



Red Herring Prospectus
Dated : September 08, 2009
Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

EURO MULTIVISION LIMITED

Our Company was incorporated on April 29, 2004 as Euro Multivision Limited under the Companies Act, 1956, at Mumbai, Maharashtra with registration no. 11-145995 of 2004. Our Corporate Identity No. is U32300MH2004PLC145995. On June 10, 2004 the Registered Office of our Company was shifted from 208, Sangam Arcade, Vallabhbhay Road, Vile Parle (West), Mumbai-400056 to 204, Vyom Arcade, Off: Subhash Road, Veer Baji Prabhu Marg, Vile Parle (East), Mumbai-400057. Subsequently, our Registered Office was shifted from Vyom Arcade, Off: Subhash Road, Veer Baji Prabhu Marg, Vile Parle (East), Mumbai-400057 to our current address. The Promoters of our Company are Mr. Nenshi Shah, Mr. Rayshi Shah and Mr. Suresh Shah.

Registered Office and Corporate Office: Boston House, Ground Floor, Near Cinemagic Theatre, Suren Road, Chakala, Andheri (E), Mumbai -400 093, Maharashtra **Tel. No.** +91 22 4036 4036
Fax No. +91 22 4036 4037; **Contact Person/Compliance Officer:** Mr.Sunil Nemani, Chief Finance Manager; **E-mail:** info@euromultivision.com **Website:** www.euromultivision.com

INITIAL PUBLIC OFFER OF 88,00,000 EQUITY SHARES OF RS. 10/- EACH OF EURO MULTIVISION LIMITED ("EML" OR "OUR COMPANY") AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING RS. [●] LACS (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE COMPRISES OF EMPLOYEE RESERVATION UPTO 2,00,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH AT A PRICE OF RS.[●] PER EQUITY SHARE FOR CASH AGGREGATING TO RS.[●] (HEREINAFTER REFERRED TO AS THE "EMPLOYEE RESERVATION PORTION") AND THE NET ISSUE TO THE PUBLIC OF 86,00,000 EQUITY SHARES OF RS.10/- EACH (HEREINAFTER REFERRED TO AS THE "NET ISSUE TO THE PUBLIC"). THE ISSUE WILL CONSTITUTE 36.97% OF THE POST ISSUE PAID UP CAPITAL OF OUR COMPANY. THE NET ISSUE TO THE PUBLIC WILL CONSTITUTE 36.13% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY US IN CONSULTATION WITH THE BRLM AND ADVERTISED ATLEAST TWO DAYS PRIOR TO BID/ISSUE OPENING DATE

THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES OF THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

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 ("BSE"), and National Stock Exchange of India Limited ("NSE"), by issuing a press release and also by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and the terminals of the member(s) of the Syndicate. This Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue to the Public will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation on a proportionate basis to QIB bidders including Mutual Funds subject to valid bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 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. Further, 2,00,000 Equity Shares shall be available for allocation on a proportionate basis to Employees, subject to valid bids being received at or above the issue price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of shares is Rs. 10/- and the Issue Price is [●] times of the Face Value at the lower end of the Price Band and [●] times of the Face Value at the higher end of the Price Band. The Issue Price (as determined by our company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares issued by way of book building as stated under the chapter titled "Basis for Issue Price" beginning on page 38 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). We have received in-principle approvals from these Stock Exchanges for the listing of our Equity Shares pursuant to letter nos. DCS/IPO/BP/IPO-IP/1850/2007-08 and NSE/LIST/69532-6 dated February 14, 2008 and March 25, 2008 respectively. For purposes of this Issue, BSE shall be the Designated Stock Exchange.

IPO GRADING

Credit Analysis and Research Limited ("CARE") has assigned an **IPO Grade 3**, indicating average fundamentals, to the proposed IPO of Euro Multivision Limited, through its letter dated August 17, 2009. For more information on IPO grading, please refer to the chapter titled "General Information" beginning on page 8 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER

ANANDRATHI

Anand Rathi Advisors Limited

11th Floor, Times Tower, Kamala City
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

Tel: +91 22 4047 7000

Fax: +91 22 4047 7070

Email: eml@rathi.com

Contact Person: Mr. V. Prashant Rao / Mr. Ankoor Choudharri

Website: www.rathi.com

REGISTRAR TO THE ISSUE

LINK INTIME
INDIA PVT LTD

(Formerly INTIME SPECTRUM REGISTRY LTD)

Link Intime India Private Limited

C -13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai - 400 078

Tel: +91 22 2596 0320

Fax: +91 22 2594 0329

Email: eml.ipo@linkintime.co.in

Contact Person: Mr. Sachin Achar

Website: www.linkintime.co.in

ISSUE PROGRAMME

BID/ISSUE OPENS ON : SEPTEMBER 22, 2009

BID/ISSUE CLOSES ON : SEPTEMBER 24, 2009



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SECTION I – DEFINITIONS AND ABBREVIATIONS

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

Term	Description
“EML”, “Euro” “our Company”, “the Company” or “Issuer”	Euro Multivision Limited, a company incorporated under the Companies Act, 1956, having its registered office at Boston House, Ground Floor, Suren Road, Chakala, Andheri (E), Mumbai –400 093, Maharashtra, India.
“our Promoters”	Mr. Nenshi L. Shah, Mr. Rayshi L. Shah and Mr. Suresh L. Shah.
“our Promoter Group Entities”	Companies, partnership firms, Sole Proprietary and such other entities enumerated in the chapter titled ‘Financial Information of Group Entities/Other Ventures Promoted by Our Promoters’ beginning on page 148 of this Red Herring Prospectus.
“you”, “your” or “yours”	Prospective investors in this Issue.
“we”, “us” and “our”	Unless the context otherwise requires, refers to Euro Multivision Limited.

CONVENTIONAL / GENERAL TERMS

Term	Description
Articles / Articles of Association	The Articles of Association of Euro Multivision Limited.
Auditors	The Statutory Auditors of our Company being Swamy and Chhabra, Chartered Accountants, 18, Arneja Corner, Sector-17, Vashi, Navi Mumbai- 400 705.
Board of Directors / Board	The Board of Directors of our Company or a committee thereof.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII / Foreign Institutional Investor	Foreign Institutional Investor(s) registered with SEBI under applicable laws in India.
Financial Year/ Fiscal Year/ FY / Fiscal	The period of twelve months ending on March 31 of that particular year.
FVCIs	Foreign Venture Capital Investors, defined and registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000 as amended from time to time.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Memorandum / memorandum of Association	The Memorandum of Association of Euro Multivision Limited.
Non Resident	All eligible Bidders, including Eligible NRIs, FIIs and FVCIs who are not persons resident in India.
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA, and who is a citizen of India or a person of Indian origin, each such term as defined under the FEM (Deposit) Regulations, 2000, as amended from time to time.
Registered Office of the Company / Registered office of our Company / Registered Office	Boston House, Ground Floor, Suren Road, Chakala, Andheri (E), Mumbai – 400 093, Maharashtra, India.
SEBI Regulations / SEBI (ICDR) Regulations, 2009	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, including instructions, guidelines and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Special Economic Zone	Special Economic Zone under the Special Economic Zone Act, 2005 means each Special Economic Zone notified under the proviso to sub-section(4) of Section 3 and sub-section (1) of Section 4 (including Free Trade and Warehousing Zone) and includes an existing Special Economic Zone.



ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, allotment of Equity Shares pursuant to this Issue.
Allottee	The successful Bidders to whom Equity Shares are being /have been allotted.
Applications Supported by Blocked Amount (ASBA)	An application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a bid authorising a SCSB to block the Bid amount in their specified bank account maintained with the SCSB.
ASBA Bid cum Application or ASBA BCAF Form	The 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 purposes of the Red Herring Prospectus and the Prospectus.
ASBA Bidder	Any Resident Retail Individual Investor who intends to apply through ASBA and (i) is bidding at Cut-off Price, with single option as to the number of shares; (ii) is applying through blocking of funds in a bank account with the SCSB; (iii) has agreed not to revise his/her bid; and (iv) is not bidding under any of the reserved categories.
ASBA Public Issue Account	A bank account of the Company under section 73 of the Act where the fund shall be transferred by the SCSBs from the bank accounts of the ASBA Bidder.
Banker(s) to this Issue	HDFC Bank Limited and Axis Bank Limited
Bid	An indication to make an offer, made during the Bidding Period by a prospective investor to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
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	The date after which the member(s) of the Syndicate will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper.
Bid/ Issue Opening Date	The date on which the member(s) of the Syndicate shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper.
Bid Cum Application 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 and Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid Cum Application Form.
Bidding / Issue Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process / Book Building	Book building mechanism as provided under Part A of Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to this Issue, in this case being Anand Rathi Advisors Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of Allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of Issue Price in accordance with the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Cut off / Cut off Price	The Issue Price finalised by our Company in consultation with the BRLMs and it shall be any price within the Price Band. A Bid submitted at the Cut off Price by a Retail Individual Bidder and Employees under the Employee Reservation Portion is a valid Bid at all price levels within the Price Band.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated January 07, 2008 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue.



Term	Description
Eligible Employees	For the portion of the Employees Reservation Portion, Eligible Employees means permanent employees (working in or out of India), of our Company as on the Bid / Issue Opening Date who are Indian Nationals, based in India and are physically present in India on the date of submission of the Bid Cum Application Form. In addition, such person should be an employee on the pay roll of our Company as on date of filing the Red Herring Prospectus with the RoC. Promoter/Executive Director and/or their relatives are not eligible to be treated as eligible employees.
Eligible NRIs	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 this Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares allotted herein.
Employee Reservation Portion	The portion of the Issue being a maximum of 2,00,000 Equity Shares available for Allocation to the Eligible Employees of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Escrow Account(s)	Account opened with Escrow Collection Bank(s) and in whose favor the Bidder (excluding the ASBA Investor) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into between our Company, the Registrar to this Issue, the Escrow Collection Banks, Syndicate Member and the BRLM in relation to the collection of Bid Amounts and dispatch of refunds (if any) of the amounts collected, to the Bidders (except ASBA Investor).
Escrow Collection Bank(s)	The banks, which are registered with SEBI as Banker (s) to the Issue at which the Escrow Account for the Issue will be opened, in this case being HDFC Bank Limited and Axis Bank Limited.
First Bidder	The Bidder whose name appears first in the Bid Cum Application Form or Revision Form or ASBA Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Indian GAAP	Generally Accepted Accounting Principles in India.
Indian National	As used in the context of the Employee Reservation Portion, a Citizen of India as defined under the Indian Citizenship Act, 1955 as amended from time to time, who is not an NRI.
Issue	This Issue of 88,00,000 Equity Shares of Rs. 10 each fully paid up at the Issue Price aggregating Rs. [●] Lacs in terms of this Red Herring Prospectus.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date.
Margin Amount	The amount paid by the Bidder (except ASBA Investor) at the time of submission of the Bid, being 10% to 100% of the Bid Amount.
Mutual Funds	Means mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	Upto 5% of the QIB portion, being 2,15,000 Equity Shares, available for Allocation on proportionate basis to Mutual Funds only. The remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB bidders, including Mutual Funds.
Net Issue or Net Issue to the Public	86,00,000 Equity Shares of Rs. 10 each fully paid up at the Issue Price aggregating to Rs. [●] Lacs.
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. 1,00,000/-.
Non-Institutional Portion/ Non-Institutional Bidders Portion	The portion of this Net Issue being not less than 15% of the Net Issue consisting not less than 12,90,000 Equity Shares of Rs. 10 each aggregating to Rs. [●] Lacs, available for Allocation to Non-Institutional Bidders.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to



Term	Description
	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.
Pay-in-Period	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; and (ii) With respect to other 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.
Price Band	The price band of a minimum price (“Floor Price”) of Rs. [●] and the maximum price (“Cap Price”) of Rs. [●] and includes revisions thereof, if any. The Price Band and the minimum Bid lot size for the Issue will be decided by us in consultation with the BRLM at least two days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLMs finalizes the Issue Price.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of the Companies Act containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information.
Public Issue Account	Account opened with the Banker(s) to this Issue to receive monies from the Escrow Account for this Issue on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	Consists of at least 43,00,000 Equity Shares of Rs. 10 each aggregating Rs. [●]Lacs being at least 50% of the Net Issue, available for Allocation to QIBs. 5% of the QIB Portion shall be available for Allocation on a proportionate basis to Mutual Funds only.
Qualified Institutional Buyers or QIBs	A mutual fund, venture capital fund and foreign venture capital investor registered with the Board; a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; 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
Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the opening of this Issue and will become a Prospectus after filing with the RoC, the copy that includes the details of pricing and Allocation and final size of this Issue.
Refund Account	Account to which subscription monies to be refunded to the investors shall be transferred from the Public Issue Account
Refund Bank	The bank(s) which have been appointed / designated for the purpose of refunding the amount to 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 233 of this Red Herring Prospectus.
Refund Banker(s)	HDFC Bank Limited and Axis Bank Limited
Registrar/ Registrar to this Issue	Link Intime India Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for an amount less than or equal to Rs. 1,00,000 in any of the bidding options in this Issue.
Retail Portion	Consists of at least 30,10,000 Equity Shares of Rs. 10 each aggregating Rs. [●]Lacs, being at least 35% of the Net Issue, available for Allocation to Retail Individual Bidder(s).



Term	Description
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).
Self Certified Syndicate Banks (SCSBs)	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making an Applications Supported by Blocked Amount and recognized as such by the SEBI from time to time.
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Syndicate	The BRLMs and the Syndicate Member(s).
Syndicate Agreement	The agreement to be entered into between our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	Intermediaries registered with SEBI and Stock Exchanges and eligible to act as underwriters. Syndicate Member(s) is / are appointed by the BRLM, in this case being Anand Rathi Advisors Limited.
Transaction Registration Slip/ TRS	The slip or document issued by the members of the Syndicate to the Bidders as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Member(s).
Underwriting Agreement	The agreement between the Underwriters, the Registrar and our Company to be entered into on or after the Pricing Date.



COMPANY / INDUSTRY RELATED TERMS

Term	Description / Full Form
AC	Alternating Current
AHU	Air Handling Unit
a-Si	Amorphous silicon
BAU	Business As Usual
BHEL	Bharat Heavy Electricals Limited
BOA	Board Of Approvals
BOLT	Build Operate Lease Transfer
BSW	German Federal Association of the Solar Industry
CDR	Compact Disc Recordable
CD-ROM	Compact Disk Read Only Memory
CdTe	Cadmium telluride
CFM	Coalescing Filter Model
CIS	Copper indium diselenide
CIS, CIGS	Copper indium diselenide
CO ₂	Carbon Dioxide
CSG	Multi crystalline thin film on glass
CST	Central Sales Tax
DBE	Dibutyl Ether
DC	Direct Current
DOE	Department of Energy
DVDR	Digital Versatile Disc Recordable
EEG	German Renewable Energy Act
ETP	Effluent Treatment Plant
FB / NFB	Fund Based/Non Fund Based
FCU	Fan Coil Unit
HFC	Hydro Fluorocarbon
HSD	High Speed Diesel
IDC	Industrial Development Corporation
IEA	International Energy Agency
IIM	Indian Institute of Management
IIT	Indian Institute of Technology
IMM	Injection Moulding Machine
IREDA	Indian Renewable Energy development Agency
ISA	India Semiconductor Association
ISO	International Standards Organization
IT	Information Technology
KVA	Kilo Volt Ampere
KW	Kilo Watt
LC	Letter of Credit
LDO	Light Diesel Oil
MAIT	Manufacturers Association for Information Technology
MAP	Market Incentive Programme For Renewable Energy

Term	Description / Full Form
METI	Ministry of Economy, Trade and Industry
MNRE	Ministry of New & Renewable Energy
MW	Mega Watt
NEDO	New Energy and Industrial Technology Development Organization
NH ₃	Ammonia
NMCC	National Manufacturing Competitiveness Council
NO ₂	Nitrogen Dioxide
NPV	Net Present Value
N-type	Negative-Type
OHSAS	Occupational Health and Safety Advisory Services
Patents Act	The Patents Act, 1970
PC	Personal Computer
PECVD	Plasma Enhanced Chemical Vapor Deposition
PFC	Poly Fluorocarbon
P-N junction	Positive-Negative junction
P-type	Positive-Type
PV	Photo Voltaic
PVPS	Photovoltaic Power Systems
QC	Quality Control
R&D	Research and Development
REL	Renewable Energy Law
RPS	Renewable Portfolio Standards
RVE	Remote Village Electrification
SBI	State Bank of India
SEZ	Special Economic Zone
SHS	Solar home systems
Si	Silicon
SiH ₄	Silane Gas
SLC	Stand by Line of Credit
SO ₂	Sulphur Dioxide
SPV	Solar Photo Voltaic
SRI	Stanford Research Institute
STP	Standard Temperature and Pressure
TNW	Total Net Worth
TOL	Total of Liabilities
UK	United Kingdom
UPS	Uninterruptible Power Supply
US/USA	United States of America
UV	Ultra Violet
VAT	Value Added Tax



ABBREVIATIONS

Abbreviation	Full Form
A/c	Account
AGM	Annual General Meeting.
ASBA	Applications Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited.
CAGR	Compounded Annual Growth Rate.
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number
DB	Designated Branch
DP	Depository Participant.
DRHP	Draft Red Herring Prospectus
ECS	Electronic Clearing System
EBIDTA	Earnings before Depreciation, Interest, Tax, Amortisation and extraordinary items.
EGM	Extraordinary General Meeting.
EPS	Earnings per Equity Share.
FBWC	Fund Based Working Capital
FCNR Account	Foreign Currency Non Resident Account.
FIPB	Foreign Investment Promotion Board.
FIs	Financial Institutions.
GIR Number	General Index Registry Number.
GoI/ Government	Government of India.
HUF	Hindu Undivided Family.
IPO	Initial Public Offer
I. T. Act	The Income Tax Act, 1961, as amended from time to time.
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time, except as stated otherwise.
MAPIN	Market Participant and Investor Database
M Ha	Million hectares
MICR	Magnetic Ink Character Recognition
MoA	Memorandum of Association
MoU	Memorandum of Understanding
MNC	Multi National Company
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NEFT	National Electronic Fund Transfer
NFB	Non Fund Based
NoC	No Objection Certificate
NRE Account	Non-Resident External Account.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited.

Abbreviation	Full Form
NSE	National Stock Exchange of India Limited.
NTA	Net Tangible Assets.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit after tax
PBT	Profit before tax
R & D	Research and Development
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RHP	Red Herring Prospectus
RoC/Registrar of Companies, Mumbai	The Registrar of Companies, Mumbai
RoNW	Return on Net Worth.
Rs./ Rupees / INR	Indian Rupees, the legal currency of the Republic of India.
RTGS	Real Time Gross Settlement
SBAR	State Bank Advance Rate
SBI	State Bank of India
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1995, as amended from time to time
SLC	Stand by Line of Credit
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
UoI	Union of India.
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America.
w.e.f	with effect from

Notwithstanding the foregoing,

- (i) In the chapter titled 'Main Provisions of the Articles of Association of our Company' beginning on page 274 of this Red Herring Prospectus, defined terms have the meaning given to such terms in that chapter;
- (ii) In the chapter titled 'Financial Statements' beginning on page 126 of this Red Herring Prospectus, defined terms have the meaning given to such terms in that chapter;
- (iii) In the paragraphs titled 'Disclaimer Clause of Bombay Stock Exchange Limited' and 'Disclaimer Clause of National Stock Exchange of India Limited' beginning on pages 222 & 223 respectively of this Red Herring Prospectus, defined terms have the meaning given to such terms in those paragraphs.



SECTION II-RISK FACTORS

PRESENTATION OF FINANCIAL AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, in table no.2 and 6 under the heading titled “Quantitative Factors” in the chapter titled “Basis for Issue Price” beginning on page 38 of this Red Herring Prospectus is derived from our restated financial statements as of and for the financial years ended March 31, 2009, 2008, 2007, 2006 and 2005 ; prepared in accordance with Indian GAAP and the Companies Act restated in accordance with SEBI Regulations, as stated in the report of our statutory Auditors, Swamy & Chhabra, Chartered Accountants, beginning on page 126 of this Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a fiscal year (e.g., fiscal 2007), are to the fiscal year ended March 31 of a particular year.

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

Currency of Presentation

All references to “India” contained in this Red Herring Prospectus are to the Republic of India.

In this Red Herring Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lacs” means “one Hundred thousand”, the word “Crore” means “hundred Lacs”, the word “million (million)” means “ten lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Red Herring Prospectus, all figures have been expressed in Lacs of Rupees, except when stated otherwise.

All references to “Rupees” and “Rs.” in this Red Herring Prospectus are to the legal currency of India.

All references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

All references to “US\$”; “U.S. Dollar” or “US Dollars” are to United States Dollars, the official currency of the United States of America. All references to “EURO”, “euro” or “Euro” are to the official currency of the European Union.

Industry and Market Data

Market and industry data used throughout this Red Herring Prospectus has been obtained from publications (including websites) available in public domain and internal Company reports and data. These 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 market data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed to be reliable, have not been verified by any independent source.



FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result in”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “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 the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in these sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue ;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer chapters titled ‘*Risk Factors*’ ‘*Business Overview*’ and ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements*’ beginning on pages xii, 69 and 181 of this Red Herring Prospectus 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 member(s) of the Syndicate, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.



RISK FACTORS

An investment in Equity Shares involves a degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding of our Company, you are advised to read this section in conjunction with the chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements” beginning on pages 69 and 181 respectively, of this Red Herring Prospectus, as well as the other financial and statistical information contained in this Red Herring Prospectus. If the following risks occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Internal Risk Factors

1. *Our Company, one of our Promoters and some of our Promoters Group entities were subjected to search/survey operations under the provisions of the Income Tax Act, 1961.*

The Income Tax Department carried out search and survey operations under the provisions of the Income Tax Act, 1961 on August 02, 2006 against *inter alia* our Company, Mr. Nenshi Shah, one of our Promoter-Directors, his relatives, Mr. Hitesh Shah one of our Directors and eight of our Promoters Group entities i.e. Euro Ceramics Limited, Euro Merchandise India Limited, Euro Décor Private Limited (erstwhile Subhnen Décor Private Limited), erstwhile Subhnen Veneers Private Limited, Subhnen Ply Private Limited, Tangent Furniture Private Limited, M/s. Kanch Ghar and Neelam Ply and Laminates.

During these operations, certain books of accounts and records were seized, prohibitory orders and summons were issued under the provisions of the Income Tax Act, 1961. Disclosure of undisclosed income of Rs. 1350 Lacs was made by/on behalf of our Promoter Director Mr. Nenshi Shah, his relative Mr. Shantilal Shah and Promoter Group Entities namely Subhnen Décor Private Limited and M/s Kanch Ghar, among others. The taxes due on the undisclosed income have been duly paid by the respective person/entity. The assesment based on the income tax return filed by the respective assessee has been completed. The assessee has preferred appeal before the Commissioner of Income Tax (Appeals) in the cases wherein there is grievance with the Department, which is pending before the Commissioner of Income Tax (Appeals). Any adverse decision in the above appeals may have a significant effect on our business and results of operations.

For further details please refer to the chapter titled “Outstanding Litigations and Material Developments” beginning on page 198 of this Red Herring Prospectus.

2. *We are involved in certain legal and other proceedings and may face certain liabilities as a result.*

We are involved in certain legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various authorities. 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:

Sr. No.	Case Type	No. of Cases	Amount (to the extent quantifiable) (in Rs.)
1.	Income Tax	2	13,69,643
	Total	2	13,69,643



Following are the cases filed against our Company:

Sr. No.	Case Type	No. of Cases	Amount (to the extent quantifiable) (in Rs.)
1.	Trade Mark Opposition	1	Not Quantifiable
	Total	1	Not Quantifiable

Following are the cases filed by / against the Directors of our Company, Mr. Hitesh Shah:

Sr. No.	Case Type	By / Against	No. of Cases	Amount (to the extent quantifiable) (in Rs.)
1.	Negotiable Instruments	By	4	3,00,000
2.	Income tax	By	1	5,39,863
	Total		5	8,39,863

Following are the cases filed by / against the Promoter our Company, Mr. Nenshi Shah:

Sr. No.	Case Type	By / Against	No. of Cases	Amount (to the extent quantifiable) (in Rs.)
1.	Income Tax	By	7	11,62,257
	Total		7	11,62,257

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

Sr. No.	Case Type	By / Against	No. of Cases	Amount (to the extent quantifiable) (in Rs.)
Euro Ceramics Limited				
1.	Negotiable Instrument	By	1	1,70,000
2.	Maharashtra Regional & Town Planning Act, 1966	By	1	Not Quantifiable
3.	Income Tax	Against	1	70,776
Subhnen Veneers Private Limited (now known as Euro Decor Private Limited)				
4.	Sales Tax	By	2	4,50,174
5.	Central Excise	By	1	27,82,430
6.	Income tax	By	1	14,31,139
7.	Income tax	Against	1	75,866
M/S. Kanch Ghar				
8.	Negotiable Instrument	By	4	3,00,000
Euro Merchandise (India) Limited				
9.	Customs Act	Against	3	1,57,93,036
10.	Customs Act	By	1	1,83,19,587
Subhnen Decor Private Limited (now known as Euro Decor Private Limited)				
11.	Central Excise	By	1	10,45,56,737
12.	Income tax	By	1	11,96,19,339



13.	Income tax	Against	1	11,96,19,339
Euro Solo Energy Systems Limited				
14.	Income tax	By	1	4,71,174
	Total		20	38,36,59,597

For more information regarding these legal proceedings, please refer to the chapter titled “Outstanding Litigation and Material Developments and other Disclosures” beginning on page 198 of this Red Herring Prospectus.

