may declare dividends	183	The Company in Annual 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 dividends	184	No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.
Dividend only to be paid out of profits	185	<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</p>



		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. Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.
Directors' declaration as to net profits conclusive	186	The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
Interim Dividends	187	The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.
Retention of Dividend until completion of transfer under Article	188	The Directors may retain the Dividends 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 that 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 there from	189	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	190	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
Dividend how remitted	191	Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the 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, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
Unpaid Dividend or Dividend Warrant posted	192	(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 as per section 205 A of the Act, 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.  (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.  (c) No unpaid or unclaimed dividend shall be forfeited by the Board.
Dividend and call together	193	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	194	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

Title of Article	Article No	Article Contents
Capitalisation	195	<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 moneys' 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 Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised :</p> <ul style="list-style-type: none"><li>(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or</li><li>(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.</li></ul> <p>Provided that any amounts standing to the credit of the Share Premium Account may be applied in;</p> <ul style="list-style-type: none"><li>(1) paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares;</li><li>(2) in writing off the preliminary expenses of the Company;</li><li>(3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or</li><li>(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.</li></ul> <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 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 of 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>
	196	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.

**ACCOUNTS**

Title of Article	Article No	Article Contents
Accounts	197	The provisions of Sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company.
Books of Account to be kept	198	(a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with





		<p>respect to :</p> <ul style="list-style-type: none"> <li>(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;</li> <li>(ii) all sales and purchases of goods by the Company; and</li> <li>(iii) the assets and liabilities of the Company.</li> </ul> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>(b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarized returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.</p>
Books to give fair and true view of the Company's affairs	199	<p>(a) All the aforesaid books shall give a fair and true view of the affairs of the Company of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.</p> <p>(b) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.</p> <p>(c) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.</p>
Inspection by members	200	<p>The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.</p>
Statement of Accounts to be furnished to General Meeting	201	<p>The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.</p>
Balance sheet and Profit & loss account	202	<p>(a) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature</p>



		<p>and extent of the investments so made in each body corporate.</p> <p>(b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.</p> <p>(c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.</p>
Authentication of Balance sheet and Profit & loss account	203	<p>(a) (i) Save as provided by item (ii) of this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.</p> <p>(ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non-compliance with the provisions of the above item (i).</p> <p>(b) The Balance Sheet, and the Profit and Loss Account, shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.</p>
Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance sheet	204	<p>The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.</p>
Board's Report to be attached to Balance Sheet	205	<p>(a) Every Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.</p> <p>(b) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the Company has an interest.</p> <p>(c) The Board shall also give the fullest information and explanations in its Report or in cases falling under the proviso to Section 222 of the Act in an addendum to that Report, on every</p>





		<p>reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>(d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (a) and (b) of Article 203.</p> <p>(e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (c) of this Article are complied with.</p> <p>(f) Every Balance Sheet and Profit and Loss account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards any matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by shareholders at a subsequent general meeting.</p>
Right of Members to copies of Balance Sheet and Auditor's Report	206	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.
Three copies of Balance Sheet etc. to be filed with Registrar	207	After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents, which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.

**AUDIT**

Title of Article	Article No	Article Contents
Accounts to be audited	208	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 Auditor	209	<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"> <li>(i) he is not qualified for reappointment;</li> <li>(ii) he has given the Company notice in writing of his unwillingness to be reappointed;</li> <li>(iii) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed, or</li> <li>(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</li> </ul>



		<p>disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.</p> <p>(c) Where at an annual general meeting no auditors are appointed or reappointed, 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 serving 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 of the Company.</p>
Audit of Branch office	210	The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government, in that behalf.
Remuneration of Auditors	211	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.
Auditors to have access to the books of company	212	<p>(a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.</p> <p>(b) All notices of, and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.</p>



		<p>(c) The Auditors shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in annual general meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the accounts give the information required by the Act in the manner so required and give a true and fair view :</p> <p>(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year : and</p> <p>(ii) in the case of the Profit and Loss Account, of the Profit and Loss for that financial year.</p> <p>(d) The Auditor's Report shall also state :</p> <p>(i) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;</p> <p>(ii) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him;</p> <p>(iii) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company auditor has been forwarded to him as required by clause (c) sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;</p> <p>(iv) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.</p> <p>(e) Where any of the matters referred to in this Article is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.</p>
Accounts when audited and approved to be conclusive except as to errors discovered within three months	213	Every account when audited and approved by a general meeting shall be conclusive except as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within the said period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