3. *We have had a loss of Rs. 128.69 Lacs for the period ended March 31, 2006.*

Our Company had incurred the losses in the first year of operation in Financial Year ended on March 31 2006. Our Company has earned a total income of Rs. 4476.45 Lacs against which it had a total expenditure of Rs. 4605.14 Lacs resulting in the loss of Rs 128.69 Lacs.

Due to first year of commencement of operation, our Company incurred substantial advertisement and sales promotion expenses of Rs.401.07 Lacs in the Financial Year ended on March 31, 2006 which was higher as compared to Rs. 28.07 Lacs in Financial Year ended on March 31, 2007 and of Rs. 52.74 Lacs in Financial Year ended on March 31, 2008 and Rs. 22.47 Lacs in Financial Year ended on March 31, 2009.

4. *Our Company proposes to venture into manufacturing of PV cells , which is totally a new segment for us.*

Our Company is proposing to set up a unit for manufacturing of PV Cells as stated in the Objects of the Issue. Being a new entrant in the manufacturing of PV cells, our Company has no prior experience in this Business segment which may hinder our ability to operate the proposed plant in a commercially successful manner.

Moreover, we may face stiff competition from established and/or new players in acquiring a requisite market share as we do not have any guaranteed customers for the proposed line of business.

5. *Any inability to implement the Project successfully within the scheduled timelines and budgeted costs may adversely affect our business, results of operations and financial conditions.*

As there has already been delay in implementing our proposed object of the issue as projected in the Draft Red Herring Prospectus, our total project cost has escalated due to foreign exchange fluctuation and our projected revenues have been delayed. Further, we may not be able to successfully execute the Project or be able to execute it within the revised scheduled timelines and budgeted costs or be able to garner requisite market share or any market share at all. In the event that we are not able to successfully execute the Project, it may adversely affect our business, results of operations and financial condition.

For details, please refer to chapter titled “Objects of the issue” beginning on page 24 of this Red Herring Prospectus.

6. *Our cash flow has been negative in some years. In the event that our future cash flows continue to be negative it may hamper our ability to meet our financial obligations.*

We had a negative cash flow from our investing activities in all the preceding financial years. Our Company’s negative cash from investing activities is mainly due to purchase of fixed assets. In 2004-05 our negative cash flow from operating activities was Rs.44.68 lacs due to increase in inventory amounting to Rs.604.87 lacs and as there were no sales being the first year of operations. Our Company started commercial production in April, 2005. For 2005-06 our operating cash flows were a negative Rs.39.27 Lacs due to negative profit before tax of Rs.124.49 lacs and increase in trade receivables amounting to Rs.826.88 lacs. Further, the negative net cash flow of Rs.188.02 Lacs in the financial year 2005-06 was due to negative cash flows from operating activity of Rs.39.27 Lacs and Rs.535.62 Lacs from investing activities. We also had a negative net cash flow amounting to Rs.168.17 lacs in 2008-09 due to negative cash flow from investing activities amounting to Rs.9764.63 lacs. Also, our cash flow from financing activities was negative Rs.220.79 Lacs.in 2007-08 mainly on account of redemption of preference shares worth Rs.185.00 Lacs and net financial expenses of Rs.872.07 lacs. On account of the aforesaid or other factors our cash flows in the future may be negative, which may hamper our ability to meet our financial obligations.



7. *We enter into certain related party transactions.*

We have entered into, and may in the future enter into, certain related party transactions with our Promoters, Directors, Promoter group entities and key managerial personnel. The total amount of related party transaction for the period ended March 31, 2009 amounted to Rs. 5,095.41 Lacs.

Further, there are no related party transactions with any of the related parties except as mentioned under the heading titled “Related Party Disclosures” beginning on page 143 under the chapter titled Financial statements beginning on page 126 of this Red Herring Prospectus.

8. *We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.*

Other than the term loan of Rs.8000 Lacs sanctioned by SBI, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule of our project and could adversely affect our growth plans.

For further details please refer to the chapter titled “Objects of the Issue” beginning on page 24 of this Red Herring Prospectus.

9. *Our Company has not yet placed certain orders for plant & machinery required to set up our proposed Project.*

Our Company has not yet placed orders for Plant & Machinery aggregating approximately Rs. 4,003 Lacs comprising imported Plant & Machinery aggregating Rs.1437.61 Lacs or 11.31 % of the Plant & Machinery to be financed from the Proceeds of the Issue and Indigenous Plant & Machinery aggregating Rs. 2565.09 Lacs or 20.18 % of the Plant & Machinery to be financed from the Proceeds of the Issue.

10. *Our proposed project is subject to risks on account of inflation in the price of machinery and other equipments that we require for the Project which may increase the overall cost of the Project.*

Our Company is subject to risks on account of inflation in the price of machinery and other equipments that we require for the Project. Negotiations in respect of technical specifications with some vendors have been commenced and orders will be placed as the negotiations are completed. In respect of the machinery/equipment/other Project related services that we propose to import/procure from overseas, we may be subject to the risks arising out of currency rate fluctuations. These factors may increase the overall cost of our Project, and we may have to raise additional funds by way of additional debt or equity placement to complete our Project, which may have an adverse effect on our business and results of operations.

11. *We may utilize more than 25% of the proceeds of the Issue for General Corporate Purpose. As on date we may not be in a position to indicate the purpose for which these proceeds of the Issue will be utilised.*

We may utilize more than 25% of the proceeds of the Issue for General Corporate Purpose including but not limited to repayment or prepayment of loans taken by our company, meeting our working capital requirements, entering into strategic alliances, Joint ventures and acquisitions, investment in research and technology up-gradation and meeting exigencies which our company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors. However, as on date, we may not be in a position to indicate the purpose for which these proceeds of the Issue will be utilised.

12. *The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue” and is not subject to monitoring by any independent agency.*

The deployment of the funds towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee. Further, we cannot assure that the actual costs or schedule of implementation of the proposed manufacturing facility will not vary from the estimated costs or schedule of implementation, and such variance may be on account of one or more factors, some of which may be beyond our control.



13. We have not applied/ received all the licenses required for our proposed project.

We have applied for the following approvals and licenses for our proposed project, which we have not yet received.

Sr. No.	Approval / Consent	Authority	Application date	Status
1.	Application for issuance of eligibility certificate for benefits of State Taxes under the Gujarat SEZ Act, 2004.	Industries Commissioner, Gandhinagar	May 21, 2009	Application under process
2.	Application for obtaining NOC for setting up solar photovoltaic cell division.	Gujarat Pollution Control Board, Gandhinagar	May 11, 2009	Application under process
3.	Application for use of four Lakh litres of water of Narmada river everyday for industrial SEZ.	Chief General Manager, Gujarat Water Infrastructure Limited	October 03, 2008	Application under process

We are yet to apply for the following licenses/approvals for our Solar PV Cells Project. Delay or non-receipt of regulatory approvals may delay the Project of Manufacturing Solar PV Cells.

Sr. No.	Approval / Consent	Authority	Status
1.	Factory License	Assistant Director, Office of the Industrial Safety and Health	Will be applied in due course
2.	Service Tax Registration	Central Excise Department, Gujarat	Will be applied in due course
3.	Certificate for installation of sub-station for power distribution	Chief Electrical Inspector	Will be applied in due course
4.	Registration for Employees Provident Fund	Regional Provident Fund Commissioner, Sub Regional Office, Rajkot	Will be applied in due course

If our Company fails to obtain within the prescribed time, any of the aforesaid approvals, our ability to execute our Project for manufacturing Solar PV Cells may be materially impacted. Our Company and its officials may be subject to fines and penalties under relevant legislations, and consequently our Company's turnover and profitability may be adversely affected. Any delay/non-receipt of licenses and/or approvals that may be required for the proposed additional facilities could result in a cost and time over run, and accordingly adversely affect our operations and profitability.

For further details, please refer to chapter titled "Government/Statutory Approvals" beginning on page 213 of this Red Herring Prospectus.

For further details please refer to heading titled "Pending Approvals" beginning on page 217 under the Chapter titled "Government / Statutory Approvals" beginning on page 213 of this Red Herring Prospectus.

14. We have entered into a contract with OTB SOLAR B.V for supply of a single solar cell production line for our proposed project, wherein the contract is enforceable in jurisdictions outside India and hence may not always be able to execute/enforce judgements/orders passed by the foreign courts/tribunals against the counterparties.

We have entered into contract with OTB SOLAR B.V for supply of a single solar cell production line for our proposed project, wherein the contract is enforceable in jurisdictions outside India. The legal and other costs that we may incur in initiating and/or defending any actions arising out of such contract could be significantly higher outside India as compared to in India. Further, we may not always be able to enforce/execute judgments obtained in foreign courts/tribunals against the counterparties.

15. Volatility in the price of the principal raw material i.e polycarbonate for manufacturing CDRs, DVDRs and Silicon Wafer for photovoltaic cell manufacture may affect the profitability of the business.

We have no control over prices of our basic raw material for manufacturing of CDRs and DVDRs viz. polycarbonate. The prices of polycarbonate could fluctuate due to uncertain prices world over. In the recent past, there have been



fluctuations in the prices of polycarbonate at international levels. Also the price of silicon wafer which is a main raw material for manufacturing of PV Cell is dependent on the polycrystalline silicon price. Any increase in the price of polycrystalline silicon, which is the basic raw material for manufacturing silicon wafer, will have impact on the prices of silicon wafer. Further our Company has not made any tie up or arrangement with any supplier for supply of silicon wafer. Such fluctuation in prices of raw material and/or our inability to negotiate at optimum market rates may affect our profitability. In case, we are unable to procure the requisite quantities on a timely basis and at reasonable prices, any of which may have an adverse impact on our financials and may affect our future growth.

- 16. *Approval for development, operation and maintenance of SEZ received by us is valid for a period of three years. In the event the implementation of the SEZ project is delayed beyond validity period, extension of the validity period of three years for implementation may not be considered by Government, which may delay setting up of photovoltaic solar cell manufacturing unit, our object to this Issue, beyond the expected dates of completion.***

Approval for development, operation and maintenance of SEZ received by us from Government of India, Ministry of Commerce & Industry, Department of Commerce (SEZ Section) dated October 30, 2008 is valid for a period of three years. In case of delay in implementing the SEZ project within the validity period, and rejection of the request for extension will delay our project of photovoltaic solar cell.

- 17. *Any inability to achieve positive Net-Foreign Exchange (NFE) for the period we operate as a unit in the SEZ from commencement of production may expose us to penal action under the Foreign Trade (Development and Regulation) Act, 1992.***

In the approval dated June 09, 2009 received by us from Joint Development Commissioner, Kandla Special Economic Zone, extending to us all the facilities and entitlements admissible to a unit in a SEZ, based on the projected export for first five years and projected Net Foreign Exchange Earnings. Any inability to achieve positive Net-Foreign Exchange (NEF) for the period we operate as a unit in the SEZ from commencement of production, may expose us to penal action under the Foreign Trade (Development and Regulation) Act, 1992.

- 18. *We may face a risk on account of not meeting our export obligations.***

We have obtained licenses under Export Promotion Capital Goods Scheme ("EPCG"). As per the licensing requirement under the said scheme, we are required to export goods of a definite amount, failing which we will have to make payment to the GoI equivalent to the duty saved by us along with the interest. As on June 30, 2009, the total outstanding export obligations under EPCG scheme are Rs.1886.79 Lacs and the duty saved thereon is Rs.2538.56 Lacs. In case we fail to fulfil these export obligations in full, we will have to pay duty proportionate to unfulfilled obligation along with the interest.

For further details on our Export Obligations please refer Chapter titled "Business Overview" beginning on page 69 of this Red Herring Prospectus.

- 19. *Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations. Our loan agreements contain several restrictive covenants.***

We have availed an aggregate of Rs. 14,651.27 Lacs as on March 31, 2009 as secured loans from various banks. Most of our loans are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. In case we are not able to pay our dues in time, the same may adversely impact our result of operations.

Further, we are subject to usual and customary restrictive covenants in agreements that we have entered into with our banks for short-term loans and long-term borrowings. These restrictive covenants are as follows:

1. Our Company shall seek the prior permission of the banks
 - (a) to effect any change in the capital structure;
 - (b) Formulate any scheme of amalgamation and reconstruction;
 - (c) Undertake any new project or expansion schemes/modernization/diversification /renovation or acquire any fixed assets, unless the expenditure on such expansion, etc., is covered by our Company's net cash accruals after providing for dividends, investments etc, or from long term funds received for financing such new projects or expansion;
 - (d) Invest by way of share capital in or lend or advance funds to or place deposits with any other concern;



- (e) Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or otherwise save and except the working capital facilities granted/ to be granted by other consortium member banks, under consortium arrangement with the bank and term loans proposed to be obtained from financial institutions/ banks for completion of the replacement-cum-modernization programme;
 - (f) Undertake guarantee obligation on behalf of any other company;
 - (g) Declare dividends for any year except out of profits relating to that year and with specific approval from the bank;
 - (h) Withdraw loans/deposits secured from promoter shareholders, directors, depositors and promoters of our Company;
 - (i) make any drastic change in its management setup;
 - (j) Pay any commission to the guarantors towards the guarantees executed by them for the credit facilities granted by the banks to our Company;
 - (k) Create any further charge, lien or encumbrance over the assets and properties of our Company to be charged to the bank in favour of any other bank, financial institution, company, firm or person;
 - (l) Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank;
 - (m) remove or dismantle any of the assets to be compromised in the security except in case where the removal or dismantling shall in the opinion of our Company be rendered necessary by reason of the same being worn out, obsolete, discarded, injured damaged or broken;
 - (n) compound or release any of the book-debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented;
 - (o) enter into any contractual obligations of long term affecting us financially;
 - (p) repay unsecured loans;
 - (q) change the registration number / registered address and to sell or pawn or hire or otherwise deal with or dispose off the said product in any manner whatsoever;
 - (r) make any amendments of MoA and AoA during the currency of the loan;
2. Pending seizure by the Bank or any of them of the said properties and any documents therefore, any insurance moneys received by our Company shall be held by us as the exclusive property of the banks subject to the rights of the banks specifically appropriated to the security and our Company will not without the written consent of the lead bank first had and obtained make or suffer nor attempt to make or suffer any mortgage, charge, lien or encumbrance to effect the same or any part thereof nor do or allow anything which may prejudice the security hereby created or agreed to created nor create any security whatsoever save as approved by the lead bank;
 3. Our Company will obtain necessary approvals from Gujarat Water Sewage Board as the required quantity of water will be produced from Narmada Water Sources;
 4. the estimates for land, site development and building will be vetted by chartered engineer / valuer on bank's panel before disbursement of the loan.

20. Some of our Promoter Group Companies/Partnership firms/Sole proprietorships/Charitable Trusts have incurred losses in the past three years.

Some of Companies/Partnership firms/ charitable trusts have incurred losses as follows:

Name of the Company/Partnership firms/Sole proprietorship	(Rs. in Lacs)		
	Profit / (Loss) as of March 31,		
	2008	2007	2006
Companies			
Euro Developers Private Limited	28.61	15.74	(14.13)
Euro Flooring Private Limited	21.60	(60.99)	(6.43)
Euro Pratik Ispat Private Limited	94.68	11.07	(4.30)
Euro-Solo Energy Systems Limited	(1349.70)	(723.23)	Nil
Euro Ceramics Limited	(2281.55)	2831.62	2827.31
NLS Enterprises Private Limited	(23.81)	5.12	17.77
Partnership Firms			
M/s. Rangoli	0.32	(2.84)	2.81
M/s. Euro Minerals Corporation	77.08	59.50	(15.74)
Charitable Trust			
Ladhabhai Sanganhbai Gala Charitable Trust	(50.24)	20.58	17.84



- 21. *The property used by our Company for our Registered cum Corporate office is not owned by us and we only have rights as a licensee over the same. Any adverse impact on the title/ownership rights of the Licensor/owner or breach of the terms/ non renewal of the leave and license agreement may impede our effective operations and thus adversely affect our profitability.***

Our Company's Registered cum Corporate office situated at ground floor, Boston House, Suren Road, Chakala, Andheri (East), Mumbai-400 093 is taken on leave and license basis and we only have rights as a licensee over the same. Any adverse impact on the title/ownership rights of our owner from whose premises we operate our Registered cum Corporate office or breach of the contractual terms/ non renewal of the Operational Business Agreement may impede our Company's effective operations in turn adversely affecting our profitability.

- 22. *Our proposed Project is dependent on performance of our suppliers and external agencies. Any shortfall in the performance of these external agencies may adversely affect our business plans.***

Our proposed Project is dependent on performance of our suppliers and external agencies, which are responsible for construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. If our suppliers and external agencies fail to meet the required specifications, it may result in incremental cost and time overruns, which in turn may adversely affect our business plans.

- 23. *Registration of our logo/tradename "EURO" and other trademarks is pending before the Trademark Registry, Mumbai. If any of our applications for registration are not accepted or if any order against us is passed in the oppositions filed, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademarks.***

The application for registration of our logo "EURO" is pending before the Trademark Registry, Mumbai. Further we have also filed five (5) applications for registration of our other trademarks, which are pending at various stages of registration in the Trademark Registry, Mumbai. At present one (1) opposition is pending before the Trademark Registry filed against us which we are currently contesting. Our products are known by our trademarks, which are advertised by us and if any of our applications for registration are not accepted or if any order against us is passed in the oppositions filed by / against our trademark applications, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademarks.

For further details regarding the same, please refer chapter titled "Business Overview" and "Outstanding Litigations and other Material Developments" beginning on pages 69 and 198 of this Red Herring Prospectus, respectively.

- 24. *We have entered into a Name Licence Agreement with Euro Ceramics Limited, one of our Promoter Group Companies, granting our Company right to use the word "EURO" as our corporate name/trade name and logo. In case of termination of this agreement our Company may not be able to use the word "EURO" as our Company's corporate name and/or trade name, Logo in any form or manner.***

Our Company has entered into a Name License Agreement dated September 21, 2006 with Euro Ceramics Limited, one of our group Companies, thus granting our Company a right to use the word "EURO" as our Company's corporate name and/or trade name, Logo on our products/services and otherwise in its day-to-day activity. There is no other right, title or interest given to our Company except for the use of the name "EURO". Euro Ceramics Limited according to the provisions of the agreement has the right to terminate the agreement at the time of our Company going into liquidation, winding up, at the time of any beneficial or legal ownership of our Company which is prejudicial to the interest of Euro Ceramics Limited or its Promoters to whom a similar name license has been granted or at the time of any breach being committed by our Company in respect of the said agreement. Upon termination of the said agreement, our Company will have to discontinue within 60 days the use of the word "EURO" as our Company's corporate name and/or trade name, Logo in any form or manner which may affect our goodwill, business and profitability. For further details, please refer to paragraph titled "Other Agreements" beginning on page 105 of this Red Herring Prospectus.



25. *Our success depends upon our ability to effectively implement our strategies and manage the growth of our business.*

As a part of our growth strategy, we are planning to make investments designed to increase sales of our products. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the budgeted cost and timelines. Any inability on our part to manage our growth or implement our strategy effectively could have a material adverse effect on our business, results of operations and financial condition. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

26. *There are no long-term contracts with buyers which may affect our business.*

We do not have any long-term contracts with our customers and any change in the buying pattern of buyers can adversely affect the business of our Company. Although we have cordial business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

27. *Intense Competition in the market for our products could affect our cost advantages which may adversely affect our revenues and profitability.*

Most of the end-users for our products are price conscious. Pricing is one of the factors that play an important role in selection of these products. The market for CDRs and DVDRs is highly competitive with a mix of organised players and unorganized players. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster to trends and changes in customer demands. Also growing competition may force us to reduce the prices of our products, which may reduce our revenues and margins and/or decrease our market share, any of which could have a material adverse affect our business, financial condition and results of operation.

28. *Changes in technology may impact our business by making our products less competitive thereby affecting our business and profitability*

The market we operate in is characterized by rapid technological change, evolving industry standards, and new product and service introductions. Our future success will depend on our ability to anticipate these technological advances and develop new products to meet client needs. We may not be successful in anticipating or adequately responding to these advances in a timely basis, or if we do respond, products we develop may not be successful in the market place.

29. *Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.*

In addition to risks arising from natural disasters and risks to properties and personnel (like personal injury/loss of life), in the course of our business, our operations are also subject to the risks arising from or as a result of product defects etc.

While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits etc, and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

30. *Discontinuation of any incentive/support programmes in the countries like USA, Germany and other countries in Europe may affect the proposed exports of our photovoltaic cells.*

Currently the Government of various countries like USA, Germany and other countries in Europe are giving incentives/support programmes for generation of power through renewable sources. Any discontinuation of such



incentives/support programmes would adversely affect the demand for our PV Cells thereby resulting in the reduction of our exports and hence adversely affecting the profitability of our Company.

31. *No alternative use of the machinery used for manufacturing the existing products viz. CDRs and DVDRs*

The machinery used for manufacturing CDRs and DVDRs can be used only for manufacturing these products and there is no alternative use of these machineries for any other business. Hence in the event of discontinuance of present business, these machineries cannot be used for any other purpose.

32. *Our success largely depends on our Directors and Key Managerial Personnel and our ability to retain them and attract new Key Managerial Personnel when necessary. In the event we are unable to do so, it could have an adverse effect on our business and results of operations.*

Our Directors and Key Managerial Personnel collectively have many years of experience and would be difficult to replace. We do not maintain “key man” insurance for our senior managers or other Key Managerial Personnel. We may not be able to retain any or all of the key members of our management. Further, our ability to maintain our position in the CDR and DVDR market depends on our ability to attract, train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could have an adverse effect on our business and results of operations. The loss of the services of such key members of our management team could have an adverse effect on our business and the results of our operations.

33. *There was a delay in the performance of one of our Promoter Group companies when compared to the promises made in its last public issue.*

Euro Ceramics Limited, one of our Promoter Group companies, undertook a public offering in the Financial Year 2006-2007. There was a delay in the performance of this offering when compared against the implementation schedule laid down in the prospectus of Euro Ceramics Limited due to shortage of steel, cement and labour for construction of the plant and also due to delay in shipment of machinery on the part of supplier due to non availability of vessel and holiday for three weeks in suppliers’ home country. For further details, please refer chapter titled “Financial Information of Group Entities/Other Ventures Promoted by Our Promoters” beginning on page 148 of this Red Herring Prospectus.

34. *We will be controlled by our Promoters so long as they control a majority of our shareholding. The extent of their shareholding in us may also have the effect of delaying, preventing or deterring a change in control of our company.*

Our Promoters and Promoter Group will collectively own an aggregate of, approximately 51.12% of our post issue paid up equity share capital. As a result, our Promoters will have the ability to exercise significant control over us and all matters requiring shareholders approval, including election of directors, our business strategy and policies and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in us may also have the effect of delaying, preventing or deterring a change in control of our company, even if such a transaction may be beneficial to our other shareholders. Our Promoters and/or the members of our promoter group will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and/or the interests of our other shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our equity shares.

For further details please refer to the chapter titled “Capital Structure” beginning on page 14 of this Red Herring Prospectus.

35. *Any future issuance of Equity Shares by our Company may dilute your holding percentage in our Company.*

To fund future growth plans of our Company we may further raise capital by way of issuance of Equity Shares or convertibles in domestic or overseas market. Such further issuance of Equity Shares or convertibles could dilute your shareholding in our Company. Further, perception of such further issues may also affect the trading price of our Equity Shares.

Also, sale by the Promoters or major shareholders of their shareholding (subject to lock-in compliances) may affect the trading price of our Equity Shares.



36. *Under-utilisation of capacity of our present manufacturing facilities or proposed project may adversely affect our business, results of operations and financial condition.*

Our Company currently has ten manufacturing lines for CDRs. We have incurred significant capital expenditure pursuant to the same, and it cannot be assured that we shall be able to completely utilize these production capacities, as utilized by our Company at current levels. Use of production capacity is subject to several variables like availability of raw material, power, water, proper working of machinery, orders on hand, etc. It cannot be assured that we shall be able to utilize our existing or proposed manufacturing facilities to their full capacity or upto an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.

37. *Our Company is availing certain excise and sale tax exemption, which may not be available to us in the future.*

Our Company is availing certain excise duty and sales tax benefits under Kutch Incentive Scheme 2001 for Economic Development of Kutch District, Gujarat. The economic activities in the district of Kutch came to a standstill on account of the devastating earthquake on January 26, 2001. The Government of India has announced excise duty exemption for new industries to promote large-scale investment in the district. Similarly the State Government has also announced the scheme for sales tax incentives. The excise duty exemption will be available till April 8, 2010 (this is subject to the exemption of amount of Rs 40,89,21,876 or till April 8, 2010 whichever is earlier) and Sales Tax exemption will be available till April 8, 2012 or to the extent of the sales tax incentive amount sanctioned by the State Government. The said exemptions may not be available to our Company in future, which may have an adverse impact on our financials of optical storage media business.

38. *Our Company's present manufacturing facility and the proposed manufacturing facility is located at Bhachau, Kutch District, Gujarat, which is a Seismic Zone - Earthquake prone area.*

Our Company's present manufacturing facility and the proposed manufacturing facility is located at at Bhachau, Kutch District, Gujarat which is a Seismic Zone - Earthquake prone area. The economic activities in the Kutch District came to standstill on account of devastating earth quake on January 26, 2001. Till date, none of our manufacturing facilities have been affected by any such occurrence. However, in the future, if earthquake hits the Kutch District, where all our Company's' manufacturing facilities are located, it may have an adverse effect on our operations, financials and our business. Further, being located in one area any local, social unrest, other natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of operations of our Company.

39. *Our business is dependent on our manufacturing facilities. The loss of or shutdown of operations at our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.*

Our manufacturing facilities at Bhachau, Kutch District, Gujarat are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, raw material shortage or unsuitability, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, our ability to respond to technological advances and emerging industry standards and practices in the industries we operate and propose to operate on a cost-effective and timely basis, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities, and any other factors which may or may not be within our control. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns of our captive power plant for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and the trading price of our Equity Shares may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

40. *Weaknesses and threats arising out of the Appraisal Report.*

Our Project has been appraised by State Bank of India, Industrial Finance Branch. State Bank of India has sanctioned Rs.8000.00 Lacs as a Term Loan for the Project, vide Letter No.IFB/CPC/AIP/07-08/39 dated December 27, 2007. The risks as mentioned in the Appraisal Report are as under:

- a. Continuous capital investments required to upgrade technology;



- b. Cost of solar energy is still high compared to other sources;
- c. Competition from the established big players in the industry;
- d. Delay in Project completion and/or cost overrun risk.

41. *Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditure, lender's approvals and other factors.*

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends.

42. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products or services, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.*

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to limit our liability for defects if any in the products sold, we cannot be assured that our liability will be restricted to those mentioned in the warranty clause of the products or that they will otherwise be sufficient to protect us from consequential damages.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

43. *We rely on our IT systems and failures could adversely impact our business.*

We rely on our IT systems to provide us connectivity across our business/operational functions through our software, hardware and network systems. Our business processes are IT enabled, and any failure in our IT systems or loss of connectivity or any loss of data arising from such failure can impact us adversely.

44. *Fluctuation of the Rupee against foreign currencies may have an adverse effect on our results of operations.*

The volatility in foreign currency exchange rates may have an adverse impact on our imports of plant and machinery and raw material. We have to make payments in foreign exchange for our imports of Capital goods and raw materials. In the future, we expect an increase in our dealings in foreign exchange thus increasing our exposure to foreign exchange markets. Our entire revenues from PV cells business will be denominated in foreign currency. Any appreciation of Rupee against the said foreign currency will reduce our sale proceeds in rupee terms which may inturn adversely impact our profitability of our Company. Our inability to hedge this foreign exchange exposure may result in an adverse impact on our financial condition.

45. *Increase in interest rates may materially impact our results of operations.*

We are exposed to interest rate risk and are not currently into any swap or interest rate hedging transactions in connection with our loan agreements. We may enter into interest hedging contracts or other financial arrangements in future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have a material adverse effect on our business prospects, financial condition and results of operations.

46. *The data pertaining to certain aspects of the Optical Storage Devices Industry and Photovoltaic Cell Industry and market in the public domain is limited. On account of such limitations, we have used certain relevant data pertaining to the Optical Storage Devices Industry and Photovoltaic Cell Industry and market in this Red Herring Prospectus that is not drawn from any specific third-party sources.*

The data pertaining to certain aspects of the Optical Storage Devices Industry and Photovoltaic Cell Industry and market in the public domain is limited. On account of such limitations, we have used certain relevant data pertaining to the Optical Storage Devices Industry and Photovoltaic Cell Industry and market in this Red Herring Prospectus that is not drawn from any specific third-party sources. This data has been estimated out of our internal records and is also based on



our past experience and is therefore reliable. However, as there is no specific data present in the public domain, we have relied on our Company's estimates, as and when required, and therefore, we believe the same to be reliable, such estimations may not necessarily continue to be in line with the actual industry and market position, in the event that such data were to become available.

47. *Our inability to maintain the stability of our distribution network and attract additional distributors may have an adverse effect on our results of operations and financial condition.*

The challenge in our business lies in reaching a geographically dispersed end-user at the right time at the right place with the right product. We rely on our distribution network and dealerships to reach the end customer and sell our products in each of the regions in which we operate. Hence, our business is dependent on maintaining good relationships with our distributors and dealers and ensuring that our distributors and dealers find our products to be commercially remunerative and have continuing demand from customers. Furthermore, our growth as a business depends on our ability to attract additional distributors to our distribution network. There can be no assurance that our current distributors and dealers will continue to do business with us, or that we can continue to attract additional distributors and dealers to our network. If we do not succeed in maintaining the stability of our distribution network and attracting additional distributors to our distribution network, our market share may decline and our products may not reach the end customers, materially affecting our results of operations and financial condition.

48. *We depend on few suppliers for substantial portion of our raw material purchases. Any delay in the timely delivery of raw material by the Supplier will cause delay in the production and accordingly the sales which may have adverse impact on net results of the Company.*

Our top ten suppliers of raw materials contributed approximately 90.79% of our purchases during FY 2008-09. We don't have any agreement with suppliers for sourcing, which may affect our regular supplies in case of any conflict or delay in the supply. Hence, it could adversely affect our manufacturing operation and consequently our results of operations. Any problems faced by our suppliers resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer's requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers.

49. *Our Company has unsecured loans which are repayable on demand.*

As on March 31, 2009 our Company has unsecured loans amounting to Rs. 4577.44 Lacs, out of which Rs. 2584.72 Lacs was from group / associate companies, Rs 917.62 Lacs from directors / promoters and Rs. 1075.10 Lacs were from others, which is repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations.

For further details of these unsecured loans, please refer to the heading of 'Details of Unsecured Loans' beginning on page 140 under the chapter Auditors' Report beginning on page 126 of this Red Herring Prospectus.

50. *Our contingent liabilities could adversely affect our financial condition due to non-provisioning of these liabilities in our books of account.*

We have contingent liabilities in our balance sheet, as at March 31, 2009, which are as follows:

Sr.No.	Particulars	Amount (Rs. in Lacs)
1	Bank Guarantee Issued by the Bank on behalf of the Company	500.76*
2	Excise Refund Recognized as income	63.42**
3	Disputed Income Tax Assessment dues	13.70***

* The Company has imported various Capital Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, through various licenses, at concessional rates of Custom Duty on an undertaking to fulfill quantified exports within a period of eight years from the date of the respective licenses. The Custom Duty so saved amounts to Rs.2538.56 Lacs and the corresponding Export obligation as on 31st March, 2009 to be fulfilled is Rs.18933.48 Lacs. If the said export is not made within the stipulated time period; the Company is required to pay the said saved Custom Duty



together with Interest @ 15% p.a. Bank Guarantee of Rs.500.76 Lacs as on March 31, 2009, were issued against the said EPCG Licenses.

** The Company falls under 1st Schedule to Central Excise Tariff Act, 1985 (5 of 1985). The unit was set up after 31-07-2001 and hence been eligible for Excise Refund benefit envisaged in Notification No:39/2001-CE dated 31-07-2001 as amended. Hence the Company applied to Central Excise Department for Excise Refund and the Department approved the same. The Company commenced commercial production of its first phase on 04-04-2005 with five manufacturing lines and doubled its capacity in January 2007 by adding five more manufacturing lines. The Company was duly in receipt of Excise Refund on the first five lines till the financial year 2007-2008, however from financial year 2008-2009 the Excise Department rejected the Excise Refund claim even for the first five lines. Currently Company is under the appeal with tribunal regarding Excise Refund, however the same is not sanctioned till Balance Sheet date and pending with the authority. Thus during the year the Company has recognized Excise Refund amount of Rs.63,41,853 which is proportionate to first five lines as income and shown as receivable in the Balance Sheet and thus if the Company loses the claim of Refund in the litigation income recognized during the year will not be materialized.

Name of the statute	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	13,28,911	F.Y. 2006-2007	Commissioner of Income Tax (Appeals).
Income Tax Act, 1961	40,732	F.Y. 2004-2005	Commissioner of Income Tax (Appeals).
Total	13,69,643		

The above contingent liabilities have not been provided in our books of account because of the following reasons:

- Bank Guarantee issued by the bank on behalf of the company amounting to Rs. 500.76 lacs is shown as contingent liability because it is not probable that an outflow of resources will be required.
- Excise refund recognized as income amounting to Rs. 63.42 lacs is shown as contingent liability because the refund is proportionate to company's first five manufacturing lines and company is of the view that the claim of excise refund will materialize based on the refund orders received in the past.
- Disputed income tax assessment dues amounting to Rs. 13.70 lacs: The matter is under appeal with Commissioner of Income Tax (Appeals) and it is uncertain whether the said liability will arise or not.

External Risk Factors

51. Political instability or Changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant.

Although the Central government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well.

52. Any downgrading of India's debt rating by an international rating agency could have an unfavorable impact on our business.

Our country's dependence on foreign investment depends on our credit rating in the international market. Such modes of foreign investment include External Commercial Borrowings, Foreign Currency Convertible Bonds, FDI etc. Our



Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available through these modes could be adversely effected in the event of any adverse revisions to India's credit rating for domestic and international debt by international rating agencies such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

53. *After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.*

The price of our Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, , changing perceptions in the market about investments in the Indian economy, adverse media reports on us or the Indian economy, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies and significant developments in India's fiscal regulations.

There has been no recent public market for our Equity Shares prior to this Issue and an active trading market for our Equity Shares may not develop or be sustained after this Issue. Further, the price at which our Equity Shares are initially traded may not correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

54. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.*

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

55. *Due to absence of regulatory entry barriers, the organized as well as unorganized players have easy access in this industry resulting in excess capacity, competition and resultant price pressure on the products.*

There are no regulatory entry barriers for setting up a CDRs/DVDRs or Photovoltaic cell manufacturing unit. Due to no regulatory entry barriers, many players from the organised as well as the un-organised sector may enter these industries. The entry of these players may result in excess capacity, competition and resultant price pressure on the products.

56. *You will not be able to immediately sell any of our Equity Shares purchased through this Issue on an Indian stock exchange.*

Our Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' "demat" accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved. Until such time, as trading approvals are received from the BSE and the NSE you will not be able to sell any of our Equity Shares issued through the Issue.

Notes to Risk Factors

Issue of 88,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share for cash aggregating Rs. [●] Lacs (hereinafter referred to as the "issue"), including Employee reservation of 2,00,000 equity share of face value of Rs.10/- each at a price of Rs.[●] per equity share for cash aggregating to Rs.[●] (hereinafter referred to as the "Employee Reservation Portion"). The issue less the employee reservation portion shall be 86,00,000 equity shares of Rs.10/- each (hereinafter referred to as the "Net Issue To The Public"). The issue will constitute 36.97 % of the post issue paid up capital of our company. The net issue to the public will constitute 36.13 % of the fully diluted post issue paid-up capital of our Company.

- The Net Worth of our Company, as per our restated financial statements as at March 31, 2009, is Rs. 3,146.66 Lacs



- This Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue to the Public will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation on a proportionate basis to QIB bidders including Mutual Funds subject to valid bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 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. Further, 2,00,000 Equity Shares shall be available for allocation on a proportionate basis to Employees, subject to valid bids being received at or above the issue price.
- Under subscription, if any, in the Non-Institutional Portion and Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM. If at least 50% of the Net Issue cannot be allotted to QIB Bidders, then the entire application money will be refunded. However, if the aggregate demand by Mutual Funds is less than 2,15,000 Equity Shares, balance Equity Shares available for allocation in the Mutual Funds Portion will be added to the QIB Portion and be allocated proportionately to the QIB Bidders.
- The Issue is being made in terms of sub-clauses (a) (i) and (b) (i) of clause (2) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.
- The average cost of acquisition of Equity Shares by each of our Promoters, is given as under:

Sr.No.	Name of Promoter	Average cost of acquisition per share (in Rs.)
1.	Mr.Nenshi Shah	10.00
2.	Mr.Rayshi shah	10.00
3.	Mr.Suresh Shah	10.00

For details please refer to the table titled ‘Promoters Contribution and Lock-In’ beginning on page 15 under the chapter titled ‘Capital Structure’ beginning on page 14 of this Red Herring Prospectus.

- Book value of the Equity Shares of our Company, as per our restated financial statements as at March 31, 2009, is Rs. 20.97 per Equity Share.
- Details of Related Part Transactions

(Rs. In Lacs)

Particulars	For the year ended 31 st March				
	2005	2006	2007	2008	2009
Receiving of Services	29.81	509.12	254.03	337.57	579.85
Purchase of goods and services	19.00	1117.38	72.28	14.92	2.67
Rendering of services	-	-	0.32	0.77	1.67
Remuneration of Directors	4.00	4.80	7.80	18.75	31.20
Donation	-	-	3.00	17.00	3.50
Sale of goods	-	-	-	-	19.08
Loans & Advances Obtained *	660.28	1057.26	1616.39	2929.51	4457.44
Loans & Advance Given *	357.53	1615.40	-	1.77	-

* Represents Closing Balance as at year end.

For details on Related Party Transactions and Loans and Advances made to any company in which our Directors are interested please refer to the heading titled “Related Party Disclosures” beginning in page 143 under the chapter titled “Financial Statements” beginning on page 126 of this Red Herring Prospectus.

- Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page 38 of this Red Herring Prospectus before making an investment in this Issue.
- We have not issued any Equity Shares other than cash or out of revaluation of assets since inception.



- The notes on significant accounting policies have been furnished in the auditor's report.
- There are no material events occurring after the balance sheet date, which have an impact on financial statements as on March 31, 2009 except as stated under heading titled “Significant Developments after the Date of the Last Financial Statement” under chapter titled “Management Discussion and Analysis of Financial Condition and Results of Operation as reflected in the Financial Statemets” beginning on page 126 of this Red Herring Prospectus.
- In the event of the Issue being oversubscribed, the allocation shall be on a proportionate basis to QIBs, Retail Individual Bidders and Non-Institutional Bidders. For more details, please refer “Basis of Allotment or Allocation” beginning on page 255 under the chapter titled “Issue Procedure” beginning on page 233 of this Red Herring Prospectus.
- Any clarification or information relating to this Issue shall be made available by the BRLM and our Company to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. Investors may contact the BRLM *i.e.* Anand Rathi Advisors Limited, and/or Mr. Sunil Nemani, Chief Finance Manager and Compliance Officer and/or Link Intime India Private Limited, Registrar to this Issue for any complaints pertaining to this Issue at the Pre-Issue or Post-Issue stage.
- Trading in equity shares of our Company for all the investors shall be in dematerialized form only.

We and the BRLM are obliged to keep this Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered under the Issue commences.



SECTION III – INTRODUCTION

SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information contained in the chapters titled “Risk Factors” and “Auditors’ Report to the Restated Financial Statements” and related notes beginning on page xii and 126 of this Red Herring Prospectus before deciding to invest in our Equity Shares. In this section only, any reference to “we”, “us” or “our” refers to Euro Multivision Limited.

INDUSTRY OVERVIEW

Our Present Business comes under Optical storage media industry which is essentially integrated with PC market and VCD/DVD players industry and both this segments have grown over the past few years and are expected to grow in future as well.

Our Proposed new business of solar photovoltaic cells manufacturing comes under renewable energy which is expected to be energy of future due to its environment friendly nature and is expected to get many incentives from various governments across the world. Already, many European countries such as Germany have implemented various solar energy programmes. This trend is expected to continue and speed up in future due to increasing demand for the renewable energy.

For details on our Industry, please refer chapter titled "Industry Overview" beginning on page 49 of this Red herring Prospectus.

BUSINESS OVERVIEW

Existing Business

We are the second largest company among few companies that are into manufacturing of CDRs and DVDRs. (Source: *Optical Disk Manufacturers Welfare Association*) The other companies in the existing business are MoserBaer, Jupiter Innovations, Optek Disc manufacturing and Lizer Technologies etc.

Our Company is a part of EURO group which was promoted by Shri Nenshi Shah. EURO group was promoted in 1995. Euro group has presence across multi products such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminium Section, Aluminium Composite Panels (Bond), Hardware & Sanitary ware Fittings, Plywood, Veneers, Laminates, Mica, Canfor, Imported Furniture, Sponge Iron, CDR, DVDR, Glass Articles, Dry Battery Cell and Wooden Flooring and spread over various parts of India.

Euro Multivision limited was incorporated on April 29, 2004 and has set up a plant for the manufacture of Compact Disc Recordables (CDRs) and Digital Versatile Disc Recordables (DVDRs). Our company has commenced commercial production in April, 2005 with five manufacturing lines having an installed capacity of 720 Lac units of CDRs and 72 Lac units of DVDRs a year. After successfully operating five lines in the first year of its commercial operation, the company expanded the capacity by adding another five manufacturing lines in the second half of financial year 2006-07 taking the total to 10 manufacturing lines with a total installed capacity of CDRs to 1800 Lac units a year. These lines are interchangeable and are convertible to manufacture DVDR as and when the requirement arises. Also these lines are compatible for manufacturing of pre recorded CD's and DVD's. In the same financial year, the DVDR manufacturing line was converted into CDR manufacturing line. The CDR production is fully stabilized and is operating on full capacity.

Our manufacturing facility is situated at Taluka Bhachau, District- Kutch, Gujarat. Our manufacturing facility is fully automated with least human intervention, which ensures international quality standards with optimum utilization of installed capacities. The major parts of the said manufacturing facility are procured from VDL ODMS B.V, Netherlands which is one of the leading suppliers for CDR manufacturing technology. Further, our manufacturing facility operates in Class 10000 (class 10,000 clean rooms, which enable us to produce clean, sterile, aseptic and dust-free products and components) environment with antistatic work stations wherever necessary and is completely powered by our Captive power plant for uninterrupted power supply.



Proposed Business

We propose to make an entry into the Photovoltaic business by manufacturing solar cells used for generation of electrical energy. This new field of business is synergistic with Company's existing businesses and we will leverage on our core competencies in the areas of precision high technology, mass manufacturing, and project management. As one of the early entrants in this space, EML is well-positioned to leverage this growing business opportunity. EML is targeting one segment in the PV value chain that is most attractive from a synergy standpoint, since it leverages the company's manufacturing competencies.

For this, we propose to build a photovoltaic solar cell manufacturing unit with a capacity of 40MW per year at a total cost of Rs.16756 Lacs at Taluka Bhachau, Dist- Kutch, Gujarat. We propose to set up this photovoltaic plant in a Special Economic Zone to be developed by us. For further details, please refer chapter titled "Objects of the Issue" beginning on page 24 of this Red Herring Prospectus.

We propose to set up this photovoltaic plant in a Special Economic Zone (SEZ). Our Company acquired 28.75 acres of land for setting up the SEZ adjacent to the existing manufacturing unit at Bhachau, District- Kutch, Gujarat. Further, The Company has received its SEZ Notification on April 23, 2009 and the same was published in the Gazette of India

As regards to the Plant & Machinery required for the proposed photovoltaic unit, the Company has a contract with OTB Solar B.V (The Netherlands), for selling and designing, delivering, installing, testing, and mechanically commissioning the Solar Cell Production Line at a fixed price of EURO 13,220,000/- (In words Thirteen Million and Two Hundred Twenty Thousand Euro). The Consignments of Imported Plant and Machinery have been received in the months of November and December 2008. The machines are currently at a Custom Bonded Warehouse in Gandhidham, Gujarat.

Competitive Strengths

Experienced Management

We are a part of the "Euro Group" which was started in 1995. Our Company which was incorporated on April 29, 2004 has seen its Sales & Income from operation grow at a CAGR of 48.4% from 4128.13 Lacs as on March 31, 2006 to 9092.46 as on March 31, 2008. We have entered into CDR/DVDR business on April 29,2004 However, the presence and the cumulative experience of all promoters for over 8 decades has helped our Company to manage the business efficiently. Even though the Photovoltaic business is a new business for our Company, our Promoters have experience in various business such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminium Section, Aluminium Composite Panels (Bond), businesses etc which has helped us grow since our inception.

Strong Brand Visibility

Our products are sold under the brand name "EUROVISION" which is a part of the EURO group. Euro group has a presence across products such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminum Section, Aluminum Composite Panels (Bond), Hardware & Sanitary ware Fittings, Plywood, Veneers, Laminates, Mica, Canfor, Imported Furniture, Sponge Iron, CD-R, DVD-R, Glass Articles, Dry Battery Cell and Wooden Flooring.

Strong Dealer Network

Our Promoters have an understanding of the trade segment of the market. Through this understanding, we have been able to establish a strong dealer network across India, enabling our products to reach the small consumers easily. Our sales are through the distribution network that has been developed over a period of last three years. Presently we have 16 distributors with over 515 district dealers and more than 150000 retailers spread across the country for marketing and distributing our products.

Location advantage

The strategic location of the plant is helpful as the Plant is located in Kutch region which is well connected with two ports of India namely Kandla and Mundra Ports. Because of the natural protection provided by its location, these ports are able to handle cargo throughout the year in all weather conditions, including during severe weather conditions of the monsoon season characterised by heavy rains, winds and waves, with minimal costs, delays and damages that often impact other more exposed ports. Our plant is connected by rail and road to the transportation network of India, particularly the inland regions of western and northern India.



For CDR/DVDR business

We are ranked second among all the Optical storage media devices manufacturers in the country

In our country there are a few optical storage media manufacturers like Moser Baer India Limited, Jupiter Innovations Limited, Optek Disc Manufacturing Company Limited, and Lizer Technologies Limited etc. with Moser Baer being the largest manufacturer. In 2009, according to the Optical Disk Manufacturers Welfare Association, we are the second largest player (with an installed capacity of 1800 Lac units per annum, ranked second with Moser Baer being ranked first with an installed capacity of more than 10000 lac units per annum) in the country in terms of installed manufacturing capacities.

Our Quality Certification

Our CDRs/ DVDRs manufacturing unit has received ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 certifications. Since our company is dedicated towards the quality of products, processes and inputs, we get repetitive orders from our customers, as we are capable of meeting our quality standards thereby enabling us to maintain our brand image in the market.

Optimum utilization of manufacturing facilities

Our manufacturing facility is, currently operating at 100% capacity. Our company regularly emphasizes to utilize its manufacturing facility at optimum level to meet increasing demand in the CDR /DVDR segment, which helps in maintaining cost competitiveness and manufacturing efficiencies.

Captive Power plant

Power is an important factor in every manufacturing facility. Considering the power requirements of our existing manufacturing facilities we have our own captive power plant that has been jointly commissioned with our group Company Euro Ceramics Limited. The complete present requirement of power is met by the Power Plant which uses abundantly available lignite as a fuel to generate power. Captive power plant gives us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. Uninterrupted power supply helps to avoid any delays in manufacturing process thereby ensuring complete utilization of our capacities

Convertibility from CD to DVD

Our CDR/DVDR manufacturing lines can easily be interchanged from CDR to DVDR and vice versa. Hence any change in customer preference from CDR to DVDR and vice versa can be easily addressed without any loss of time.

For Photovoltaic business

Proposed Manufacturing unit will be set up in SEZ

We will be setting up the photovoltaic cell manufacturing unit in a SEZ. This project will be eligible for all SEZ policy concessions and advantages. This will result in cost reduction and thereby enhancing our margins and market share.

EML has tied up for the supply of machinery for the proposed manufacturing unit

We have entered into an agreement with OTB solar, Netherlands based company for the supply of the machinery for the proposed unit and we have already received the consignments of Imported Plant and Machinery in the months of November and December 2008 .This will put us in an advantageous position as far as the commissioning of the photovoltaic cell manufacturing unit.

Early mover advantage

We will be one of the companies who will enter the growing Photovoltaic Business at an early stage considering the global requirement for renewable energy & present status (For further details please refer the chapter titled “Industry Overview” beginning on 49 of this Red Herring Prospectus), company would be able to pre-empt competition and capture demand by establishing a strong brand name. This would enable us to build up sales volume and ride down the experience curve ahead of our competitors.

For further details, Please Refer to heading titled “Competitive Strengths” beginning on page 87 under chapter titled “Business Overview” beginning on page 69 of this Red Herring Prospectus.



Business Strategy

CDR/DVDR Business

Continue to integrate all our external stakeholders & our internal stakeholders (i.e .our employees)

We will continue to get feedback from our customers, so as to address to their changing preferences. This will be done through our existing distributors and dealers, and be enhanced through new dealers and distributors. So as to expand our presence geographically, this activity will be energized by regular sales promotion and target achievement schemes. This exercise will ensure the compatibility of our CDRs and DVDRs and their manufacturing mix, to address the rapidly changing CDRs and DVDRs market.

Our people are our most important asset, and it is their talent, integrity and dedication that results in our success. We offer a highly entrepreneurial culture with a strong, team-based approach that we believe is attractive to our employees. We have been successful in attracting and retaining key professionals and intend to continue to seek out talent to further enhance and grow our business. Additionally, we believe that becoming a publicly traded company will further enable us to offer attractive stock-based incentives to talented professionals, which will aid our recruitment effort and our retention of key employees.

Mix of Organic and Inorganic Models of Growth

Our strategy so far had been organic growth. At this stage of our business, we believe that a combination of organic and inorganic models will help us continue to grow. Strategic acquisitions would help us in leveraging complementary skills to capture market opportunities as well as reduce time-to-market and accelerate growth.

For Photovoltaic business

Export Strategy

In the present scenario, solar cells are in much demand in overseas markets due to various governmental initiatives/support schemes. Hence, our Company proposes to export entire production.

With regard to this, our Company has identified Europe, US, South East Asia and Middle East as some of the key places wherein we propose to set up marketing offices for effective marketing of the product and therefore we propose to engage overseas marketing agents once our manufacturing facility starts the commercial production of Solar Cells.

Enlarging the value chain so as to add more value for our shareholders through Backward and Forward Integration

Backward Integration

As stated in the Object of the Issue, our company proposes to setup a manufacturing facility for production of solar cells. The key raw material required for manufacture of solar cells is Silicon Wafers which will be procured from the overseas market. As part of our Backward integration plan, our company proposes to manufacture Poly Silicon which is the essential raw material required for Silicon wafers thereby enhancing our margins and meeting timely requirement of raw material. For this purpose, our company has already entered into a Technology Transfer/ License agreement with SRI International, California which will provide the training and technology know how to our personnel to manufacture Poly Silicon.