**REGISTERS AND DOCUMENTS**

Title of Article	Article No	Article Contents
Service of notice by Member	214	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 of posting or by registered post or by leaving it at its Registered Office. The term 'Notice' in this and the following clauses shall summons, notice, requisition, order, judgment or other legal papers and any document.
Service of notice on Registrar	215	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 him at his office.
Service of notice on member by the company	216(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.
	216(b)	Where a Notice is sent by post : (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 acknowledgement 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 (ii) Such service shall be deemed to have been effected; (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 (2) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
By Advertisement	216(c)	A Notice advertised in a newspaper circulating in neighborhood 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 Notices to him.
On Joint holder	216(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 members/debenture holders in respect of the share/debenture.
On personal Representative	216(e)	A Notice may be served by the Company on 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 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	217	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.
Authentication of documents and proceedings	218	Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by the Director, the Managing Director, the Manager, the Secretary or other authorised Officer of the Company and need not be under its Common Seal.

**WINDING UP**

Title of Article	Article No	Article Content
------------------	------------	-----------------



Distribution of assets	219	<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 terms and conditions.</p>
Distribution in specie or kind	220	<p>(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may with the sanction of a Special Resolution and any other sanction required by the Act, divide amongst the contributories, 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 asset of the Company in trustees upon such trust 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 prejudicial thereby shall have a 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 Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
Right of shareholders in case of sale	221	<p>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 liquidator by distributed among us 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 the dissent if any, if such rights to be given by the act.</p>

**SECRECY CLAUSE**

Title of Article	Article No	Article Contents
Secrecy Clause	222 (a)	Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so



		required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required 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.
No Member to enter the premises of the Company without permission	222(b)	No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or 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.

#### INDEMNITY AND RESPONSIBILITY

Title of Article	Article No	Article Contents
Directors and others rights to indemnity	223	<p>(a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses (including traveling expense) which such Director, Manager, Secretary and officer or employee may incur or become liable to by reason of any contract entered into or act deed done by him as such Director, Manager, Secretary, Officer or Servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as lien on the property of the Company and have priority between the members over all other claims.</p> <p>(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.</p>
Directors and other officers not responsible for the acts of others	224	Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Whole time Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults Director or other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same; with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.





		<p><b>To appoint Managers etc.</b> (xxvii) To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p><b>To authorise by power of attorney</b> (xxviii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purpose) and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or other act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of the office or in relation thereto, unless the same happens through his own dishonesty.</p>
--	--	--

#### SOCIAL OBJECTIVE

Title of Article	Article No	Article Contents
Social Objective	225	The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

#### GENERAL POWER

Title of Article	Article No	Article Contents
General Power	226	Wherever in the Companies Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case these regulations hereby authorise and empower the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act.



## SECTION IX – 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 Draft 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 4.00 p.m. on working days from the date of the filing of this Draft Red Herring Prospectus until the Application / Issue Closing Date.

### 1. Material Contracts and Documents for inspection

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 Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, to be delivered to the Registrar of Companies, Ahmedabad for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of the Company from 10.00 am to 4.00 pm on working days from the date of this Draft Red Herring Prospectus until the Application/Issue Closing Date.

#### Material Contracts

1. Memorandum of Understanding dated December 24, 2009, between our Company and the Book Running Lead Manager i.e. Corporate Strategic Allianz Limited.
2. Memorandum of Understanding dated March 22, 2010, between our Company and Co- Book Running Lead Manager
3. Memorandum of Understanding dated March 15, 2010, between our Company with the Registrar to the Issue i.e. Bigshare Services Private Limited.
4. Letter from our Company dated February 12, 2009, appointing Corporate Strategic Allianz Limited as the Book Running Lead Manager to the Issue.
5. Letter from our Company dated March 07, 2010, appointing Indbank Merchant Banking Services Ltd as the Co- Book Running Lead Manager
6. Escrow agreement dated [●] 2009 amongst Escrow Collecting Bank, Book Running Lead Manager, Co- Book Running Lead Manager, Our Company, Registrar and Syndicate Member.
7. Syndicate Agreement dated [●] amongst Book Running Lead Manager, Co- Book Running Lead Manager, Syndicate Member and Our Company.
8. Copy of Tripartite agreement dated [●] entered in between our Company, Central Depository Services (India) Limited (CDSL) and Bigshare Services Private Limited, Registrar to the Issue.
9. Copy of Tripartite agreement dated [●] entered in between our Company, National Securities Depository Limited (NSDL) and Bigshare Services Private Limited, Registrar to the Issue.