Forward Integration

Presently, our company proposes to sell the solar cells to module manufacturers. The said module manufacturing is more of a sort of assembly job and doesn't require any expert or critical manufacturing know how. As part of our forward integration strategy, we intend to setup a module manufacturing facility thereby enabling us to enter Energy Farming. In which the solar modules can be laid down on the acres of land in order to generate the power and to supply the generated power to the Grid. Hence, this concept which is very popular in European countries especially in Germany and Spain would be also gain importance in India.

This forward integration will give us many advantages like:

1. Our products will directly be sold to ultimate consumers
2. The firsthand feedback of the ultimate customers would be available to us that would enable us to understand the customer needs and preferences.
3. Our Company would be eligible for Carbon Credits.



THE ISSUE

Equity Shares Offered:	
Issue by our Company	88,00,000 Equity Shares aggregating to Rs.[●] Lacs
Of which	
Employee Reservation Portion	2,00,000 Equity Shares aggregating to Rs.[●] Lacs
Net Issue to the Public	86,00,000 Equity Shares aggregating to Rs.[●] Lacs
Of which	
A) Qualified Institutional Buyers Portion ⁽¹⁾	43,00,000 Equity Shares aggregating to Rs.[●] Lacs, constituting at least 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue to QIBs). 5% of the QIB Portion i.e. 2,15,000 Equity Shares aggregating to Rs.[●] Lacs shall be available for allocation proportionately to mutual funds. Mutual fund Bidders shall also be eligible for proportionate allocation under the balance available for Qualified Institutional Buyers.
B) Non-Institutional Portion ⁽¹⁾	12,90,000 Equity Shares aggregating to Rs.[●] Lacs, constituting not less than 15% of the Net Issue that will be available for allocation to Non-Institutional Bidders.
C) Retail Portion ⁽¹⁾	30,10,000 Equity Shares aggregating to Rs.[●] Lacs 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	1,50,00,000 Equity Shares
Equity Shares outstanding after the Issue	2,38,00,000 Equity Shares
Use of Proceeds	Please refer to chapter titled “Objects of the Issue” beginning on page 24 of this Red Herring Prospectus for additional information.

Note:

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

SUMMARY OF FINANCIAL INFORMATION

Statement of Assets and Liabilities (As Restated)

(Rs. in Lacs)

Sr. No.	Particulars	AS AT MARCH 31				
		2005	2006	2007	2008	2009
A	Fixed Assets					
	Gross Block	4744.96	5588.14	10691.38	11249.56	11778.93
	Less: Depreciation	-	351.07	1057.55	2150.19	3306.24
	Net Block	4744.96	5237.07	9633.83	9099.37	8472.69
	Capital Work In Progress	-	-	-	1372.18	10986.42
	Pre-Operative Expenses Pending Allocation	274.24	-	-	-	-
	Total	5019.20	5237.07	9633.83	10471.55	19459.11
B	Investment	1.00	1.00	1.00	1.00	1.00
C	Current Assets, Loans & Advances					
	Inventories	604.87	751.45	1273.34	1239.53	858.56
	Sundry Debtors	-	826.88	363.19	523.90	1008.54
	Cash and Bank Balances	311.64	123.61	252.62	971.59	803.42
	Loans & Advances	38.43	66.72	188.10	694.69	2789.27
	Total	954.94	1768.66	2077.25	3429.71	5459.79
D	Liabilities & Provisions					
	Secured Loans	3438.89	3227.04	6730.05	5807.98	14651.27
	Unsecured Loans	981.72	2117.15	2099.75	3173.10	4577.44
	Deferred Tax Liability	-	-	295.59	650.26	697.33
	Current Liabilities & Provisions	598.62	826.50	1153.93	1308.00	1847.20
	Total	5019.23	6170.69	10279.32	10939.34	21773.24
E	Net Worth (A+B+C-D)	955.91	836.04	1432.76	2962.92	3146.66
F	Represented by					
	Share Capital	1000.00	1000.00	1000.00	1500.00	1500.00
	Reserves & Surplus	-	-	466.45	1462.92	1646.66
	Less: Miscellaneous Exp. (To the extent not written off)	44.09	163.96	33.69	0.00	0.00
	Net Worth	955.91	836.04	1432.76	2962.92	3146.66

Statement of Profit and Loss (As Restated)

(Rs. in Lacs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		2005*	2006	2007	2008	2009
A	Incomes					
	Sales & Income from Operation	-	4128.13	5651.33	9092.46	7321.67
	Other Income	-	33.17	12.61	4.55	19.06
	Total Income	-	4161.30	5663.94	9097.01	7340.73
	(Increase)/Decrease in Stock	-	315.15	229.19	(61.17)	16.70
	Total	-	4476.45	5893.13	9035.84	7357.43
B	Expenditures					
	Materials Consumption	-	2429.61	2914.16	4882.36	4069.37
	Manufacturing and Other Expenses	166.84	882.47	667.63	988.58	1208.45
	Advertising and Selling Expenses	0.18	401.07	28.07	52.74	22.47
	Less:-Expenses capitalized to Fixed Assets	(104.16)				
	Less:- Transferred to Pre-operative expenses pending allocation	(62.86)				
	Total		3713.15	3609.86	5923.68	5300.29
C	Net Profit before Interest Depreciation, Tax and Extraordinary Items	-	763.30	2283.27	3112.16	2057.14
	Financial Expenses	211.38	536.72	556.59	765.98	595.23
	Depreciation	-	351.07	706.48	1092.65	1156.20
	Less:- Transferred to Pre-operative expenses pending allocation	(211.38)	-	-	-	-
	Profit before Tax	-	(124.49)	1020.20	1253.53	305.71
	Provision for Taxation					
	- Current Tax	-	-	80.35	131.29	31.58
	- Deferred Tax	-	-	295.59	354.67	47.07
	- Fringe Benefit Tax	-	4.20	3.52	4.40	5.30
	-MAT Credit available for set off	-	-	-	(211.63)	
	-MAT Credit availed	-	-	-	-	38.02
D	Net Profit after Tax but before Extraordinary Items	-	(128.69)	640.74	974.80	183.74
	Add/(Less) : Excess Income Tax Provision made in Last Year	-	-	(21.67)	21.67	-
	Less: Adjustment on account of retrospective effect on account of notification of the Companies (Accounting Standards) Amendment Rule 2009 issued by Ministry of Corporate Affairs pertaining to Foreign exchange differences	-	-	-	(94.71)	-
	Profit as per Audited P&L A/c	-	(128.69)	619.07	901.74	183.74



GENERAL INFORMATION

NAME AND REGISTERED OFFICE OF OUR COMPANY

Euro Multivision Limited
 Boston House, Ground Floor,
 Suren Road,
 Chakala, Andheri (E),
 Mumbai –400 093,
 Maharashtra, India
Tel. No. +91 22 4036 4036
Fax No. +91 22 4036 4037
Website: www.euromultivision.com

Our Company is registered with the Registrar of Companies, Maharashtra CIN: **U32300MH2004PLC145995**

The address of the RoC is as follows:

Registrar of Companies,
 Everest, 100 Marine Drive,
 Mumbai – 400 002, Maharashtra

OUR BOARD OF DIRECTORS

Our Board of Directors as on the date of filing this Red Herring Prospectus with SEBI is as follows:

Sr. No.	Names of the Directors	Status
1.	Mr. Nenshi L. Shah	Non-executive Chairman
2.	Mr. Rayshi L.Shah	Non-Executive Director
3.	Mr. Suresh L.Shah	Executive Director
4.	Mr. Hitesh Shah	Managing Director
5.	Mr. Chirag Shah	Executive Director
6.	Mr. Jatin R. Chhadva	Independent Director
7.	Mr. Pravin N.Gala	Independent Director
8.	Mr. Deepak G.Savla	Independent Director
9.	Mr. Vinod K.Shah	Independent Director
10.	Mr. Anil M. Mandevia	Independent Director

For a detailed profile of our Directors, please refer to the chapter titled ‘Our Management’ beginning on page 106 of this Red Herring Prospectus.

COMPANY SECRETARY	COMPLIANCE OFFICER
Ms. Shannu Bhandari Boston House, Ground Floor, Suren Road, Chakala, Andheri (E), Mumbai –400 093, Maharashtra, India Tel. No. +91 22 4036 4219 Fax No. +91 22 4036 4037 E-mail: cs@euromultivision.com	Mr. Sunil Nemani Boston House, Ground Floor, Suren Road, Chakala, Andheri (E), Mumbai –400 093, Maharashtra, India Tel. No. +91 22 4036 4210 Fax No. +91 22 4036 4037, E-mail: info@euromultivision.com



BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Anand Rathi Advisors Limited 11 th Floor, Times Tower, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 4047 7000 Fax: +91 22 4047 7070 Email: eml@rathi.com Contact Person: Mr. V. Prashant Rao/ Mr. Ankoor Choudharri Website: www.rathi.com SEBI Registration No. INM 000010478	Link Intime India Private Limited C -13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078 Tel. No.: +91 22 2596 0320 Fax No.: +91 22 2594 0329 Email: eml.ipo@linkintime.co.in Contact Person: Mr Sachin Achar Website: www.linkintime.co.in SEBI Registration No. INR000004058
LEGAL ADVISORS TO THE ISSUE	LEGAL ADVISORS TO THE COMPANY
M/s. Crawford Bayley & Co Advocates, Solicitors and Notaries State Bank Buildings, 4th Floor, N.G.N. Vaidya Marg, Fort, Mumbai – 400 023. Tel: +91-22-22663713 Fax: +91-22-22663978. Email: sanjay.asher@crawfordbayley.com	P.H Bathiya Advocate and Tax Consultant 2, Tardeo Air conditioned Market, 4 th Floor, Tardeo Road, Mumbai-400 034 Tel: +91-22-23523811 Fax: +91-22-23516587 Email: bathiya@vsnl.com Contact Person: Mr. Pankaj Bathiya
ADVISORS TO THE COMPANY	STATUTORY AUDITORS
Paradigm Business Solutions Private Limited B-11, West View, Opp. Swami Narayan Temple, L.N.Road, Dadar (East) Mumbai -400 014 Tel: +91-22-24129600 Fax: +91-22-24100362 Email: info@ukgala.com	SWAMY & CHHABRA Chartered Accountants 618, Arneja Corner, Sector-17 Vashi, Navi Mumbai- 400 705 Tel. No: +91 22 2789 0141 Fax: +91 22 2789 4341 E-mail: ayyaswamy_c@yahoo.com
BANKERS TO THE COMPANY	
The Cosmos Co-operative Bank Limited Pratik Avenue, 1st Floor, Nehru Road, Opp. Shiv Sagar Hotel, Vile Parle (E), Mumbai – 400 057. Tel.: +91-22-2613 2085/86 Fax: +91-22-2613 1050 E-mail: suhas.chikode@cosmosbank.in Website: www.cosmosbank.com Contact Person: Mr.Suhas Chikode	State Bank of India Ind Finance Branch, Marble Arch Race Course Circle Baroda- 390007 Gujarat Tel: +91 -265-2313005/2312093 Fax: +91 -265-2313210 Email: nalini.nageshwaran@sbi.co.in Website: www.onlinesbi.com Contact Person: Ms. Nalini Nageshwaran
ICICI Bank Limited ICICI Towers, Bandra Kurla Complex, Mumbai - 400 051 Tel: +91 -22-2653 1414 Fax: +91-22-26531122 Email: customercare@icicibank.com Website: www.icicibank.com	
BANKER TO THE ISSUE AND ESCROW COLLECTION BANKERS	



HDFC Bank Limited iThink Technocampus, Level O- 3 Opposite Crompton Greaves, Next to kanjurmarg railway station, Kanjurmarg (East) Mumbai- 400042 Tel: +91 93242 72185 Attention: Mr. Deepak Rane	Axis Bank Limited E - Wing, 3rd Floor, Maker Towers, Cuffe Parade, Mumbai - 400005, Tel: +91 22 6707 1657 Fax: +91 22 2215 5157 Attention: Mr. Prashant Fernandes
REFUND BANK	SYNDICATE MEMBER
HDFC Bank Limited iThink Technocampus, Level O- 3 Opposite Crompton Greaves, Next to kanjurmarg railway station, Kanjurmarg (East) Mumbai- 400042 Tel: +91 93242 72185 Attention: Mr. Deepak Rane	Anand Rathi Advisors Limited 11 th Floor, Times Tower, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 4047 7000 Fax: +91 22 4047 7070 Email: eml@rathi.com Contact Person: Mr. Ankoor Choudharri

Investors can contact the Compliance Officer and / or the Registrar to the Issue and/or the Book Running Lead Manager to the Issue i.e. Anand Rathi Advisors Limited in case of any pre-Issue or post-Issue problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Statement of Inter Se Allocation of Responsibilities amongst BRLMs

Since Anand Rathi Advisors Limited is the Sole Lead manager, there is no allocation of responsibilities.

IPO GRADING

This Issue has been graded by Credit Analysis and Research Limited (“CARE”) and has been assigned IPO Grade 3 indicating average fundamentals through its letter dated August 17, 2009.

The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. Attention is drawn to the disclaimer appearing on page 223 of this Red Herring Prospectus.

The rationale for the Grade assigned to our Company's IPO by CARE, has been set out in its report. The rationale set out therein is as follows

Grading Rationale

The grading derives strength from the favourable dynamics of renewable energy industry due to the 'Kyoto Protocol', worldwide Government support for generation of energy from renewable sources, availability of Special Economic Zone (SEZ) benefits to the company, domestic market potential for PV cells based on the Indian government's solar energy implementation targets and recognition of the 'Eurovision' brand in the existing Compact Disc Recordables (CDRs)/Digital Versatile Disc Recordables (DVDRs) market.

The grading is, however constrained by the delay in the Photo Voltaic (PV) project as against the original implementation schedule, high debt-equity & gearing ratios, small scale of existing operations, reducing margins in the existing business, uncertain export market conditions of PV cells due to prevailing conditions in world economic scenario and the slowdown in Information Technology (IT) sector. The grading also factors in the moderate corporate governance, substitution risk from other renewable sources of energy and lack of long-term arrangements for sourcing raw material.



A copy of the report provided by Credit Analysis and Research Limited, furnishing the rationale for its grading is available for inspection at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date

CREDIT RATING

As this is an Issue of Equity Shares, credit rating is not required.

TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not required.

MONITORING AGENCY

As the net proceeds of the Issue will be less than Rs. 50,000 Lac, under the SEBI Regulations it is not required that a monitoring agency be appointed by our Company. However the Audit Committee of the Board will monitor the utilization of issue proceeds.

APPRAISAL

The Project has been appraised by State Bank of India, Baroda, Gujarat. The details of the Appraising Agency are as under:

State Bank of India

Mid-Corporate Group

Ind Finance Branch, Marble Arch

Race Course Circle, Baroda- 390007

Gujarat

Tel: +91 -265-2313005/2312093

Fax: +91 -265-2313210

Email: nalini.nageshwaran@sbi.co.in

Website: www.onlinesbi.com

Contact Person: Ms. Nalini Nageshwaran

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. The Company.
2. Book Running Lead Manager in this case Anand Rathi Advisors Limited.
3. 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 the BRLM.
4. Registrar to the Issue in this case Link Intime India Private Limited.
5. Escrow Collection Bank(s), Refund Bank(s).
6. Self Certified Syndicate Banks.

SEBI, through its SEBI (ICDR) Regulations, 2009, has permitted the Issue of securities to the public through the 100% Book Building Process, wherein atleast 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 SEBI Regulations for this Issue. In this regard, the company has appointed the BRLM to procure subscriptions to the Issue.



QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date and are now required to pay 10% Margin Amount upon submission of their Bid. For details see the chapter titled “Issue Procedure” beginning on page 233 of this 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 details, please refer chapter titled “Issue Procedure” beginning on page 233 of the Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 shares at Rs.24 per share while another has bid for 1,500 shares at Rs.22 per share. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	27.77%
1000	23	1500	83.33%
1500	22	3000	166.67%
2000	21	5000	277.78%
2500	20	7500	416.67%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The issuer, in consultation with the BRLM, will finalize the issue price at or below such cut off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

STEPS TO BE TAKEN FOR BIDDING:

The process of Book building under the SEBI Regulations is relatively new and is subject to change, from time to time. Accordingly, investors are advised to make their own judgement about investment through this process of Book Building prior to making a Bid.

1. Check eligibility for bidding (please refer to the chapter “Issue Procedure” beginning on page 233 of this 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;
3. Ensure that you have mentioned your PAN in the Bid-Cum-Application Form (including ASBA form), unless exempted from mentioning the PAN. For details of exempted entities please refer paragraph titled “Permanent Account Number”, in chapter titled “Issue Procedure” beginning on page 233 of this Red Herring Prospectus.and
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid / Issue Closing Date, without assigning any reason thereof.

UNDERWRITING AGREEMENT

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered



through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfill its underwriting obligations.

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

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
Anand Rathi Advisors Limited 11 th Floor, Times Tower, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai – 400 0013. Tel: +91 22 4047 7000 Fax: +91 22 4047 7070 Email: eml@rathi.com Contact Person: Mr. Ankoor Choudharri Website: www.rathi.com	[●]	[●]
Syndicate Member		
Anand Rathi Advisors Limited 11 th Floor, Times Tower, Kamala City Senapati Bapat Marg, Lower Parel, Mumbai – 400 0013. Tel: +91 22 4047 7000 Fax: +91 22 4047 7070 Email: eml@rathi.com Contact Person: Mr. Ankoor Choudharri Website: www.rathi.com	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated [●]

In the opinion of the Board of Directors acting through the Chairman & Managing Director, based on a certificate dated [●] given to them by BRLM and the Syndicate Member, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. The above Underwriting Agreement has been accepted by the Board of Directors acting through the Chairman & Managing Director or the Director (Finance) of our Company and our Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure / subscribe to the extent of the defaulted amount. For further details about allocation please refer to chapter titled “Other Regulatory and Statutory Disclosures” beginning on page 218 of this Red Herring Prospectus.



CAPITAL STRUCTURE

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

	Share Capital as on the date of filing of this Red Herring Prospectus	Amount in Rs.	
		Aggregate Value at Nominal Price	Aggregate Value at Issue Price
A	Authorised Capital		
	2,81,50,000 Equity Shares of Rs. 10/- each	30,00,00,000	
	1,85,000, 5% Cumulative Redeemable Preference Shares of Rs. 100/- each.		
B	Issued, Subscribed and Paid-Up Capital before this Issue		
	1,50,00,000 Equity Shares of Rs. 10/- each.	15,00,00,000	
C	Present Issue to the public in terms of this Red Herring Prospectus		
	88,00,000 Equity Shares of Rs. 10/- each offered at a price of Rs. [●] per share.	8,80,00,000	[●]
	Of which:		
	Reserved for the Employees		
	2,00,000 Equity Shares of Rs. 10/- each are reserved for Eligible Employees at a premium of [●] per share.	20,00,000	[●]
	Net Issue to Public		
	86,00,000 Equity Shares of Rs. 10/- each at a premium of [●] per share.	8,60,00,000	[●]
D	Issued, Subscribed and Paid-Up Capital after this Issue		
	2,38,00,000 Equity Shares of Rs. 10/- each	23,80,00,000	[●]
F	Securities Premium Account(1)		
	Before this Issue		Nil
	After this Issue		[●]

(1) The amount standing in the Securities Premium Account, on a pre-Issue basis, is Nil. The increase in the Securities Premium Account as a result of the Issue will be completed only after the Issue Price is determined.

The present Issue has been authorized by the Board of Directors in their meeting held on July 23, 2007 and by the shareholders of our Company at the Annual General Meeting held on September 26, 2007.

Details of Increase in Authorised Share Capital since incorporation

Sr. No.	Particulars of Increase	Date of Shareholders' Meeting	AGM/EGM
1.	1,00,000 equity shares of Rs. 10/- each aggregating to Rs. 10,00,000/-	Incorporation	-
2.	Increased from Rs. 10,00,000/-consisting of 1,00,000 equity shares of Rs. 10/- to Rs.10,00,00,000/-consisting of 81,50,000 equity shares of Rs. 10/- each and 1,85,000, 5% Cumulative Redeemable Preference Shares of Rs. 100/- each.	December 30, 2004	EGM
3.	Increased from Rs. 10,00,00,000/- consisting of 81,50,000 equity shares of Rs. 10/- each and 1,85,000, 5% Cumulative Redeemable Preference Shares of Rs. 100/- each to Rs.30,00,00,000/- consisting of 2,81,50,000 equity shares of Rs. 10/- each and 1,85,000, 5% Cumulative Redeemable Preference Shares of Rs. 100/- each.	September 26, 2007	AGM

Notes to Capital Structure

History of Share Capital increase

1. Equity Share Capital History of our Company (Capital Built up)

Date of Allotment	No. of Equity Shares	Cumulative Number of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment of consideration	Reasons for Allotment/ Reduction	Cumulative Securities Premium Account	Cumulative Paid – up Capital (Rs.)
May 26, 2004	50,000	50,000	10	10	Cash	Subscription	-	5,00,000
August 30, 2004	1100	51,100	10	10	Cash	Further allotment	-	51,100
January 02, 2005	80,98,900	81,50,000	10	10	Cash	Further allotment	-	8,15,00,000
September 28, 2007	68,50,000	1,50,00,000	10	10	Cash	Issue of Equity Shares on further right basis	-	15,00,00,000

2. Preference Share Capital History of our Company

Date of Allotment	No. of Preference Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Reasons for Allotment/ Reduction	Cumulative Share Premium (Rs.)	Cumulative Paid -up Capital (Rs.)	As on date
January 02, 2005*	185000	100	100	Cash	Allotment of cumulative redeemable preference shares	-	1,85,00,000	Redeemed on October 13, 2007 (Please refer note no. 28)

*Out of 1,85,000, 5% Cumulative Redeemable preference shares 1,81,000, 5% Cumulative Redeemable preference shares allotted to Ms. Reena Shah were transferred to Mr. Hitesh Shah (Managing Director of our Company), Mr. Suresh Shah (Whole-Time Director) and Mr. Rayshi Shah (Non-Executive Director of our Company) on October 10, 2007.

3. Promoters Contribution and Lock-In

Our Company has three Promoters namely Mr. Nenshi Shah, Mr. Rayshi Shah and Mr. Suresh Shah. Details of Equity shares held by them and lock in pursuant to the issue are as follows:

Details of Allotment to / Purchase of Equity Shares by Promoters of our Company

Name of the Promoter	Date on which Equity Shares were allotted/ transferred and made fully paid up	Mode of Acquisition (Allotment/Transfer)	Number of Equity Shares	Face Value (in Rs.)	Issue price (in Rs.)	Consideration (cash, bonus, consideration other than cash)	Percentage of pre-Issue paid-up capital	Percentage of post-Issue paid-up capital	Lock-in Period (in years)
Mr. Nenshi Shah	May 26, 2004	Allotment	6,000	10	10	Cash	0.04	0.02	3 years
	January 02, 2005	Allotment	5,04,300	10	10	Cash	3.36	2.12	3 years
	September 28, 2007	Allotment	10,00,000	10	10	Cash	6.67	4.20	1 year
	Sub-Total		15,10,300	-	-	-	10.07	6.34	
Mr. Rayshi Shah	May 26, 2004	Allotment	8,330	10	10	Cash	0.06	0.04	1 year
	January 02, 2005*	Allotment	23,24,850	10	10	Cash	15.50	9.77	3 years
			3,74,790	10	10	Cash	2.50	1.57	1 year
	September 28, 2007	Allotment	22,83,333	10	10	Cash	15.22	9.59	1 year
	October 10, 2007	Transfer	620	10	10	Cash	Negligible	Negligible	1 year
	Sub-Total		49,91,923	-	-	-	33.28	20.97	
Mr. Suresh Shah	May 26, 2004	Allotment	8,350	10	10	Cash	0.06	0.04	1 year
	January 02, 2005**	Allotment	21,24,850	10	10	Cash	14.17	8.93	3 years
			5,74,770	10	10	Cash	3.83	2.41	1 year
	December 22, 2005	Transfer	8,330	10	10	Cash	0.06	0.03	3 years
	September 28, 2007	Allotment	22,83,333	10	10	Cash	15.22	9.59	1 year
	October 10, 2007	Transfer	120	10	10	Cash	Negligible	Negligible	1 year
	Sub-Total		49,99,753	-	-	-	33.33	21.00	
	GRAND TOTAL		1,15,01,976				76.68	48.31	

* Out of 26,99,640 shares originally allotted to Mr. Rayshi Shah on January 02, 2005, 23,24,850 equity shares have been considered as promoters contribution for lock in for 3 years. The balance 3,74,790 equity shares have been considered for 1 year lock in.

** Out of 26,99,620 shares originally allotted to Mr. Suresh Shah on January 02, 2005, 21,24,850 equity shares have been considered as promoters contribution for lock in for 3 years. The balance 5,74,770 equity shares have been considered for 1 year lock in.



Summary of promoters' contribution locked in for 3 years:

Sr.No.	Name of Promoters	No. of equity shares offered for lock in for 3 years	% of post issue paid up capital
1.	Mr. Nenshi Shah	5,10,300	2.14
2.	Mr. Rayshi Shah	23,24,850	9.77
3.	Mr. Suresh Shah	21,33,180	8.96
TOTAL		49,68,330	20.87

The promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters in the chapter titled "Our Promoters and their Background" beginning on page 122 of this Red Herring Prospectus.

As per clause (a) of Regulation 36 of the SEBI Regulations, eligible equity shares locked in for a period of 3 years have been locked in from the date of allotment of this issue.

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-issue Equity Share capital of our Company held by our Promoters shall be locked in by our Promoters for a period of three years from the date of allotment in this Issue. The Equity Shares, which are being locked-in for three years, are eligible for computation of Promoters' contribution under clause (1) of Regulation 33 of the SEBI Regulations:

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

- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum promoters' contribution subject to lock-in.
- Equity Shares issued to promoters on conversion of partnership firms into limited company.
- Equity Shares with a contribution less than Rs. 25,000/- per Bid from each individual and contribution less than Rs. 1,00,000/- from firms and companies.
- Equity Shares acquired by the Promoter's during the preceding three years resulting from bonus issue, out of revaluation reserves or for consideration other than cash or capitalization of intangible assets or reserves without accrual of cash resources.
- Any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The lock-in shall start from the date of allotment in the Public Issue and the last date of the lock-in shall be reckoned as three years from the date of allotment in the public issue.

Written consent dated December 05, 2007 has been obtained from our Promoters whose securities have been included as part of promoter's contribution subject to lock-in and that these securities will not be disposed/sold/transferred by the promoters during the period starting from the date of filing the Draft Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in this Red Herring Prospectus.

In terms of Regulation 40 of the SEBI Regulations, locked in Equity Shares held by the Promoters may be transferred to and amongst the Promoters/ Promoter group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

Further, in terms of Regulation 40 of the SEBI Regulations, locked in Equity Shares held by shareholders other than the Promoters may be transferred to any other person holding Equity Shares which are locked-in as per Regulation 37 of the SEBI Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.



In terms of Regulation 39 of the SEBI Regulations, locked-in equity shares 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:

- (a) if the Equity Shares are locked-in in terms of clause (a) of Regulation 36, 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 Equity Shares is one of the terms of sanction of the loan;
- (b) if the Equity Shares are locked-in in terms of clause (b) of Regulation 36 and the pledge of Equity Shares is one of the terms of sanction of the loan.

The Equity Shares locked-in by our Promoters for three years are not pledged to any party.

The entire pre-Issue Equity Share Capital of our Company, comprising 1,50,00,000 Equity Shares, shall be locked in for a period of one year from the date of the Allotment of Equity Shares in this Issue, of which 49,68,330 Equity Shares held by the Promoters shall be locked in for three years from the date of Allotment of Equity Shares in this Issue.

4. Details of Allotments/Purchases / Sales in the Company's Equity Shares by the Promoter Group and the Directors of our Company during a period of six months preceding the date of filing of this Red Herring Prospectus with SEBI

Our promoters, our promoter group, promoter group entities and the Directors of our Company have not purchased, neither have they sold any equity shares during the period of six months preceding the date of filing this Red Herring Prospectus with SEBI.

5. Shareholding pattern of our Company prior and post this Issue

Name of the Shareholders	Pre-Issue Equity Capital		Post-Issue Equity Capital	
	Number of Equity Shares	%	Number of Equity Shares	%
Promoters				
Mr.Nenshi Shah	15,10,300	10.07	15,10,300	6.34
Mr.Rayshi Shah	49,91,923	33.28	49,91,923	20.97
Mr.Suresh Shah	49,99,753	33.33	49,99,753	21.00
Sub Total (A)	1,15,01,976	76.68	1,15,01,976	48.31
Promoter Group				
Ms.Gunvantiben Shah	5,00,000	3.33	5,00,000	2.10
Ladhabhai Shah (HUF)	1,50,000	1.00	1,50,000	0.63
Other relatives of the Promoters individually holding less than 1% of pre Issue capital.				
Mr. Shantilal S. Shah	6,000	0.04	6,000	0.03
Mr. Chirag R. Shah	8,330	0.06	8,330	0.04
Mrs. Shantaben L. Shah	120	0.00	120	0.00
Sub Total (B)	6,64,450	4.43	6,64,450	2.79
Promoter & Promoter Group Total (A+B)	1,21,66,426	81.11	1,21,66,426	51.12

Others Non-Promotor Investors				
Body Corporates	5,00,000	3.33	5,00,000	2.10
Individuals				
Individual Shareholders holding nominal share capital exceeding Rs. 10 Lac	21,83,334	14.56	21,83,334	9.17
Individual shareholders holding nominal share capital up to Rs 10 Lac	1,50,240	1.00	1,50,240	0.63
Any other (HUF)	-	-	-	-
Sub Total (C)	28,33,574	18.89	28,33,574	11.91
Total Pre Issue Capital (A+B+C)= (D)	1,50,00,000	100	1,50,00,000	63.03
Net Public Issue	-	-	86,00,000	36.13
Employee Reservation	-	-	2,00,000	0.84
Total Issue (E)	-	-	88,00,000	36.97
Total Post Issue capital (D+E)			2,38,00,000	100.00

6. a) Particulars of top ten shareholders on the date of filing this Red Herring Prospectus with ROC

Serial No.	Name of the shareholder	Number of Equity Shares	% of Pre-issue Paid up capital	Cumulative % of Pre-issue paid up capital
1.	Suresh Shah	4,999,753	33.33	33.33
2.	Rayshi Shah	4,991,923	33.28	66.61
3.	Hitesh Shah*	1,683,334	11.22	77.83
4.	Nenshi Shah	1,510,300	10.07	87.90
5.	Gunvantiben N. Shah	500,000	3.33	91.23
6.	Lyons Technologies Limited	500,000	3.33	94.56
7.	Sonalben Shah	300,000	2.00	96.56
8.	Daksha Shah	200,000	1.33	97.89
9.	Ladhabhai S.Shah- HUF	150,000	1.00	98.89
10.	Subhash Shah	100,000	0.67	99.56

*While considering the disclosure regarding Promoters, our Company has considered persons who were involved in the promotion of our Company, though Mr. Hitesh Shah was subscriber to the memorandum of association. Our Company has not considered shareholding as the criteria while considering names of our Promoters. Further, Mr. Hitesh Shah is not related to any of the Promoters and he does not fall under the definition of Promoter and Promoter Group as per clauses (za) and (zb) of sub-regulation (1) of Regulation 2 of SEBI (ICDR) Regulations, 2009 and therefore he has neither been defined as a Promoter nor does he fall under the Promoter Group of the Company.

b) Particulars of top shareholders ten days prior to filing this Red Herring Prospectus with ROC

Serial No.	Name of the shareholder	Number of Equity Shares	% of Pre-issue Paid up capital	Cumulative % of Pre-issue paid up capital
1.	Suresh Shah	4,999,753	33.33	33.33
2.	Rayshi Shah	4,991,923	33.28	66.61
3.	Hitesh Shah*	1,683,334	11.22	77.83
4.	Nenshi Ladhahbai Shah	1,510,300	10.07	87.90
5.	Gunvantiben N. Shah	500,000	3.33	91.23
6.	Lyons Technologies Limited	500,000	3.33	94.56
7.	Sonalben Shah	300,000	2.00	96.56
8.	Daksha Shah	200,000	1.33	97.89
9.	Ladhabhai S.Shah- HUF	150,000	1.00	98.89
10.	Subhash Shah	100,000	0.67	99.56

* While considering the disclosure regarding Promoters, our Company has considered persons who were involved in the promotion of our Company, though Mr. Hitesh Shah was subscriber to the memorandum of association. Our Company has not considered shareholding as the criteria while considering names of our Promoters. Further, Mr. Hitesh Shah is not related to any of the Promoters and he does not fall under the definition of Promoter and Promoter Group as per clauses (za) and (zb) of sub-regulation (1) of Regulation 2 of SEBI (ICDR) Regulations, 2009 and therefore he has neither been defined as a Promoter nor does he fall under the Promoter Group of the Company.

c) Particulars of the shareholders 2 years prior to the date of filing of this Red Herring Prospectus with ROC

SerialNo.	Name of the shareholder	Number of Equity Shares	% of Pre-issue Paid up capital	Cumulative % of Pre-issue paid up capital
1.	Suresh Shah	2,716,300	33.33	33.33
2.	Rayshi Shah	2,707,970	33.23	66.56
3.	Nenshi Shah	510,300	6.26	72.82
4.	Gunvantiben N. Shah	500,000	6.13	78.95
5.	Lyons Technologies Limited	500,000	6.13	85.08
6.	Hitesh Shah	400,000	4.91	89.99
7.	Sonalben Shah	300,000	3.68	93.67
8.	Daksha Shah	200,000	2.45	96.12
9.	Ladhabhai S.Shah- HUF	150,000	1.84	97.96
10.	Subhash Shah	100,000	1.22	99.18

- 7 Our Company, Directors, Promoters, BRLM to this Issue have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of our Company from any person.
- 8 The total number of members of our Company as on the date of filing this Red Herring Prospectus is 16.
- 9 Our Company has not raised any bridge loan against the proceeds of this Issue.
- 10 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 one, while finalizing the basis of allotment. 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 our Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in



- 11 The Issue is being made in terms of sub-clauses (a) (i) and (b) (i) of clause (2) of Regulation 26 of the SEBI (ICDR) Regulations, 2009, wherein atleast 50% of the Issue size i.e 43,00,000 Equity Shares shall be allotted to QIBs, failing which the full subscription money shall be refunded.
- 12 In this Issue, in case of over-subscription in all categories, upto 2,00,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees as defined in the chapter titled “Definitions and Abbreviations” beginning on page i of this Red Herring Prospectus would be eligible to apply in this Issue under the Employee Reservation Portion, at least 50% of the Net Issue shall be available for Allocation on a proportionate basis to Qualified Institutional Buyers of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
- 13 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 and the BRLM. In case of under subscription in the QIB Portion (i.e. subscription less than 50% mandatory of Net Issue), the same shall not be available to other categories and full subscription monies shall be refunded.
- 14 Our Company does not have any ESOS (Employee Stock Option Scheme) or ESPS (Employee Stock Purchase Scheme) for our employees and we do not intend to allot any Equity Shares to our employees under ESOS or ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP (Employee Stock Option Plan) Schemes, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Plan) Guidelines, 1999.
- 15 Our Company has not made any public issue since its incorporation.
- 16 Our Company has not revalued its assets since inception.
- 17 The Equity Shares offered through this public issue shall be made fully paid-up or maybe forfeited within 12 months from the date of allotment of securities in the manner specified in Regulation 17 of SEBI (ICDR) Regulations, 2009.
- 18 The Equity Shares will be issued and traded on the BSE and NSE only in dematerialized form. Hence the market lot of the Equity Shares is 1 (One share).
- 19 Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares and we shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
- 20 A Bidder cannot make a Bid for more than the size of the Issue, i.e., [●], subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
- 21 We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise
- 22 There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing this Red Herring Prospectus with SEBI until the Equity Shares issued/ proposed to be issued pursuant to this Issue have been listed.
- 23 As per the RBI regulations, OCBs are not permitted to participate in the Issue.
- 24 Only Eligible Employees as defined in the chapter titled “Definitions and Abbreviations” beginning on page i of this Red Herring Prospectus would be eligible to apply in this Issue under the Employee Reservation Portion. Promoter/Executive Director and/or their relatives are not eligible to be treated as Eligible Employees. Bid by Eligible Employees can also be made in the “Net Issue to the Public” portion and the same shall not be treated as multiple Bids. In case of under-subscription in the Employee Reservation Portion, the same would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of our Company, in consultation with the BRLM. In



case of under-subscription in the Net Issue, spillover to the extent of under subscription shall be permitted from the Employee Reservation Portion at the discretion of our Company in consultation with the BRLM. Such inter-se spillover if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

- 25 The securities, which are subject to lock in, shall carry the inscription “non transferable” and the non-transferability details to both the Depositories NSDL and CDSL shall be informed. The details of lock-in shall be provided to BSE, the Designated Stock Exchange, where the Equity Shares of our Company are proposed to be listed.
- 26 No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
- 27 Our Company has issued 68,50,000 equity shares of Rs 10/- each to the existing shareholders of our Company on rights basis vide board resolution dated September 28, 2007.
- 28 1,85,000, 5 % cumulative redeemable preference shares of Rs 100/- each were redeemed out of proceeds of fresh issue of equity shares. The said redemption was authorized by our Board of Directors vide resolution dated October 13, 2007. We confirm that the redemption has been carried out as per the terms of the issue of the said preference shares.
- 29 As on date of filing this 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.
- 30 Allotment of Equity Shares at a price lower than the Issue Price within the last 12 months.
- 31 Our Company has not allotted any Equity Shares at a price lower than the Issue Price within the last 12 months.
- 32 We are subject to usual and customary restrictive covenants in agreements that we have entered into with our banks for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior permission of the banks to effect any change in the capital structure; Formulate any scheme of amalgamation and reconstruction; Undertake any new project or expansion schemes/modernization/diversification /renovation or acquire any fixed assets. Unless the expenditure on such expansion, etc., is covered by our Company’s net cash accruals after providing for dividends, investments etc, or from long term funds received for financing such new projects or expansion; Invest by way of share capital in or lend or advance funds to or place deposits with any other concern; Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or otherwise save and except the working capital facilities granted/ to be granted by other consortium member banks, under consortium arrangement with the bank and term loans proposed to be obtained from financial institutions/ banks for completion of the replacement-cum-modernization programme; Undertake guarantee obligation on behalf of any other company; Declare dividends for any year except out of profits relating to that year and with specific approval from the bank; Withdraw loans/deposits secured from promoter shareholders, directors, depositors and promoters of our Company; To make any drastic change in its management setup without the bank’s permission; Pay any commission to the guarantors towards the guarantees executed by them for the credit facilities granted by the banks to our Company; Create any further charge, lien or encumbrance over the assets and properties of our Company to be charged to the bank in favour of any other bank, financial institution, company, firm or person; and Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank; not remove or dismantle any of the assets to be compromised in the said security without the consent in writing of the bank except in case where the removal or dismantling shall in the opinion of our Company be rendered necessary by reason of the same being worn out, obsolete, discarded, injured damaged or broken; pending seizure by the Bank or any of them of the said properties and any documents therefore, any insurance moneys received by the Company shall be held by our Company as the exclusive property of the said banks subject to the rights of the said banks specifically appropriated to the security and our Company will not without the written consent of the lead bank first had and obtained make or suffer nor attempt to make or suffer any mortgage, charge, lien or encumbrance to effect the same or any part thereof nor do or allow anything which may prejudice the security hereby created or agreed to created nor create any security whatsoever save as approved by the lead bank; not compound or release any of the book-debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented without the consent in writing of the said banks first had and obtained; not enter into any contractual obligations of long term affecting the borrower financially without the bank’s permission; unsecured loans not to be repaid without the prior permission of the Bank; keep the product and accessories in the Company’s own custody and not change the registration number / registered address without the bank’s previous consent in writing and not to sell or pawn or hire or otherwise deal with or dispose off the said product



in any manner whatsoever; not make any amendments of MoA and AoA during the currency of the loan without the prior written permission of the bank; Our Company will obtain necessary approvals from Gujarat Water Sewage Board as the required quantity of water will be produced from Narmada Water Sources; the estimates for land, site development and building will be vetted by chartered engineer / valuer on bank's panel before disbursement of the loan.

OBJECTS OF THE ISSUE

The objects of the Issue are

1. To setup photovoltaic solar cell manufacturing unit
2. Listing of our securities on Stock Exchanges

The proceeds from this Issue after deducting the issue related expenses are referred to as “Net Proceeds from the Issue”. We believe that listing will enhance our brand name, provide liquidity to our existing shareholders and create a public market for our Equity Shares in India. The Main Objects and Objects Incidental or Ancillary to the Main Objects as set out in our MoA enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

Note: We have estimated the requirement of plant, equipment and machinery enumerated below based on Quotations and /or our internal estimates based on prevailing market prices of manufacturers/ suppliers of equipment. Wherever we have relied upon quotations, we have specified the necessary details in relation to the date and supplier.

All the plant and machinery required to be purchased pursuant to the objects of the Issue will be sourced domestically and imported too. Further, all the plant and machinery required to be purchased pursuant to the objects of the Issue is proposed to be new plant & machinery, and there is no intention on our part to purchase any second hand plant or machinery.

Fund Requirements

The total estimated fund requirement is as follows:

Sl. No.	Particulars	Amount (in Rs. Lacs)
1.	Setting up of photovoltaic solar cell manufacturing unit at Taluka Bhachau, Kutch District, Gujarat	17,803.60
.	General Corporate Purposes	[●]
	Total	[●]

Means of Finance

Sl. No.	Particulars	Amount (in Rs. Lacs)
1.	Initial Public Issue of Equity Shares	[●]
2.	Term Loan from State Bank of India	8,000.00
3.	Term Loan from Cosmos Cooperative Bank**	2,000.00
3.	Internal Accruals *	[●]
	Total	[●]

* Our internal accruals as on March 31, 2009 are Rs. 1,646.66 Lacs as certified by our statutory auditors M/s Swamy & Chhabra vide their certificate dated July 28th, 2009.

** The actual sanctioned amount by Cosmos Cooperative Bank Limited is Rs.3,375 Lacs as per sanction letter dated March 28, 2009. The company till date has utilized an amount of Rs. 2, 000 Lacs for the project.

Note: Any increase in the cost of project or shortfall in the funding would be financed through internal accruals.

No part of the Issue proceeds will be paid by us as consideration to our Promoters, Directors, Key Management Personnel or companies promoted by our Promoters, except in the course of normal business.

Whilst our company intends to utilize the net proceeds of the fresh issue in the manner provided above, in the event of a surplus, our company will use such surplus towards general corporate purposes including but not limited to repayment or prepayment of loans taken by our company.

We confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Public issue, have been made.

APPRAISAL

Our project has been appraised by State Bank of India, Industrial Finance Branch, Marble Arch, Race Course Circle, Vadodara, Gujarat - 390007. The State Bank of India has sanctioned Rs.8,000.00 Lacs as a Term Loan for the project, vide Letter No.IFB/CPC/AIP/07-08/39 dated December 27, 2007. State Bank of India had opened a letter of credit in the month of January 2008 for import of Plant and Machinery. The sanction was further extended by the State Bank of India vide their letter dated June 20, 2009 for a period of six months ending on December 19, 2009.

State Bank of India has sanctioned financial assistance (Term Loan of Rs.8,000.00 Lacs) to set up photovoltaic solar cell manufacturing unit at Taluka Bhachau, Kutch District, Gujarat.

Terms & Conditions of the Term Loan from State Bank of India

Particulars	Earlier Terms & Conditions	Revised Terms & Conditions
Facility	Term Loan and Stand by Line of Credit	Term Loan and Stand by Line of Credit
Limit	Rs. 8,000.00 Lacs (TL) & Rs. 150.00 Lacs (SLC)	Rs. 8,000.00 Lacs (TL) & Rs. 150.00 Lacs (SLC)
Margin	An overall margin of 52.56%. Cash margin of 10% on the one time project LC limit of Rs. 8,000.00 Lacs within the Term Loan availed for this project.	An overall margin of 52.56%. Cash margin of 10% on the one time project LC limit of Rs. 8,000.00 Lacs within the Term Loan availed for this project.
Rate of Interest	0.75% below SBAR, minimum 12% p.a. with biennial reset from the date of sanction.	0.75% below SBAR, minimum 12% p.a. with biennial reset from the date of sanction.
Validity of Sanction	Six months	Six months
Primary Security	Exclusive charge over entire fixed assets of Solar Cell unit proposed to be acquired by the Term Loan availed for this project.	1 st charge over entire Fixed Assets of Solar cell unit coming up in SEZ in Kutch at Survey no 492,504,505/1.505/2 and 506 village Shikara, Taluka Bhachau, Dist. Kutch, proposed to be acquired by the term loan availed for this project ranking pari passu with Cosmos Bank.
Collateral Security	Residual value of existing and proposed fixed assets of the Company	Residual value of existing and proposed fixed assets of the Company
Guarantee	Personal Guarantee of (i) Mr. Nenshi L Shah (ii) Mr. Rayshi L	Personal Guarantee of (i) Mr. Nenshi L Shah (ii) Mr. Rayshi L Shah (iii) Mr. Suresh L Shah (iv) Mr. Hitesh S Shah

	Shah (iii) Mr. Suresh L Shah (iv) Mr. Hitesh S Shah (v) Mr. Chirag R Shah	(v) Mr. Chirag R Shah																																
Repayment	20 equal quarterly installments of Rs. 4 crores after 4 months from the date of commercial operation. In case of availment of Buyer's Credit by our company, the installments for proposed Term Loan availed for this project would be recovered as per the repayment schedule and would be kept in a no lien account to be maintained with the bank.	The repayment of term loan is deferred and will now start from December 2010 quarter as under:																																
		<table><tr><th>Year</th><th>Number of quarterly Installments</th><th>Amount of Each Installment</th><th>Total Amount</th></tr></table>	Year	Number of quarterly Installments	Amount of Each Installment	Total Amount																												
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		<table><tr><td>2009-10</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr><tr><td>2010-11</td><td>Last 2 quarters</td><td>60</td><td>120</td></tr><tr><td>2011-12</td><td>4</td><td>420</td><td>1,680</td></tr><tr><td>2012-13</td><td>4</td><td>420</td><td>1,680</td></tr><tr><td>2013-14</td><td>4</td><td>420</td><td>1,680</td></tr><tr><td>2014-15</td><td>4</td><td>420</td><td>1,680</td></tr><tr><td>2015-16</td><td>3</td><td>2 of 4.20 each & last one of 3.20</td><td>1,160</td></tr><tr><td>Total</td><td>21</td><td></td><td>8,000</td></tr></table>	2009-10	N.A.	N.A.	N.A.	2010-11	Last 2 quarters	60	120	2011-12	4	420	1,680	2012-13	4	420	1,680	2013-14	4	420	1,680	2014-15	4	420	1,680	2015-16	3	2 of 4.20 each & last one of 3.20	1,160	Total	21		8,000
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2015-16	3	2 of 4.20 each & last one of 3.20	1,160																															
Total	21		8,000																															

Other Critical Covenants:

- Any shortfall in the cash accruals should be replenished by the promoters and cost overrun in any, to be borne by them.
- The company to maintain the current ratio and TOL (Total of Liabilities)/TNW(Total of Net Worth) level as estimated/projected, failing which the promoters to infuse funds.
- Level of unsecured loans should be maintained during the tenor of the term loan. The rate of interest, if any payable, on unsecured loans should be less than what is being charged by the Consortium Banks.
- Pre – payment penalty equal to 2% of the pre paid amount on all term loans. However, Bank will have the liberty to pre-pone /recover in advance the Term Loan installments if the cash flows permit.
- The Company should not induct a person who is a director on the Board of a Company, which has been identified as a willful defaulter and in case such a person is found to be on the Board of the Company, it would take expeditious steps for removal of the person from the Board.
- Commitment charges would be levied as per extant instructions, if
 - (a) The average utilization of the fund based working capital limits is 60% or less.
 - (b) Draw down of the term loan is delayed beyond 2 months.
- A suitable undertaking to complete the mortgage formalities within four (4) months from the date of opening of LC (Letter of Credit) to be given. Penal interest @ 1% p.a. if mortgage is not created within stipulated time for the delayed period.
- Special covenants for SLC (Stand by Line of Credit):
 - (a) The facility will be released only on demand and will be covered by eligible drawing power, when availed as a Fund based facility.
 - (b) Besides charge on current assets, the collateral security and guarantees of directors as available for FBWC limit will be extended for the proposed SLC limit.

The SLC limit of Rs. 1.50 crore would be made available to the Company for a maximum period of 2 months at any one instance in the form of FB / NFB limit(s).

State Bank of India vide its renewed sanction letter has imposed following additional conditions:

- Corporate Guarantee of M/s Euro Ceramics Ltd for our exposure to Euro Multivision Ltd.
- Our Bank and Cosmos Bank should have equal repayment schedule of Term loans.

- Company must hedge its Forex exposure through plain options.
- Unsecured Loans amounting to Rs.31.73 Crores should be converted into equity / preferential shares bearing interest not more than the rate of interest being charged by the bank.
- Promoters to raise equity funds without any loss of time.
- Promoters to build up sufficient margin for meeting liability under Letter of Comfort

The risks as mentioned in the Appraisal Report are as under:

- Continuous capital investments required to upgrade technology;
- Cost of solar energy is still high compared to other sources;
- Competition from the established big players in the industry;
- Delay in Project completion and/or cost overrun risk.

Term loan from Cosmos Cooperative Bank Limited

Facility	Term Loan
Limit	Rs. 3,375 Lacs only.
Margin	25% in banks favour
Rate of Interest	13.00% p.a
Primary Security	Hypothecation of Indigenous Machineries and other fixed assets in favour of bank. Additional Charge on factory Land & Building at survey no. 508, 509, Bhachau. Valuing Rs.6,438.76 Lacs.
Collateral Security	Existing Factory Land & Building valuing of Rs. 876.36 Lacs at survey No. 508,509 and Plant & Machineries at above factory premises valuing of Rs.6,952.99 Lacs.
Guarantee	Following directors of the company will remain the same guarantors for the above limits. 1. Mr. Nenshi L. Shah 2. Mr. Hitesh S. Shah 3. Mr. Suresh L. Shah 4. Mr. Chirag R. Shah 5. Mr. Rayshi L. Shah
Repayment	Repayable in 69 Months (Including 9 months moratorium period ending December 2009) EMI – Rs. 76.80 Lacs.

The Cosmos Co-operative Bank Limited. Vide its sanction letter dated March 28, 2009 has imposed following additional conditions:

1. All the standard terms and conditions of Term Loan will remain applicable.
2. The new term loan will be disbursed only after the existing Term Loan account of Rs.3000.00 Lacs will be closed.
3. The existing collateral securities will remain same securities for this Term Loan proposal. The Term Loan liability of Rs.3000 Lacs will be released from the mortgage draft and the new charge of Term Loan of Rs.3375.00 Lacs will be created by way of deed of further charge, and the Company has to bear the expense for the same.
4. The Company has to take the insurance (prime and collateral) in Bank's favour for an adequate amount and has to bear the expenses for the same
5. The Company has to achieve the projected sales of solar project of Rs.9290.00 Lacs for F.Y 2008-09 and Rs. 37161.00 Lacs in F.Y in 2009-10; it has to maintain Debtors & Creditors level.
6. The Company has to execute the new set of documents for new limit and the expenses thereon are to be borne by the company.
7. The Company has to comply with the ROC formalities within the prescribed time limit and the expenses thereon are to be borne by the company.
8. The Company has to take Share linked deposit duly discharged, proportionately to the limit sanctioned.