## Material Documents

1. Memorandum and Articles of Association of our Company as amended from time to time.
2. Our Certificate of incorporation dated May 24, 1993 issued by the Registrar of Companies, in the name of Rushil Decor Private Limited.
3. Fresh Certificate of incorporation dated December 4, 2007 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli consequent to change in constitution of our Company from private limited to public limited.
4. Resolution passed by the Board of Directors of our Company at the meeting held on December 24, 2009, authorized the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.
5. Resolutions passed by the shareholders of the Company at the Extra Ordinary General Meeting held on December 05, 2007 pursuant to Section 293(1) (d) of the Companies Act, 1956 relating to borrowing powers.
6. Resolution passed in the AGM dated August 20, 2007, regarding appointment of Executive Chairman with effect from September 1, 2007.
7. Resolution passed in the AGM dated August 20, 2007, regarding appointment of Managing Director with effect from September 1, 2007.
8. Resolution of members of our Company passed at AGM held on dated September 29, 2009 reappointing Mr. D.R. Thakkar & Co, Chartered Accountants, as Statutory Auditors.
9. Resolution passed by the Board of Directors dated March 24, 2010 authorizing severally Mr. Krupesh Thakkar, Mr Vipul Vora and Mr. Has Mukh Kanubhai Modi, Company Secretary and Compliance Officer to make necessary corrections in the Draft Red Herring Prospectus/ Prospectus and to sign the same.
10. Power of Attorney executed by the Directors of our Company in favour of Mr. Krupesh Thakkar for signing and making necessary changes in the Draft Red Herring Prospectus.
11. Consents of Statutory Auditors, Bankers to our Company, Bankers to the Issue and Refund Banker, Book Running Lead Manager, Co- Book Running Lead Manager, Syndicate Member, Legal Advisor to our Issue, Directors, Company Secretary and Compliance Officer, Registrars, Escrow Collection Bankers, IPO Grading as referred to, in their respective capacities.
12. Copy of the tax benefit report dated February 24, 2010 from the Statutory Auditors M/s. D.R. Thakkar & Co, Chartered Accountants.
13. Copy of certificate from Statutory Auditors, M/s. D.R. Thakkar & Co, Chartered Accountants dated March 11, 2010, regarding the sources and deployment of funds.
14. Report of statutory Auditors M/s. D.R. Thakkar & Co, Chartered Accountants dated February 24, 2010 for financial statements mentioned in the Draft Red Herring Prospectus.
15. Copies of Auditors Reports of our Company for the years ended March 31, 2005, 2006, 2007, 2008 and 2009, as applicable.
16. IPO Grading report issued by M/s. [●] dated [●].
17. Due Diligence Certificate dated March 22, 2010 to SEBI from Corporate Strategic Allianz Limited and Indbank Merchant Banking Services Ltd.
18. SEBI Observation Letter dated [●], 2010.



19. Legal Advisors Certificate dated March 22, 2010 regarding litigation.
20. Sanction Letter dated February 26, 2010 by Bank of Baroda and the term loan agreement (hypothecation) between the Bank and the Company for the proposed project.
21. Initial Listing application dated [●] and [●] filed with BSE and NSE respectively.
22. In principle listing approval dated [●] and [●] from BSE and NSE respectively

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by other parties, without reference to the shareholders, subject to compliance of the applicable laws.



## DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities Exchange Board of India Act, 1992, or the rules made there under or guidelines issued, as the case may be. All the said legal requirements connected with this issue as also the guidelines, instruction etc, issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

We, the Directors of Rushil Decor Limited, hereby declare and confirm that no information/ material likely to have a bearing on the decision of the investors in respect of the Equity Shares issued in terms of this Draft Red Herring Prospectus has been suppressed/ withheld and/ or incorporated in the manner that would amount to misstatement/ misrepresentation. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY

**\* Mr. Ghanshyam Ambalal Thakkar**

Executive Chairman

**Mr. Krupesh Ghanshyambhai Thakkar**

Managing Director

**\* Mr. Narendra Kumar Jain Kabdi**

Independent Non- Executive Director

**\* Mr. Harshadbhai Navnitlal Doshi**

Independent Non – Executive Director

**Mr. Shankar Prasad Bhagat**

Independent Non- Executive Director

**Mr. Hasmukh Kanubhai Modi**

Company Secretary & Compliance Officer

**Mr. Vipul Vora**

General Manager- Finance

*\* through their constituted attorney, Mr. Krupesh G. Thakkar*

**Place:** Ahmedabad

**Date:** March 24, 2010



**THIS PAGE IS INTENTIONALLY LEFT BLANK**