9. Unsecured loans will not be paid without the prior consent of Bank.
10. The Company has to submit the resolutions of accepting terms and conditions
11. The Company has to submit the Audited B/S and P&L account for 2008 to the Bank.

1. Setting up of photovoltaic solar cell manufacturing unit at Taluka Bhachau, Kutch District, Gujarat

Our company foresees a significant opportunity in the renewable energy sector for reasons such as renewable energy will acquire a meaningful market share of the global energy market in the next 25 years.

We propose to make an entry into the Photovoltaic business by manufacturing solar cells used for generation of electrical energy. This new field of business is synergistic with our Company's existing business and we will leverage on our core competencies in the areas of precision high technology, thin-film coating and project management. As one of the early entrants in this space, our company is well-positioned to leverage this growing business opportunity. As part of its strategy in the new business, our Company is targeting one segment in the PV value chain that is attractive from a synergy standpoint, since they also leverage the company's manufacturing competencies.

To take advantage of this opportunity, we propose to set up this photovoltaic plant in a proposed Special Economic Zone (SEZ). Our Company has already acquired 28.75 acres of land for setting up the SEZ adjacent to the existing manufacturing unit at Bhachau, District- Kutch, Gujarat. Further, we had made applications dated November 20, 2007 and November 30, 2007 to the State Government of Gujarat and the Central Government respectively, for seeking approval for the proposed SEZ. On the basis of recommendation of the Special Economic Zone Development Authority, the State Government of Gujarat had recommended the proposal to Government of India on 1st July, 2008. On 2nd August, 2008 the Board of Approvals, New Delhi formally also approved our Company's application for setting up the Special Economic Zone. Later, a formal approval letter dated 30th October, 2008, from Government of India, Ministry of Commerce & Industry, Department of Commerce (SEZ Section) was received by the company. Accordingly, the SEZ was notified and published in the Official Gazette dated April 23, 2009.

The break up of cost is as under:

PROJECT COST

(Rs. In Lacs)

Sl. No.	Particulars	Amount
(a)	Land & Building	1,500.00
(b)	Plant and Machinery	12,711.00
(c)	Miscellaneous Fixed Assets	500.00
(d)	Contingencies	400.00
(e)	Pre-operative Expenses (including Public Issue Expenses)	800.00
(f)	Margin Money for Working Capital	1,892.00
	Total Cost of Project	17,803.00

(a) Land & Building

Our company proposes to set up the project in Taluka Bhachau of Gujarat. Our company has already purchased around 28.75 acres of agricultural land situated at Taluka Bhachau, District Kutch for the proposed project for an amount of Rs.54.02 Lacs from various persons, who are not related to our promoters or directors of our company. We had applied for conversions of the entire agricultural land into industrial land vide application dated November 17, 2007, for which we received the approval for Conversion of land from agricultural to industrial purpose vide letter dated April 27, 2009, The cost of land is not included in the cost of the project and has been met out of internal accruals of our company.

The total cost of land & site development and civil construction is estimated at Rs. 1,500.00 Lacs which includes an amount of Rs. 392.00 Lacs towards site development and Rs. 1,114.19 Lacs towards civil construction which is as per the estimates prepared by Government approved Chartered Engineer firm viz. Rajesh Shah Engineers & Consultants Private Limited vide certificate dated 18th October, 2007. The Company has incurred Rs.359.47 Lacs on land and site development and civil construction till 15th July 2009.

Civil construction cost includes construction of factory building including Store, Lab, Staff Office, Administrative office, and other utilities.

The break-up of cost to be incurred for site development and construction of factory building is as given below:

Sl.	Name of Building	Type of Construction	Size L x B x H	Area	Unit	Rate In (Rs.)	Total Cost (Rs. In lacs)
A.	Site Development						
1.	----	Leveling of ground for Factory building and surrounding plot with average 1.0 meter ht.		100000	Cubic Meter	190	190.00
2.	----	4mt. & 6 mt wide internal W.B.M. Road with black topping.	1000 x 5 (5mt. Avg.)	5000	Square Meter	1,500	75.00
3.	----	12 m wide automatic gate.				Lump sum	1.50
4		Storm Water Drainage Culvert, Electrical Cable Trench etc.				Lump sum	50.00
5		Underground Tank.		75000	Litre	10	7.50
6		Compound Wall partly in brick masonry & partly with C.C. Panel.		1000	Running Meter	2,300	23.00
7		Landscaping in the open area.				Lump sum	45.00
	Total (A)						392.00
B.	Building						
1	Factory Building. including Store, Lab, QC, Staff office, Directors Room etc	R.C.C. Columns, Beams, Slabs, with internal partition walls in brick work, plaster on both side and structural glazing including Aluminium Composite Panel on all external Periphery.	150 x 80 x 6.5 mt.ht.	12000	Square Meter	9,000	1,080.00
2	Watchmen Cabin & Time Office.	R.C.C. columns & beams with brickwork & R.C.C. slab with 3 mt. ht.	14 x 6 x 3 mt. ht.	84	Square Meter	6,000	5.04
3	Toilet block	Same as above. 2 Nos.				Lump sum	5.40
4	L.T. & D.G. Room	Same as above with 5.5mt ht.	25 x 15 x 5.5 mt. ht.	375	Square Meter	5,000	18.75
5	Miscellaneous Septic tank, soak pit with drainage line.					Lump sum	5.00
	Total (B)						1,114.19
	Grand Total (A + B)						1,506.19
							Approx. 1,500.00



(b) Plant & Machinery

Our Company intends to setup a state-of-the-art facility for manufacturing solar cells used for generation of renewable energy which would require both imported as well as indigenous machinery.

Main Line:

Our Company had negotiated with OTB Solar B.V. of The Netherlands, for supply of one solar cell production line for a price of EURO (€) 1,32,20,000/-. Our Company paid an advance of EURO 10,00,000 (INR equivalent of Rs.556.00 Lacs). Later the Company had opened a Letter of Credit amounting to EURO 1,09,98,000/- against the Term Loan sanctioned by State Bank of India, Industrial Finance Branch, Vadodara. The Consignment of said plant and machinery was received in the month of November and December 2008. The said machinery is kept at custom bonded warehouse in Gandhidham, Gujarat. Subsequently, the Letter of Credit was due in March, 2009, for which our Company availed Buyers Credit facility from State Bank of India, Industrial Finance Branch, Vadodara against the said Letter of Credit for a period of around 180 days with an option to roll over further. Our Company is required to pay the balance amount i.e. Euro 12,22,000/- (INR equivalent of Rs. 828.76 Lacs at Rs. 67.82/- Euro as valued on March 31, 2009) after Final Acceptance test (FAT) of Machinery.

The break up of the total cost of Plant and Machinery is Rs.9,208.60 lacs as mentioned below:

Particulars	Amount in EURO	Amount in Rupees Lacs
Advance Payment 10%	10,00,000.00	556.00
Letter of Credit / Buyers Credit Taken	1,09,98,000.00	7,458.84 *
Final Acceptance Test (FAT) 10%	12,22,000.00	828.76*
Incidental Expenses for Installation	-	365.00
Total	1,32,20,000.00	9,208.60

(Valued as on 31-03-2009 @ Rs.67.82)

The company estimates a further cost of Rs. 3,502.70 lacs for purchase of ancillary / auxiliary machinery, its installation and commissioning. The cost of machinery for the proposed setup is as follows:

Sr. No.	Particulars	Amount (in Rs. Lacs)
(A) Main Line (already purchased)		
1	Single Manufacturing Line	9,208.60*
(A) Ancillary / Auxiliary		
1	Various auxiliary/balancing equipments and utility items	3,502.70
Total cost of plant & machinery		12,711.30

* The total cost of imported Plant and Machinery has increased from Rs. 7,664.00 to Rs. 9,208.60 due to an increase in foreign exchange rate of Rupee against Euro from Rs.55.21 (As on 26-07-2007) to Rs.67.82 (As on 31-03-2009).

Solar Cell Production line consists of the following equipment

Process Equipment

Texturization, Phospor Doping, Diffusion, HF-Etching, PECVD DEP^{X1000}, Metallization, Firing Laser isolation & Cell tester

Handling Equipment

Auxiliary

Handling conversion Kit - 125mm to 156mm or – 156mm to 125mm, LINE^{X1500} Spare Parts Kit including wear & tear and spare parts for Furnaces (2), Handling (all), PECVD, Printing 1, P-Doper (1), Etching (2)

(B) Ancillary / Auxiliary

(Rs. in Lacs)

Sl. No.	Name of the Supplier	Description	Date of quotation	Qty./ Sets	Unit Price	Total Amount
	A1. In case of Indigenous machinery :					
1	Aditi Engg. Corporation	Air Piping/Receiver	18-07-09	1	97,000	1.40
2	J R FiberGlass Industries	Duct & Dumper	09-04-09	1	32,158	0.32
3	J R FiberGlass Industries	Scrubbing System	09-04-09	1	64,71,500	64.71
4	JR Engineering	Machines Foundation/Structural work	20-07-09	1	35,20,000	35.20
5	Advance Electronics (India)	Stabilizer 700 KVA (150 KVA x 5 NOS)	17-07-09	1	6,91,200	7.22
6	Delta Energy Systems (India) Private Limited	UPS(100 KVA)	18-07-09	1	10,57,000	10.57
7	Sunelec	11 KV Substation Inc Transformer (5 MVA)	18-07-09	1	60,55,000	60.55
8	Sunelec	Earthing	18-07-09	1	3,89,000	3.89
9	Sunelec	Capacitors-800KVAR	18-07-09	1	25,00,000	25.00
10	Sunelec	Cables	18-07-09	1	61,50,000	61.50
10	Powerflow	Electrical Panels - LR Room	18-07-09	1	46,00,000	46.00
12	Sunelec	Distributions Boards-MCB TYPE	18-07-09	1	5,30,000	5.30
13	Sunelec	Lighting Fixtures	18-07-09	1	16,35,000	16.35
14	Sunelec	Street Lights Poles With Street Lights	18-07-09	1	8,00,000	8.00
15	Sunelec	LT Electrification Labour Work	18-07-09	1	21,50,800	21.51
16	Sunelec	Design & Engineering Services (electrical)	18-07-09	1	3,50,000	3.50
17	Sunelec	Sites Visits\Out of Mumbai Visits	18-07-09	1	35,000	0.35
27	Powerica Limited	DG Set 2375 KVA	21-07-09	1	9,55,02,000	603.17
18	J R FiberGlass Industries	G I (Duct & Dumper)	09-04-09	1	28,530	0.29
19	BOC India Limited (Linde Gas)	Gas Distribution / piping / Gas Cabinet (SIH 4 & NH3)	13-04-09	1	3,84,88,335	385.18
20						
21	Tyco Fire Systems	Fire Fighting systems	04-06-09	1	1,45,08,898	145.09
23	Clestra	HVAC systems	29-05-09	1	3,09,20,593	318.78
24	Clestra	Panel for HVAC	29-05-09	1	2,33,89,687	241.21
					Total (A1)	2,065.09



Sl. No.	Name of the Supplier	Description	Date of quotation	Qty./Sets	Currency	Unit Price	Conversion rate	Amount Rs. Lacs
	A2. In case of Imported machinery :							
1	OTB Solar, Netherland	Wafer Tester	17-07-09	1	Euro	252.63	68	0.17
2	OTB Solar, Netherland	Life Time Tester	17-07-09	1	Euro	34,736.84	68	23.62
3	OTB Solar, Netherland	Resistivity,4 points probe	17-07-09	1	Euro	6,315.79	68	4.29
4	OTB Solar, Netherland	Metro Ohm	17-07-09	1	Euro	80,210.53	68	54.54
5	OTB Solar, Netherland	Reflectivity	17-07-09	1	Euro	78,315.79	68	53.25
61	OTB Solar, Netherland	Balance	17-07-09	1	Euro	1,894.74	68	1.29
7	OTB Solar, Netherland	Ellipsometer	17-07-09	1	Euro	1,57,894.74	68	107.37
8	OTB Solar, Netherland	Microscope	17-07-09	1	Euro	1,894.74	68	1.29
9	OTB Solar, Netherland	Thermo couple plus	17-07-09	1	Euro	15,789.47	68	10.74
10	OTB Solar, Netherland	Wafer Inspection System	17-07-09	1	Euro	5,43,859.65	68	369.82
11	OTB Solar, Netherland	In line Sheet Resistivity Measurement	17-07-09	1	Euro	1,90,789.47	68	129.74
12	OTB Solar, Netherland	PECVD Oxygen / Moisture Analyzer	17-07-09	1	Euro	35,614.04	68	24.22
13	OTB Solar, Netherland	PECVD Colour Inspection System	17-07-09	1	Euro	50,241.23	68	34.16
14	OTB Solar, Netherland	Cell Tester	17-07-09	1	Euro	1,52,631.58	68	103.79
15	OTB Solar, Netherland	Front/back Print Inspection System	17-07-09	1	Euro	2,41,666.67	68	164.33
16	OTB Solar, Netherland	Test Accessories /Magazine/Screen	17-07-09	1	Euro	1,27,192.98	68	86.49
17	OTB Solar, Netherland	Gas Tester	17-07-09	1	Euro	4,385.96	68	2.98
18	Kinetic Process Sys Pte. Ltd.	Chemical System	08-04-2009	1	USD	5,53,173.00	48	265.52
								1,437.61
		Total (A1)						2,065.09
		Grand Total (A1+A2)						3,502.70
							Approx	3,503.00

(c) Miscellaneous Fixed Assets

Sl. No.	Name of the Supplier	Description	Date of quotation	Qty./Sets	Unit Price (in Rs.)	Total Amount (Rs. In Lacs)
1.	Siemens Limited, Mumbai	RO plant & DM Plant (6000 ltrs/Hr)	24-03-09	1	2,27,48,000	229.75



2.	Voltas Limited.	Fork Lift (DVX diesel operated)	18-07-09	1	8,75,500	8.94
3.	Hitech Civil	Epoxy Flooring	18-07-09	15000	78.00	11.70
4.	Siemens Limited, Mumbai	ETP(120KL/Day)	20-07-09	1	1,25,00,000	126.25
5.	UMI Systems	Stores Racks/storage	17-07-09	1	28,75,373	29.05
6.	Team One Computers (I) Private Limited.	Computers/Networking	17-07-09	30	9,51,395	9.51
7.	Raj Info Enterprise Private Limited	Security System / Camera / Comm. System	16-07-09	1	22,29,326	22.29
8.						
9.	Nagori Engg. Private Limited.	Paletliser/Material Movement	20-07-09	5	16,020	0.88
10.	J Pack Sales & Service	Strapping/Packing/bar coding machine	16-07-09	1	3,15,080	3.26
11.	Aditi Engineering Corporation	Oil free Air compressor (432 CFM)	18-07-09	3	18,30,000	56.67
12.	Alfa laval (India) Limited	Plate Heater Exchange	16-07-09	2	60,000	1.32
		Total				499.62
					Approx	500.00

(d) *Contingency*

Our company has estimated a contingency of 3% of the cost of land, building, and plant & machinery including foreign exchange fluctuation, if any, which amounts to Rs. 400 Lacs.

(e) **Preliminary & Pre-operative Expenses (including Public Issue Expenses)**

Our Company has estimated an amount of Rs. 800 Lacs towards Preliminary and Pre-operative expenses which mainly includes the expenses related to proposed IPO, Legal and professional charges, Lead manager fees, Printing & stationery, Advertisement Expenses, Stock Exchange Fees, establishment expenses, traveling & conveyance, upfront fee on loans and other miscellaneous expenses.

(f) **Margin Money for Working Capital**

The Margin money for working capital for the proposed project for the financial year 2008-09 has been estimated as under: -

<i>(Rs. In Lacs)</i>		
Particulars	Holding Period (in Months)	Amount
Current Assets		
Raw Material	2.0	4,056.00
Finished Goods	0.5	1,139.00
Debtors	1.0	2,323.00
Other Current Assets	--	49.00
Total Current Assets	7567.00	
Less: Current Liabilities		
Creditors for Expenses	0.5	59.00
Working Capital Gap	7508.00	
Less: Margin money for Working Capital (25% of Total Current Assets)	1892.00	
Balance Amount to be funded through Banks	5616.00	



General Corporate Purposes

Our Company intends to deploy the balance issue proceeds aggregating to Rs. [●] Lacs towards General Corporate Purposes, including but not limited to repayment or prepayment of loans taken by our company, meeting our working capital requirements, entering into strategic alliances, Joint ventures and acquisitions, investment in research and technology up-gradation and meeting exigencies which our company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors.

Project implementation schedule:

Activity	Earlier Date of Completion	Revised Expected Date of Completion
Acquisition of Land	Already acquired	Already acquired
Plant Layout	January, 2008	May, 2009
Site Development	July, 2008	September, 2009
Civil Work	July, 2008	September, 2009
Placement of orders for plant and machinery	October, 2007* & February, 2008	September, 2009*
Erection of machinery	October, 2008	November 2009
Trial Run	November, 2008	December 2009
Commercial production	January, 2009	January 2010

*The LINE^{X1500} Solar Cell Production line has already been received .

Deployment of Funds

Our Company has incurred an expenditure of Rs.10,026.84 Lacs as on July 15, 2009 in the proposed Project. The fund deployment in the project and its means of finance has been certified by M/s. Swamy & Chhabra, Chartered Accountants, Statutory Auditors of our Company vide their certificate dated July 28, 2009 the details of which are as follows:

Funds deployed

Sr. No.	Particulars	Rs. in Lacs
1	Site Development & Civil Work	359.47
2	Amount paid towards procurement of Plant and Machinery*	8,634.21
3	Margin Money deposit for the Letter of Credit opened with SBI	645.00
4	Pre-operative Expenses towards the project	218.98
5	Advance paid towards Auxillary Indigenous Machinery	77.48
6	Expenses for the Issue	91.70
TOTAL		10,026.84

* Includes all Pre-operative expenses and interest cost capitalized.

Source of financing the funds already deployed

Sr. No.	Particulars	Rs. In Lacs
1	Internal Accruals	568.00
2	Term Loan availed from Cosmos Cooperative Bank Limited	2,000.00
3	Buyers Credit against Term Loan from SBI	7,458.84
TOTAL		10,026.84

Proposed Deployment of Funds

The quarter-wise break-up for utilization of Issue proceeds of the above mentioned capital expenditure programme in the financial year as given hereunder:



(Rs. in Lacs)

Sr.No	Particulars	Upto 15 th July 2009	From 15 th July 2009 to September 2009	October 2009 to December 2009	Total
				Oct 09 Dec 09	
1	SITE DEVELOPMENT				
	-Site Development Charges for 28.75 Acres	232.71	159.29	-	392.00
2	BUILDING & CIVIL WORKS				
	Construction of Factory Buildings	126.76	981.24		1,108.00
3	PLANT AND MACHINERY				
	IMPORTED				
	One Manufacturing Line of Solar Photovoltaic Cells	8,634.21	--	574.39	9,208.60
	INDEGENIOUS				
	Various auxiliary/balancing equipments and utilities items	77.48	1,925.52	1,500.00	3,503.00
4	MISCELLANEOUS FIXED ASSETS				
	Furniture & Fixtures, computers and office equipments, fire fighting & safety equipments, electrical installations, water supply system, laboratory and workshop equipments etc.	--	350.00	150.00	500.00
	Total	9,071.16	3,416.05	2,224.39	14,711.60
5	CONTINGENCIES				400.00
6	Margin for Working Capital			1,892.00	1,892.00
7	Pre-operative Expenses & Issue Expenses	310.68	[•] #	[•] #	800.00
	Total	9,381.84*	[•] #	[•] #	17,803.60

(Source: Estimate by Company's Management)

Will be updated at the time of filing of the Prospectus.

* - Excludes the amount of Rs. 645.00 lacs incurred towards Margin Money deposit for the Letter of Credit opened with SBI.

Interim Use of Funds:

Pending utilization for the purpose described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments. These investments would be authorized by the Board of Directors by our Company or a duly authorized committee thereof.

Monitoring of Utilization of Funds

As the issue size is less than Rs. 50,000 Lacs, there is no requirement for appointment of monitoring agency as per Regulation 16 of the SEBI Regulations. However, the Audit Committee appointed by our Company will monitor utilization of funds for the project.

Our Company will disclose the utilization of the Net Proceeds under a separate head in its balance sheet for such fiscal periods as required under the SEBI Regulations, the listing agreements with the Stock Exchanges and any other applicable law or



regulation, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, thereby also indicating investments, if any, of such currently un-utilized Net Proceeds.

No part of the proceeds of this Issue will be paid by us as consideration to our Promoters, our Directors, key management employees or companies promoted by our Promoters, save and except in the course of normal business.



BASIC TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, 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 may be 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 to be issued shall be subject to the provisions of our Memorandum and Articles of Association and rank *pari passu* with the existing Equity Shares of our Company in all respects including rights in respect of dividend. The allottees 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

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this 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.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders have, *inter alia*, 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, 1956, Listing Agreement with the Stock Exchanges, Memorandum and Articles of Association of our Company.

For a detailed description of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., for further details please refer to the chapter titled “Main Provisions of Articles of Association” beginning on page 274 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Regulations, the trading in the Equity Shares shall only be in dematerialized form for all investors and hence, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to the Public including devolvement of the underwriters within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received with interest to the subscribers at the rate of fifteen percent per annum for the period of delay beyond sixty days. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.



BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the equity shares offered through book building process.

Investors should read the following summary with the Risk Factors beginning on page xii and the details about our Company and its financial statements included in this Red Herring Prospectus. The trading price of the equity shares of our Company could decline due to these risks and you may lose all or part of your investments.

Qualitative Factors

Experienced Management

We are a part of the “Euro Group” which was started in 1995. Our Company which was incorporated on April 29, 2004 has seen its Sales & Income from operation grow at a CAGR of 48.4% from 4128.13 Lacs as on March 31, 2006 to 9092.46 Lacs as on March 31, 2008. We have entered into CDR/DVDR business on April 29, 2004. However, the presence and the cumulative experience of all promoters for over 8 decades has helped our Company to manage the business efficiently. Even though the Photovoltaic business is a new business for our Company, our Promoters have experience in various business such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminium Section, Aluminium Composite Panels (Bond), businesses etc which has helped us grow since our inception.

Strong Brand Visibility

Our products are sold under the brand name “EUROVISION” which is a part of the EURO group. Euro group has a presence across products such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminum Section, Aluminum Composite Panels (Bond), Hardware & Sanitary ware Fittings, Plywood, Veneers, Laminates, Mica, Canfor, Imported Furniture, Sponge Iron, CD-R, DVD-R, Glass Articles, Dry Battery Cell and Wooden Flooring.

Strong Dealer Network

Our Promoters have an understanding of the trade segment of the market. Through this understanding, we have been able to establish a strong dealer network across India, enabling our products to reach the small consumers easily. Our sales are through the distribution network that has been developed over a period of last three years. Presently, we have 16 distributors with over 515 district dealers and more than 150000 retailers spread across the country for marketing and distributing our products.

Location advantage

The strategic location of the plant is helpful as the Plant is located in Kutch region which is well connected with two ports of India namely Kandla and Mundra Ports. Because of the natural protection provided by its location, these ports are able to handle cargo throughout the year in all weather conditions, including during severe weather conditions of the monsoon season characterised by heavy rains, winds and waves, with minimal costs, delays and damages that often impact other more exposed ports. Our plant is connected by rail and road to the transportation network of India, particularly the inland regions of western and northern India.

For CDR/DVDR business

We are ranked second among all the Optical storage media devices manufacturers in the country

In our country there are a few optical storage media manufacturers like Moser Baer India Limited, Jupitar Innovations Limited, Optek Disc manufacturing Co. Limited, and Lizer Technologies Limited etc. with Moser Baer being the largest manufacturer. In 2009, according to the Optical Disk Manufacturers Welfare Association, we are the second largest player (with an installed capacity of 1800 Lac units per annum, ranked second with Moser Baer being ranked first with an installed capacity of more than 10000 lac units per annum) in the country in terms of installed manufacturing capacities.

Our Quality Certification

Our CDRs/ DVDRs manufacturing unit has received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications. Since our company is dedicated towards the quality of products, processes and inputs, we get repetitive orders from our customers, as we are capable of meeting our quality standards thereby enabling us to maintain our brand image in the market.

**Optimum utilization of manufacturing facilities**

Our manufacturing facility is currently operating at 100% capacity. Our company regularly emphasizes to utilize its manufacturing facility at optimum level to meet increasing demand in the CDR /DVDR segment, which helps in maintaining cost competitiveness and manufacturing efficiencies.

Captive Power plant

Power is an important factor in every manufacturing facility. Considering the power requirements of our existing manufacturing facilities we have our own captive power plant that has been jointly commissioned with our group Company Euro Ceramics Limited. The complete present requirement of power is met by the Power Plant which uses abundantly available lignite as a fuel to generate power. Captive power plant gives us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. Uninterrupted power supply helps to avoid any delays in manufacturing process thereby ensuring complete utilization of our capacities

Convertibility from CD to DVD

Our CDR/DVDR manufacturing lines can easily be interchanged from CDR to DVDR and vice versa. Hence any change in customer preference from CDR to DVDR and vice versa can be easily addressed without any loss of time.

For Photovoltaic business**Proposed Manufacturing unit will be set up in SEZ**

We will be setting up the photovoltaic cell manufacturing unit in a SEZ. This project will be eligible for all SEZ policy concessions and advantages. This will result in cost reduction and thereby enhancing our margins and market share.

EML has tied up for the supply of machinery for the proposed manufacturing unit

We have entered into an agreement with OTB solar, Netherlands based company for the supply of the machinery for the proposed unit and we have already received the consignments of Imported Plant and Machinery in the months of November and December 2008 .This will put us in an advantageous position as far as the commissioning of the photovoltaic cell manufacturing unit.

Early mover advantage

We will be one of the companies who will enter the growing Photovoltaic Business at an early stage considering the global requirement for renewable energy & present status (For further details please refer the chapter titled Industry Overview beginning on page 49 of this Red Herring Prospectus), our company would be able to pre-empt competition and meet demand by establishing a strong brand name. This would enable us to build up sales volume and ride down the experience curve ahead of our competitors.

For further details, Please Refer to heading titled “Competitive Strengths” beginning on page 87 under chapter titled “Business Overview” beginning on page 69 of this Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our restated audited financial statements

1. Adjusted Earning Per Share (EPS)	EPS (Rs.)	Weight
2006-07	7.57	1
2007-08	8.38	2
2008-09	1.22	3
Weighted Average	4.67	

Note:

Our Company had issued Right Shares on 28-9-2007 in the ratio of 85 per 100 shares.

Our Companies weighted average no of shares have increased from 8150000 as on March 31ST 2007 to 11612432 as on March 31,2008.

All the EPS calculations are as per AS 20.

2. Price/ Earning Ratio (P/E) in relation to Issue Price of Rs. [●]/- per share	At the lower band of Rs. [●] per share	At the upper band of Rs. [●] per share
Based on 2008-09 EPS of Rs. 1.22	[●]	[●]
Industry P/E *		
(i) Highest	16.77	16.77
(ii) Lowest	(4.04)	(4.04)
(iii) Average	6.36	6.36
(* Source: Capital Markets July 13-27 ,2009)		

3. Return on Net Worth	%	Weight
2006-07	43.05	1
2007-08	32.90	2
2008-09	5.83	3
Weighted Average	21.06	

4. Minimum Return on Increased Net Worth required to maintain Pre-Issue EPS i.e. Rs. 1.22		
	At the lower band of Rs. [●] per share	At the higher band of Rs. [●] per share
Total Net Worth After Issue (Rs. in Lacs)	[●]	[●]
No. of Equity Shares after the Issue	2,38,00,000	2,38,00,000
Profits required to get required EPS (Rs. in Lacs)	[●]	[●]
Minimum Required RONW for maintaining above EPS	[●]	[●]
5. Net Asset Value (NAV) Per Share		
	At the lower band of Rs. [●] per share	At the higher band of Rs. [●] per share
As at ³ 31 st March 2009	20.97	
After Issue	[●]	[●]
Issue Price	[●]	[●]

6. Accounting Ratios of some of the Companies in the same Industry Group:

Name of the Company	EPS (Rs.) (TTM)	P/E Ratio as on 24/07/2009	RONW%	Book Value (Rs.)	Face Value per Share (Rs.)
Moser Baer	(21.61)	-	(4.9)	109.4	10
Webel SI Energy	13.6	16.77	9.7	125.4	10
Euro Multivision Limited	1.22	[●]	5.83	20.97	10

EPS, RONW, Book Value is as per the Financial Year Ending March 31, 2009.

(* Source: Capital Markets July 13-26 2009)

Note: Our Company is presently in CDR DVDR manufacturing business and proposes to enter into Solar Cell manufacturing business, Moser baer is the only listed company in CDR, DVDR business which also has its presence in Solar cell manufacturing business while Webel SI Energy is the only listed company which is purely in Solar Cell manufacturing business.

The Face Value of our Equity Shares is Rs.10/- per share and the Issue Price is [●] times of the Face Value (at the lower end of the Price Band) and [●] times of the Face Value (at the higher end of the Price Band).



The BRLM believe that the Issue Price of Rs. [●] per share is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors beginning on page xii of this Red Herring Prospectus and our financials as set out in the Auditors' Report beginning on page 126 of this Red Herring Prospectus to have a more informed view about the investment proposition. The final Issue Price shall be determined on basis of demand from investors.

The Issue Price of Rs. [●] has been determined by us in consultation with BRLMs and on the basis of assessment of market demand for the Equity Shares from the investors by way of book building and is justified on the basis of the above factors.



STATEMENT OF TAX BENEFITS

Date: 28th July 2009

To
The Board of Directors,
Euro Multivision Limited
Ground Floor, Boston House,
Suren Lane, Andheri (East),
Mumbai 400 069

Dear Sirs,

We hereby confirm that the enclosed statement, prepared by the Company, states the possible tax benefits available to Euro Multivision Limited ('the Company') and its shareholders under the current tax laws 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 may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence 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.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

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

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

For Swamy & Chhabra
Chartered Accountants

C.Ayyaswamy
Partner
Membership No. 021754
Place: Mumbai

I. SPECIALSPECIFIC TAX BENEFITS

A. Under the Income Tax Act, 1961 (“the I.T. Act”)

Benefits available to the Company

- As per section 10AA of the I.T. Act, the Company is entitled to deduction of 100% of the profits and gains derived from export of manufactured or produced articles or things or any services from its unit set up in Special Economic Zone (SEZ) for a period of 5 consecutive assessment years beginning with the assessment year relevant to the previous year in which such unit begins to manufacture or produce such articles or things or provide services, as the case may be, and 50% of such profits and gains for further 5 consecutive assessment years. Further, for the next 5 consecutive assessment years, the Company is entitled to deduction of such amount not exceeding 50% of the profit as is debited to Profit & Loss Account of the previous year in respect of which the deduction is to be allowed and credited to a special reserve viz. “Special Economic Zone Reinvestment Reserve Account” to be created and utilised for the purpose of the business of the assessee in the manner laid down in section 10AA(2).
- Under section 32 of the I.T. Act, the Company is entitled to claim depreciation including additional depreciation, subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
- The provisions of Minimum Alternate Tax as specified in section 115JB of the I.T. Act shall not apply to the income accrued or arising on or after April 1, 2005 to the Company from any business carried on or services rendered from a unit set up in SEZ.
- In accordance with and subject to the provisions of Section 35, the Company would be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business.
- By virtue of Section 115JAA of the IT Act, Tax Credit of MAT paid shall be allowed in future year in which tax becomes payable on the total income computed in accordance with the provisions other than section 115JB. Carryforward of such Tax Credit shall not be allowed beyond the seven assessment year immediately succeeding the assessment year in which tax credit becomes allowable.

B. Benefits available under the Special Economic Zones Act, 2005, (“SEZ Act”)

The following key fiscal benefits shall be available to the Company under the Special Economic Zones Act (“SEZ Act”). These benefits shall be available to the Company, subject to the provisions of sections 26(2), 28 and 29 of the SEZ Act.

B1 Benefits available to the Company under the SEZ Act

- Under section 26(1)(a) of SEZ Act, the Company can avail exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods imported into, or service provided in, a Special Economic Zone or a Unit, to carry on the authorised operations;
- Under section 26(1)(b) of SEZ Act, the Company can avail exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods exported from, or services provided, from a Special Economic Zone or from a Unit, to any place outside India;
- Under section 26(1)(c) of SEZ Act, the Company can avail exemption from any duty of excise, under the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or any other law for the time being in force, on goods brought from Domestic Tariff Area to a Special Economic Zone or Unit, to carry on the authorised operations;
- Under section 26(1)(d) of the SEZ Act, the company can avail drawback duty or such other benefits as may be admissible on goods brought or services provided from the domestic tariff area into a SEZ or unit by the service providers located outside India to carry on the authorised operations.
- Section 26(1)(e) of the SEZ Act provides for exemption from service tax under Chapter-V of the Finance Act, 1994 on taxable services provided to the unit in SEZ to carry on the authorised operations in a Special Economic Zone;



- Section 26(1)(g) of the SEZ Act provides for exemption from the levy of taxes on the sale or purchase of goods, other than newspapers, under the Central Sales Tax Act, 1956 for such goods are meant to carry on the authorised operations by the Company.

B2 Benefits available to Non-Resident shareholders under the SEZ Act

- Section 26(1)(f) of the SEZ Act provides exemption from the STT where the taxable securities transactions are entered into by a non-resident through the International Financial Services Centre.

C. Benefits available under the Gujarat Special Economic Zones Act, 2004, (“the Gujarat SEZ Act”)

The following key fiscal benefits shall be available to the Company under the Gujarat Special Economic Zones, Act (“the Gujarat SEZ Act”).

- As per the provisions of Section 21(1)(a) of the Gujarat SEZ Act, the Company is exempted from payment of Stamp Duty and registration fees payable on transfer of land within SEZ.
- As per the provisions of Section 21(1)(b) of the Gujarat SEZ Act, the Company is exempted from levy of stamp duty and registration fees on loan agreements, credit deeds and mortgages executed by the SEZ or unit set up in the processing area of SEZ.
- As per the provisions of Section 21(1)(c) of the Gujarat SEZ Act, the Company is exempted from Sales Tax, Purchase Tax, Motor Spirit Tax, Luxury Tax, Entertainment Tax and other taxes and cess payable on sales and transactions within the SEZ.
- The inputs (goods and services) purchased by the Company from Domestic Tariff Area shall also be exempted from sales tax and other taxes under the state laws of Gujarat as provided in Section 21(2) of the Gujarat SEZ Act.

D. Benefit to the Company under the Central Sales Tax Act, 1956

In accordance with and subject to the provisions of the Government of Gujarat in Industries & Mines Department vide Government Resolution No. INC-10200-903-1 dated 9.11.2001 and as amended vide corrigendum dated 12.11.2001, the company is entitled to purchase the raw materials, packing materials and all the processing materials utilized for the purpose of manufacturing goods, without the payment of sales tax. In addition the company shall also be entitled for sales tax exemption on sales of finished goods, intermediates, by-products, waste & scrap produced by it at the rate of 100% for a period of seven years from 4th April, 2005 for the eligible fixed capital investment.

E. Benefits to the Company under the Central Excise Act

In accordance with and subject to the powers conferred by sub section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub section (3) of section 3 of the Additional Duties of excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), and vide Notification No 39/2001 dated 31st July, 2001, the Central Government has exempted the eligible goods which are cleared from a unit located in Kutch district of Gujarat from so much of the duty of excise or the additional duty of excise, as the case may be, leviable thereon under any of the said Acts as is equivalent to the amount of duty paid by the manufacturer of goods other than the amount of duty paid by utilization of CENVAT credit Rules, 2001 for a period of five years commencing from 4th April, 2005.

II GENERAL TAX BENEFITS

A. Benefits available to the company under the Income Tax Act, 1961 (“The I.T. Act”)

- Under section 10(34) of the I.T. Act, dividend income (whether interim or final) referred to in section 115O of the I.T. Act, received by the Company, is exempt from tax in the hands of Company.
- By virtue of section 10(35) of the I.T. Act, the following income shall be exempt, in the hands of the Company:



- a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
- b. Income received in respect of units from the Administrator of the specified undertaking; or
- c. Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified company” means a company as referred to in section 2(h) of the said Act.

- Under section 32 of the I.T. Act, the Company is entitled to claim depreciation including additional depreciation, subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
- In accordance with and subject to the provisions of Section 35, the Company would be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business.
- By virtue of Section 115JAA of the IT Act, Tax Credit of MAT paid shall be allowed in future year in which tax becomes payable on the total income computed in accordance with the provisions other than section 115JB. Carry forward of such Tax Credit shall not be allowed beyond the seven assessment year immediately succeeding the assessment year in which tax credit becomes allowable.

B. To the Members of the Company

B1. Under the Income Tax Act, 1961

1. All Members

- By virtue of Section 10(38) of the Income Tax Act, 1961, income arising from transfer of a long term capital asset, being an equity share in the Company is exempt from tax, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force and such transaction is chargeable to the Securities Transaction Tax under that Chapter. However, the long-term capital gain of a share holder being a company shall be subject to income tax computed on book profit under section 115JB of the Income Tax Act, 1961.
- By virtue of Section 111A inserted by Finance (No.2) Act, 2004, Short term capital gain on transfer of equity share of the Company shall be chargeable to tax @ 150%, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No. 2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under that Chapter.
- By virtue of Section 88E of the Income Tax Act, 1961 and subject to certain conditions rebate of tax paid on securities transaction is allowable as deduction from the amount of income tax.

2. Resident Members

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from a domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the shareholders.
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto Rs. 50 lakhs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956;



If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

- Under Section 54F of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax, if the net consideration from such shares are used for purchase of residential house property within a period of one year before or 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.
If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.
 - Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and education cess) (without indexation), at the option of the Shareholders.
- 3. Non Resident Indians/Members (other than FIIs and Foreign Venture Capital Investors)**
- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from another domestic company referred to in Section 115-O of the IT Act, is exempt from tax in the hands of the recipients.

Tax on Investment Income and Long Term Capital Gain

- A non resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to Incomes of Non-Residents".
- Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non resident on transfer of shares held for period exceeding 12 months shall be concessionally taxed at the flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against foreign exchange fluctuation. Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases.
- Under provisions of Section 115F of the Income Tax Act, 1961, long term capital gains arising to a non resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange shall be exempt from Income Tax if the net consideration is reinvested in specified assets or in any savings certificates referred to in clause 4B of Section 10 within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or any such savings certificates are transferred or converted within three years from the date of their acquisition.

Return of Income not to be filed in certain cases

- Under provisions of Section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non-Resident Indian to furnish his return of Income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible has been deducted at source there from.

Other Provisions

- Under Section 115-I of the Income Tax Act, 1961, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any Assessment Year by furnishing his Return of Income under Section 139 of the Income Tax Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so, the provisions of this Chapter shall not apply to him instead the other provisions of the Act shall apply.
- Under the first proviso to Section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange



control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto Rs. 50 lakhs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956; If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.
 - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.
- Under Section 54F of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from Capital gains tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two year 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.
If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.
- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and Education Cess) after indexation as provided in the second proviso to Section 48; indexation not available if investments made in foreign currency as per the first proviso to section 48 stated above) or at 10% (plus applicable surcharge and Education Cess) (without indexation), at the option of assessee.

4. Mutual Funds

- In terms of Section 10 (23D) of the Income Tax Act, 1961, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the company.

5. Foreign Institutional Investors (FIIs)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend from another domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the institutional investor.
- The income by way of short term or long term capital gains realized by FIIs on sale of shares in the Company would be taxed at the following rates as per Section 115AD of the Income Tax Act, 1961.
 - Short term capital gains - 30% (plus applicable surcharge and Education Cess)
 - Short term capital gains covered U/s 111A- 15% (plus applicable surcharge and Education Cess).
 - Long term capital gains - 10% (without cost indexation) plus applicable surcharge and Education Cess (shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding 12 months).



- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, registered under the Companies Act, 1956;
 - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.

6. Venture Capital Companies / Funds

- In terms of Section 10 (23FB) of the Income Tax Act, 1961, all Venture Capital Companies Funds set up to raise funds for investment and registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from dividend.

B2. Under the Wealth Tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of Section 2 (ea) of Wealth Tax Act, 1957, hence Wealth Tax Act will not be applicable.

B3. Under the Gift Tax Act, 1957

Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift Ta

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2009 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. 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 issue.
4. The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.



SECTION IV – ABOUT US

INDUSTRY OVERVIEW

Photovoltaic Cell Industry

Economic growth the world over is driven by energy, whether in the form of finite resources such as coal, oil and gas or in renewable forms such as hydroelectric, wind, solar and biomass, or its converted form, electricity. This energy generation and consumption powers the nation's industries, vehicles, homes and offices. It also has significant impact on the quality of the country's air, water, land and forest resources. For future growth to be both rapid and sustainable, it needs to be as resource-efficient and environmentally benign as possible.

In 2006, according to the International Energy Agency, 80.3% of the world's energy came from fossil fuel: Oil (34.3%), coal (25.1%) and gas (20.9%). Fully 90.9% of the world's energy came from combustion, because alongside these fossil fuels in 4th place are "combustible renewable," mostly wood (10.6%). Include nuclear power (6.5%) and hydro-electric power (2.2%), and you have accounted for 99.5% of the world's energy. So where does solar fit into this equation? Most of this last half-percent of one percent of the world's energy,

Evolution of Solar Power Industry

(Source: http://www.californiasolarcenter.org/history_pv.html)

In spring 1953, while researching silicon for its possible applications in electronics, Gerald Pearson, an empirical physicist at Bell Laboratories, inadvertently made a solar cell that was far more efficient than solar cells made from selenium. Two other Bell scientists - Daryl Chapin and Calvin Fuller - refined Pearson's discovery and came up with the first solar cell capable of converting enough of the sun's energy into power to run everyday electrical equipment. Reporting the Bell discovery, The New York Times praised it as the beginning of a new era, leading eventually to the realization of harnessing the almost limitless energy of the sun for the uses of civilization.

Initially efforts to commercialize the silicon solar cell faltered, while the use of solar cells in space flourished during the 1960s and early 1970s, down on Earth electricity from the sun seemed as distant as ever.

When governments of developing countries began to fund solar energy programs in the mid-1970s and early 1980s, they favoured large-scale, centralized solar-cell plants. Since engineers can tailor solar electric modules to any particular electrical need at the site of use, many came to realize that solar cells could allow each building to become its own electrical power plant by placing them on the roof. This would eliminate much of the capital costs inherent in constructing a centralized power plant such as buying land, putting up transmission lines, laying foundations and support structures and so on. Swiss engineer Marcus Real proved the economic advantages of the micro approach by selling 333 rooftop solar systems to homeowners in Zurich, Switzerland. After the success at Zurich, no one talks about centralized solar-cell plants anymore.

The solar-cell industry has grown dramatically over the last twenty years. Today, those needing power in remote areas consider solar cells as the most effective solution. Institutions like the World Bank now believe that solar cells "have an important and growing part to play in providing electrical services to the developing world. In less developed countries, where over half of the population must travel over two hours just to make a phone call, the United Nations today sees solar cells offering these people for the first time a real practical possibility of reliable telecommunications for general use. Opportunities for solar cells in the developed world continue to grow as well. Solar cells produce cleaner electricity than highly polluting diesel generators. The National Parks Service and Defense Department of the United States have begun to replace their generators with solar cells. No longer on the highways or roads do portable generators power portable signs warning motorists of lane closures or other important information. Solar cells have replaced them. As the increasing demand for electricity starts to clog the world's power lines, like traffic jams on our freeways, solar cells strategically built on or into homes and buildings can provide the much needed electricity without further burdening the old electrical routes. The increasing price of oil and natural gas and their dwindling supplies as world demand continues to grow will force the world to use more and more electricity generated by the sun. The change from fossil fuels to solar cells will also help clean up our polluted skies and keep a lid on global warming. As Science magazine wrote more than twenty years ago, If there is a dream solar technology, it is solar cells, a space-age electronic

marvel at once the most sophisticated solar technology and the simplest, most environmentally benign source of electricity yet conceived.

Kyoto Protocol & Renewable Energy

The objective is the "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."

The Kyoto Protocol is an agreement under which industrialized countries will reduce their collective emissions of greenhouse gases by 5.2% compared to the year 1990 (but note that, compared to the emissions levels that would be expected by 2010 without the Protocol, this limitation represents a 29% cut). The goal is to lower overall emissions of six greenhouse gases - carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, HFCs (Hydro Fluoro Carbon), and PFCs (Poly Fluoro Carbon) - calculated as an average over the five-year period of 2008-12. National limitations range from 8% reductions for the European Union and some others to 7% for the US, 6% for Japan, 0% for Russia, and permitted increases of 8% for Australia and 10% for Iceland. Consequently, Consumption of renewable energy, which results in no net carbon emissions, is projected to be significantly higher with carbon reduction targets. Kyoto Protocol has boosted the demand for solar energy, as its use is pollution free.

(Source: Energy Information Administration <http://www.eia.doe.gov/oiaf/kyoto/execsum.html>)

Advantages of solar photovoltaic power

- Power from the sun is clean, silent, limitless and free.
- Photovoltaics release no CO₂, SO₂, or NO₂ gases which are normally associated with burning finite fossil fuel reserves and don't contribute to global warming.
- Photovoltaics are now a proven technology which is inherently safe as opposed to other fossil fuel based electricity generating technologies.
- Compare to other sources Minimal maintenance required to keep the system running.

The nature and availability of solar radiation

Solar radiation arrives on the surface of the earth at a maximum power density of approximately 1 kilowatt per meter squared (kWm⁻²). The actual usable radiation component varies depending on geographical location, cloud cover, hours of sunlight each day, etc. In reality, the solar flux density (same as power density) varies between 250 and 2500 kilowatt hours per meter squared per year (kWhm⁻² per year). As might be expected the total solar radiation is highest at the equator, especially in sunny, desert areas.

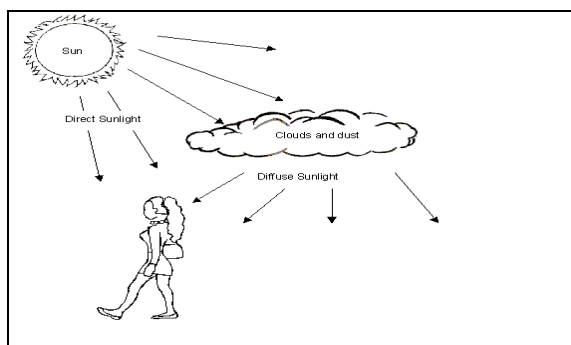


Figure: Direct and Diffuse Solar Radiation

Solar radiation arrives at the earth's outer atmosphere in the form of a direct beam. This light is then partially scattered by cloud, smog, dust or other atmospheric phenomenon. We therefore receive solar radiation either as *direct* radiation or scattered or *diffuse* radiation, the ratio depending on the atmospheric conditions. Both direct and diffuse components of radiation are useful, the only distinction between the two being that diffuse radiation cannot be concentrated for use.

TYPES OF PHOTOVOLTAIC TECHNOLOGIES

Crystalline silicon

Crystalline silicon is still the mainstay of most power modules. It has the benefit of being widely available, well understood and uses the same technology developed for the electronics industry

Thin film

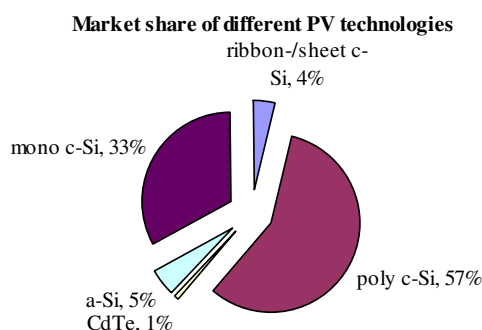
Thin film modules are constructed by depositing extremely thin layers of photosensitive materials on a low cost backing such as glass, stainless steel or plastic. This result in lower production costs compared to the more material intensive crystalline technology. This price advantage is counter balanced at the moment, however, by substantially lower efficiency rates and less experience of the modules' lifetime performance.

Three types of thin film modules are commercially available at the moment. These are as following:

- Amorphous silicon (a-Si)
- Copper indium diselenide (CIS, CIGS)
- Cadmium telluride (CdTe).

Multi crystalline thin film on glass (CSG) is a promising thin film technology underdevelopment, but not yet available on a commercial scale. Concentrator cells focus light from a large area onto a small area of photovoltaic material using an optical concentrator (such as a Fresnel lens), thus minimising the quantity of PV cells required. The two main drawbacks with concentrator systems are that they cannot make use of diffuse sunlight and must always be directed towards the sun with a tracking system. Spherical solar technology uses minute silicon beads bonded to an aluminium foil matrix. This offers a big cost advantage because of the reduced requirement for silicon. Solar Energy through Photovoltaic technology.

Source : (IEA PVPS Programme)



Modules and its Efficiencies

Modules are clusters of PV cells incorporated into a unit, usually by soldering them together under a sheet of glass. They can be adapted in size to the proposed site, and quickly installed. They are also robust, reliable and weatherproof. Module producers usually guarantee their performance for 20-25 years.

Module Efficiencies

Type	Typical Module Efficiency (%)
Monocrystalline silicon [mono c-Si]	17 to 23
Multicrystalline [multi c-Si]	15 to 18
Amorphous silicon [a-Si]	5 to 7
Cadmium telluride [CdTe]	11
CIS	12

(Source: ISA – NMCC, 2008)

TYPES OF PV SYSTEM

Grid Connected

This is the most popular type of solar PV system for homes and businesses in the developed world. Connection to the local electricity network allows any excess power produced to be sold to the utility. Electricity is then imported from the network outside daylight hours. An inverter is used to convert the DC power produced by the system to AC power for running normal electrical equipment. In countries with a premium feed-in tariff, this is considerably higher than the usual tariff paid by the customer to the utility, usually all electricity produced is fed into the public grid and sold to the utility. This is the situation in countries such as Germany or Spain.

Grid Support

A system can be connected to the local electricity network as well as a back-up battery. Any excess solar electricity produced after the battery has been charged is then sold to the network. It is ideal for use in areas of unreliable power supply.

Off-Grid

Completely independent of the grid, the system is connected to a battery via a charge controller, which stores the electricity generated and acts as the main power supply. An inverter can be used to provide AC power, enabling the use of normal appliances without mains power. Typical off-grid applications are industrial applications such as repeater stations for mobile phones or rural electrification. Rural electrification means either small solar home systems (SHS) covering basic electricity needs or solar mini grids, which are larger solar electricity systems providing electricity for several households.

Hybrid System

A solar system can be combined with another source of power - a biomass generator, a wind turbine or diesel generator - to ensure a consistent supply of electricity. A hybrid system can be grid connected, stand-alone or grid support.

Inverters

Inverters are used to convert the direct current (DC) power generated by a PV generator into alternating current (AC), which is compatible with the local electricity distribution network.

Components for Stand-alone PV Systems

Stand-alone (off-grid) PV systems contain a **battery**, even today most of them are of the lead acid type, in order to store the energy for future use. New high quality batteries designed especially for solar applications, with life times of up to 15 years, are now available. However the lifetime of the battery strongly depends on the battery management and the user behaviour. The battery is connected to the PV array via a **charge controller**.

Source : (IEA PVPS Programme)

Global Supply

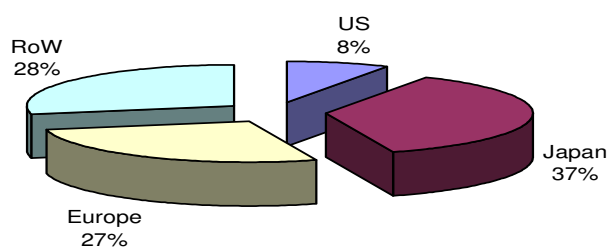
In 2006, global cell production grew by 41% to 2520 MW, despite widespread fears of insufficient polysilicon feedstock available to producers

Global PV cell production until 2006 (MW DC)

Region	2000	2001	2002	2003	2004	2005	2006	Growth in 2006
US	75	100.3	120.6	103	138.7	154	201.6	31%

Region	2000	2001	2002	2003	2004	2005	2006	Growth in 2006
Japan	128.6	171.2	251.1	363.9	601.5	833	926.9	11%
Europe	49.8	73.9	122.1	200.2	311.8	476.6	678.3	42%
Rest of World	23.4	40.6	53.3	81.3	141.5	322.5	714	121%
Total	276.8	386	547.1	748.4	1193.6	1786.1	2520.8	41%

Region Wise Supply of Solar PV for 2006



Global PV module installations (systems only) from 2000 to 2006 and forecast for 2007. Source: PV News, July 2007 (<http://www.renewable-energy-world.com>)

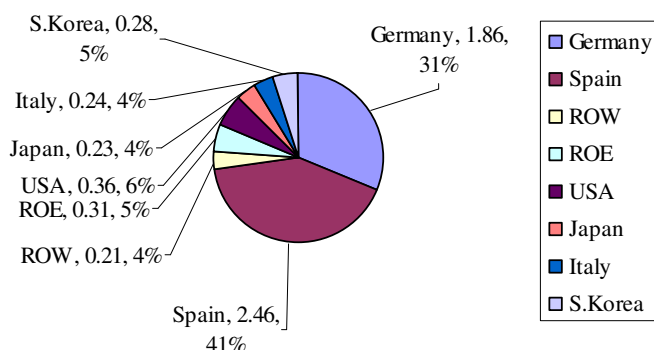
On the supply side, world solar cell production reached a consolidated* figure of 6.85 GW in 2008, up from 3.44 GW a year earlier. Overall capacity utilization rose to 67% in 2008 from 64% a year earlier. Meanwhile, thin film production also recorded solid growth, up 123% in 2008 to reach 0.89 GW. China and Taiwan continued to increase their share of global solar cell production, rising to 44% in 2008 from 35% in 2007.

Polysilicon supply to the solar industry grew by 127% in megawatt terms, sufficient to substantially ease supply limitations in 2008. United States polysilicon production accounted for 43% of the world's supplies. Average global wafering capacity grew to 8.30 GW (up 81%).

Regionwise Global PV cell Demand

Total Demand for PV cells was 5.95 GigaWatts; The breakup was as shown below:

PV Market Demand 2008



*ROE stands for Rest of Europe, ROW stands for Rest of World, USA stands for United State of America

(Source: Solarbuzz LLC)

The PV industry generated \$37.1 billion in global revenues in 2008, while successfully raising over \$12.5bn in equity and debt, up 11% on the prior year.

Spain's 285% growth pushed Germany into second place in the market ranking, while the US advanced to number three. Rapid growth in Korea allowed it to become the fourth largest market, closely followed by Italy and Japan.

Global PV cell use by application. Source: PV News, July 2007; PV Energy Systems

Market Sector (in MW)	1996	1998	2000	2002	2004	2005	2006
Consumer Products	22	30	40	60	75	80	90
World off-grid rural	23	34	53	85	110	125	140
Communications/Signal	23	31	40	60	80	90	100
Off-grid commercials	12	20	30	45	55	60	70
Grid Connected residential/commercial	7	35	120	270	700	1375	1600
Large (> 500 kW)	2	2	5	5	20	30	100
Actual (MW/yr)	89	152	288	525	1040	1550	2200
Actual average module price (US \$ /W)	4	4	3.5	3.25	3.25	3.5	3.75

Top producers shift to emerging players – Top 15 global cell producers. Source: PV News, April 2007

Company	Country	Cell Technology	Production (MW)	Capacity in 2007total (in MW)	Capacity in 2008Etotal (in MW)
Sharp Electronics	Japan	Crystalline/Thin Film	434	725	870
Q-Cells	Germany	Crystalline/Thin Film	253	547	834
Suntech Power Holdings	China	Crystalline/Thin Film	158	320	590
First Solar	USA	Thin Film	60	317	484
Solar World	Germany	Crystalline	-	280	460
Sanyo	Japan	Crystalline/Thin Film	155	270	365
Kyocera	Japan	Crystalline	180	250	300
Motech Industries Inc	Taiwan	Crystalline	110	240	330
Solarfun Power Holdings	China	Crystalline	-	240	360
SunPower Corp	USA	Crystalline	-	214	414
Gintech Energy Corp	Taiwan	Crystalline	-	210	300
E-TON Solar Tech	Taiwan	Crystalline	-	200	320
Yingli Green Energy	China	Crystalline	-	200	400
CEEG Nanjing PV	China	Crystalline	60	200	390
China Sunergy co	China	Crystalline	-	192	320

Company	Country	Cell Technology	Production (MW)	Capacity in 2007total (in MW)	Capacity in 2008Etotal (in MW)
Ltd					
Mitsubishi	Japan	Crystalline/Thin Film	111	190	280
Ersol Solar Energy AG	Germany	Crystalline	40	180	220
Jing Ao Solar Co, Ltd	China	Crystalline	-	175	175
Moser Baer Photovoltaic	India	Crystalline/Thin Film	-	120	120
Total (in MW)				5327	8012
Total for Top 10				3446	5073

(Source: iSuppli, USA)

Government initiatives to drive demand growth

(Source: IEA Photovoltaic Power Systems Programme, <http://www.iea-pvps.org/isr/index.htm>)

United States of America (USA)

In January 2006, President Bush announced his Advanced Energy Initiative, which “provides for a 22-percent increase in funding for clean-energy technology research at the Department of Energy.” The Solar America Initiative (SAI) is a key part of President Bush’s vision of changing the way we power our homes and businesses. To carry out the SAI, the President has requested \$148 million for the U.S. Department of Energy’s (DOE’s) solar program, a 75 percent funding increase.

The goal of the SAI is to reduce the cost of solar photovoltaic (PV) technologies so that they become cost-competitive with traditional energy sources by 2015. The SAI represents a significant enhancement of DOE’s strategy of partnering with industry stakeholders to accelerate commercialization of PV systems R&D to meet aggressive cost and installed capacity goals.

(Source: www.whitehouse.gov/stateoftheunion/2006/energy)

There are a number of interesting State programmes.

In California installations in 2005 grew about 16 % from 44 MW to 51 MW. The rate of growth slowed in 2005 due to the uncertainty and transition to the new California ‘million solar roofs’ programme to be managed by the California Energy Commission. The new programme started in 2006 and will continue for ten years. The goal of the programme is to decrease the subsidy each year, to stimulate lower installed PV system costs so that PV is ‘economical’ without subsidies by 2016. An existing programme initiated by California in 2001 with rebates of 4.50 USD/W to residential and commercial customers has resulted in nearly 60 MW of installed grid-connected PV systems on investor-owned utility grids. A total of 20 MW of PV was installed in 2005 with the subsidy rate having decreased to 2.80 USD/W. California also has a programme of renewable set-asides administered by the California Public Utilities Commission. Over 20 MW were installed by the four key utilities – Pacific Gas and Electric, Southern California Edison, San Diego Gas and Electric, and Southern California Gas Company.

New Jersey is implementing one of the most aggressive PV support programmes in the United States with over 100 million USD being allocated to the programme. Nearly 2 MW of PV were installed in New Jersey in 2004 and 2005 total installations grew to 5.5 MW. New York has legislated over 150 million USD to support new industry, new installations, and studies to accelerate commercialization of PV systems and has recently increased the PV subsidy to 5 USD/W for grid-connected systems. Estimates from IREC indicate that 1.34 MW of PV were installed in New York State in 2005. Massachusetts, Texas and Oregon all use a combination of renewable portfolio standards (RPS), state demonstration projects and tax credits, and each reported installations of about 0.5 MW in 2005.



The new U.S. administration could help encourage investment in solar energy projects if it succeeds in implementing some of its plans, which is more likely with the Democrats' expanded majorities in both houses of Congress. This increased emphasis on renewable energy and the extension of the 30 percent investment tax credit for solar projects, which passed in October 2008, could finally help realize the nation's "vast potential for solar energy,"

According to Hines, President-elect Obama's alternative energy plan, called New Energy for America, could have a significant impact on the U.S. solar industry. The plan's provisions include:

- A federal renewable portfolio standard (RPS) that requires 10 percent of electricity consumed in the U.S. to come from renewable sources by 2012.
- A \$150 billion investment over 10 years in research, technology demonstration, and commercial deployment of clean energy technology.
- Extension of production tax credits for five years to encourage renewable energy production.
- A cap-and-trade system of carbon credits to provide an incentive for businesses to reduce greenhouse gas emissions.

(Sources: <http://wistechology.com/articles/5224>)

United Kingdom

The year 2005 saw continued growth of the UK PV industry, both in terms of installed capacity, manufacturing output and number of staff employed in PV activities. The vast majority of new installed capacity in 2005 was partly funded under the UK Government Major Demonstration Programme. This programme ended in March 2006 and the final installations funded by the scheme were completed by March 2007. Continued grant support will be provided by the Low Carbon Buildings Programme which forms part of the new Government strategy for the promotion of micro generation technologies (small scale renewables and micro-combined heat and power including PV, small wind, solar water heating etc.). The new Microgeneration Strategy aims to tackle the wider barriers to the development of sustainable markets for small scale renewables and combined heat and power. It sets out a list of wide-ranging actions, including an accreditation scheme for products and installations, a review of planning procedures, a pilot scheme to assess the benefits of smart metering, as well as the Low Carbon Buildings Programme, all of which should be of benefit to development of the PV industry.

Public funding for PV research and development is focused on supporting projects to develop novel materials offering significant improvements in performance, reliability and generation costs. There are several long-term projects under way involving industry and universities from which encouraging results are beginning to emerge.

China

In 2005 China again led the market for PV equipment outside of the IEA PVPS countries, with annual sales of about 5 MW and total installed PV capacity reaching 70 MW. Remote and rural electrification accounts for approximately 50 % of the annual market, including solar home systems, village power and pumping applications. The Song Dian Dao Cun (National Village Electrification Programme) is expected to deliver solar power to 10 000 villages (265 MW) by 2010 and a further 18 000 villages (1 700 MW) by 2020. The Renewable Energy Law (REL) came into effect on January 01, 2006 as the principal national policy framework supporting the Chinese Government's expressed intent to meet 15 % of gross energy consumption with renewable energy by 2020. The REL includes support for PV via a feed-in tariff, preferential taxes and loans, and specific encouragement of building related solar.

The government in March 2009 approved a subsidy of 20 Yuan per watt for solar PV systems larger than 50 kW fixed on building roofs. The subsidy, which could cover half the cost of installing the system, was popular among developers, attracting applications equivalent to the building of 1 GW of solar power. For ground-mounted projects, the government is paying a feed-in tariff for the electricity generated, instead of a subsidy based on the projects' capacity. It has set a price of 1.09 Yuan per kWh for a 10-mW solar PV power plant in Dunhuang, nearly three times the rate paid by coal-fired power plants.

(Source: http://www.chinadaily.com.cn/bizchina/2009-07/03/content_8350947.htm)

Japan

During 2004 the Ministry of Economy, Trade and Industry (METI) compiled the Energy Supply and Demand Outlook for 2030, including a New Energy advanced scenario. The Agency of Natural Resources and Energy of METI announced the Vision for New Energy Business to describe the future of the new energy industry toward the year 2030. The New Energy and Industrial Technology Development Organization (NEDO) developed a roadmap for technological development of PV systems, PV Roadmap toward 2030 (PV2030).

Major programme and market milestones were reached during the year – cumulative installed capacity of PV systems exceeded 1 GW, and applications to the Residential PV System Dissemination Programme reached the 60000 level. Under this programme installation of a total of 230 MW is expected. Under the Field Test Project on New Photovoltaic Power Generation Technology, the number of projects to introduce PV systems for public and industrial facilities increased to 265, totaling 7,2 MW of installed capacity.

The number of local governments providing financial support for the implementation of residential PV systems has increased to 350. Electricity utilities also supported the introduction of PV through the Green Power Fund.

Greater spending on solar power systems is expected to be a key feature of Japan's new stimulus plan, its fourth such package in the last year. The plan is expected to include fiscal spending of up to \$150 billion and some details are expected later on Wednesday. A top economic and fiscal policy advisory committee said last month that Japan should increase its solar power capacity 20-fold by 2020 from 2005 levels, double its previous target.

In January 2009, the government introduced a subsidy of 70,000 yen (\$700) per kilowatt of solar panel equipment, aiming to attract 35,000 applications in the January-March quarter. The current subsidy works out to around 245,000 yen for 3.5 kilowatt of equipment per household, or around 10 percent of the cost. The government budgeted 9 billion yen for its subsidies over the three-month period and has also announced an additional 20 billion yen for the financial year that began April 1, aiming for 120,000 applications over the 15 months.

Many local governments are also providing subsidies for solar power to supplement moves by the central government. Solar power is the most costly among clean energy sources in Japan, and fiscal assistance is seen as necessary to expand demand and encourage solar panel makers, such as Sharp Corp, to invest in research and expansion abroad.

(Source: <http://uk.reuters.com/article/idUKTRE5375F820090408?pageNumber=2&virtualBrandChannel=0&sp=true>)

Germany

The solar industry is a new industrial sector in Germany which has seen enormous growth over the last number of years thanks to state support through the EEG. German solar technology turnover has risen within the last six years from around 450 million euros to some 4.9 billion euros. The companies in the industry have been investing 500 million euros annually in the construction, expansion and modernisation of their solar factories in order to increase their production capacities with solar modules, solar cells and inverters. The number of people employed directly and indirectly in the industry had risen to around 50,000 in 2006 (source: German Federal Association of the Solar Industry (BSW), as of April 2007). Although Germany's geographical position on the world map does not make it the ideal location for solar energy due to it only receiving moderate levels of solar radiation, it has become the largest solar thermal market in Europe, helped by the MAP. Germany takes second place only to Japan in the world in photovoltaic power generation. The export services and deliveries of the German solar industry include planning, construction, equipment, systems engineering, operation, monitoring, finance packages and training. In addition to this, they are providers of cross-sectoral consulting services, such as technical consultation, feasibility studies, environmental impact studies, audits and measurement instrumentation.

The German Federal Association of the Solar Industry reported that there were 1,300,000 solar plants in Germany in 2006. 220,000 new plants were erected in 2006 alone. In Germany, solar thermal plants are predominantly used to generate hot water and to augment the heating system in private households, but they are also increasingly being used in larger community facilities and open air swimming pools. Despite the relatively high initial outlay, the popularity of solar thermal and photovoltaic heat and power generation can be explained by the comprehensive state support programmes, especially for photovoltaic plants through the EEG, and by increased environmental awareness, especially amongst private consumers. According to the "Acceptance of Photovoltaics and Solar Thermal Energy in Germany in 2007" study from the Institute for



Social Research and Communication in Bielefeld, 27 percent of all house owners now want to use solar thermal energy for heating.

(Source: <http://www.german-renewable-energy.com>)

Germany dominated Photovoltaic Installations Worldwide in 2008. The European photovoltaic market is consistently growing, outpacing other regions worldwide. The growth in the overall European market has been principally driven by the dynamism of the German market. The cumulative solar PV installed capacity in Germany has increased from 195 MW in 2001 to 5,337 MW in 2008, making Germany the largest market for photovoltaic installations worldwide with a global market share of 35% in the year 2008. Germany has positioned itself as an excellent location for solar energy investments due to strong governmental support, the availability of a highly-qualified workforce, and a plentiful supply of scientific research centers and universities, such as Fraunhofer and Max-Planck-Institutes. All these factors put together guarantee rapid and smooth implementation and development of PV projects in the country.

(Source: <http://www.prlog.org/10198293-global-solar-photovoltaic-market-analysis-and-forecasts-to-2020.html>)

SPAIN

Spanish market proves, new government policies can lead to dramatic changes from year to year. Spain saw a solar boom in 2007, when the government passed a 400-megawatt feed-in tariff program. Feed-in tariffs set a higher price for renewable energy, and Spain offered 42 euro cents per kilowatt-hour. The program, intended to last until 2010, reached its cap within the first year, then grew to an estimated 1.2 gigawatts during a grace period in 2008, while the country scrambled to come up with a new program

(Source: <http://www.cleantechnica.com/2009/03/19/solar-is-spain/>**ITALY**)

Italy may soon become Europe's next frontier for solar energy as new incentives prompt investors to bet on higher returns than in Germany, which has less sun but is currently the hub of a growing global market. Italy is trying to catch up in a worldwide race to find alternatives to the fossil fuels that arouse worries about security of supply and planet-warming carbon emissions. In 2007, the Italian government approved new incentives to boost photovoltaic (PV) energy, which turns sunlight into power. It ordered all new buildings to have solar panels on roofs, aiming to exploit fully its abundant sunshine -- about 30 percent more per square meter than in Germany.

As a result of its new incentives, Italy aims to boost installed photovoltaic capacity to 3,000 MW by 2016, nearly 60 times more than 2006 capacity. Italian sector specialists expect costs of solar energy generation to become competitive with traditional generation in Italy in the next 10-15 years. To lure investors, Italy in February amended its solar energy law to align it with a German incentive scheme called "feed-in tariff", which guarantees above-market prices for generating solar power. Under the revised Italian law, PV system operators would get up to 0.49 euro per KW hour of produced power for 20 years.

(Source: <http://www.reuters.com/article/reutersEdge/idUSL1370008020070914>)

Use of PV Electricity in Developing Countries

The majority of the world's developing countries is found within the tropics and hence has ample sources of solar insulation (the total energy per unit area received from the sun). The tropical regions also benefit from having a small seasonal variation of solar insulation, even during the rainy season, which means that, unlike northern industrial countries, solar energy can be harnessed economically throughout the year. Currently, there is a fairly high uptake of solar technology in developing countries.

With the fluctuating high cost of petroleum, minimizing dependence on importing conventional energy resources, stewardship to protect the Planet and providing affordable energy to all, countries including India have stepped up their energy path for harnessing indigenous renewable resources. To tap the infinite energy and transform as well as transmit it to each household, the governments all over the world have accelerated promotion of the use of universally available Solar Energy.

DOMESTIC SCENARIO:

Greater reliance on renewable energy sources offers enormous economic, social and environmental benefits. India is already the world's fifth largest producer of wind power, with more than 95 per cent of the investment coming from the private sector. Other renewable energy technologies, including solar photovoltaic, solar thermal, small hydro and biomass power are also spreading. Under the BAU (Business As Usual) scenario the contribution of renewable forms of energy is expected to be quite modest, but a concerted effort to implement a more visionary plan could significantly alter this outcome. Apart from reducing India's dependence on imported fuels and the strain on the environment, some forms of renewable energy such as biomass power production and ethanol motor fuel offer the added advantage of potentially creating millions of rural employment opportunities and contributing to higher rural incomes, rather than higher outflows of foreign exchange. Tapping this potential will require conducive national policies and programmes designed to attract active participation from the private sector.

Energy is an essential building block of economic as well as overall development of the country. In an effort to meet the demands of a developing nation, the Indian energy sector has witnessed a rapid growth. Areas like the resource exploration and exploitation, capacity additions, and energy sector reforms have been revolutionized. However, resource augmentation and growth in energy supply have faced difficulties to meet the ever-increasing demands exerted by the multiplying population, rapid urbanization and progressing economy. Hence, serious energy shortages continue to plague India.

India's energy requirements are enormous and the demand is growing but our resources are limited both in physical and financial terms. It is a long term imperative that these resources are exploited optimally. India is attracting significant attention from major overseas project developers, equipment suppliers and financiers. However, there remain difficult issues to be resolved before these projects become a reality. (Source: <http://www.bharatbook.com/India-Energy-Summit-2007.asp>)

One of the possible solutions to this problem is Solar Energy. India receives solar energy equivalent to over 5,000 trillion kWh per year. The daily average solar energy incident varies from 4 -7 kWh per square meter depending upon the location. The annual average global solar radiation on horizontal surface, incident over India is about 5.5 kWh per square meter per day. There are about 300 clear sunny days in most parts of the country.

In India Solar Photovoltaic which is one form of Solar Energy comes under the Ministry of Renewable Energy

Industrial Growth in Renewable Energy in India

- In India a large domestic manufacturing base has been established for renewable energy systems and products.
- India is the third largest producer of Silicon Solar Cells.
- 60 companies are involved in production of various Solar PV products.
- Eight manufacturers/suppliers are involved in production of Small Hydro Power generation equipment.
- Five manufacturers are involved in production of Battery Operated Vehicles.
- 15 companies are engaged in manufacturing of Wind Turbines.
- There are manufacturers involved in production of Sugar Plant/Co-generation equipment and Biomass Gasifiers are being produced by seven manufacturers.
- 33 companies are involved in the local production of Solar Thermal Systems, such as Solar Cookers and Solar Water Heaters.
- There are 15 manufacturers for Improved Biomass Chulha (Cook-stoves) and 14 manufacturers for Biogas Appliances.

The annual turnover of the Renewable Energy Industry in the country, including the power generating technologies for Wind and other sources, has reached a level of over Rs. 30,000 million. (Source: Ministry of New & Renewable Energy)

OVERVIEW

In launching India's National Action Plan "climate change" on 30th June,2008, The Prime Minister Dr. Manmohan Singh stated : Our vision is to make India's Economic Development Energy Efficient and Based on the vision set out above national solar mission is being launched under the brand name "solar India"

Objective of National Solar Mission.

- 20,000 MW of installed solar generation capacity by 20020 and 100,000 MW by 2030; 200,000 MW by 2050.

- Solar power cost reduction to achieve grid tariff parity by 2020.
- Achieve parity with coal based thermal power generation by 2030.
- 4-5 GW of installed solar manufacturing capacity by 2017.

Phase I of solar deployment (2009 -12)

- Tariff incentives & subsidies will be provided for several years.
- Single window clearance for generation and manufacturing parks.
- To achieve rapid scale up to drive down costs. And Promotion of commercial scale solar utility plants.
- Mandated deployment of solar rooftop or onsite applications in Government buildings, Public Sector Undertaking buildings, hospitals, hotels, guest house and nursing homes and the residential complexes.
- Promotion of rooftop solar applications.
- Mandated installation of solar generation capacity of at least 5 % of total installed capacity of all thermal power plants based on coal, gas and oil or Mandated use of part of vacant land in existing power plants, including in the non-thermal sector.
- Encouraging the use of solar applications to meet day-time peaking power requirement, currently being covered through diesel generation.
- Installed capacity to reach 1.5GW by 2012

Phase II (2012-17)

- Rollout of rural electrification business models.
- Scaling up of various validated application.
- Promotion of solar lighting and heating systems on large scale.
- Installed capacity to reach 6 -7GW by 2017
- Solar Power Obligations of average 2 % for states.

Phase III (2017-20)

- Rapid scale up across all validated application with minimal or no subsidy.
- Achievement of tariff parity with conventional grid power.
- One million rooftop system, with an average capacity of 3 KW by 2020.
- Installed capacity to reach 20GW by 2020.

(Source: India National Solar plan –Government of India Final Draft 29th April 2009)

ENERGY REQUIREMENT PROJECTIONS

The Expert Committee on Integrated Energy Policy constituted by the Planning Commission has in its report (IEPR) estimated the requirement of primary energy supply to increase 3-4 times the 2003-04 level for an economy growing at around 8-9 per

cent per annum over the next 25 years. In this context, the country's electricity generation capacity / supply would need to go up 6-7 fold from the current installed capacity of around 1.15 Lac MW during 2003-04 to between 7.8-9.6 Lac MW by 2031-32 (end of XV Plan period). In addition, crude oil requirement would need to increase 4-4.5 fold from the 2003-04 consumption level of around 122 MMT to 486-548 MMT by 2031-32.

GRID-INTERACTIVE RENEWABLE POWER

The total power generation capacity addition in the country from different sources-conventional as well as renewable- targeted for the 10th & 11th Plans is around 1 Lac MW, of which 10%, i.e., 10,000 MW was aimed as the share of renewable such as wind, biomass and small hydro. The break-down of this share among different sources is: 5 per cent from wind power (5,000 MW); 3 per cent from bio power (3,000 MW); and 2 per cent from small hydro power (2,000 MW). The estimated medium-term potential for power generation from renewable energy sources is about 84,000 MWe, as per the resource-wise break-up given in Table New & Renewable energy, which also gives achievements under various renewable energy programmes of the Ministry, as on 31.1.2007.

Progress during the 10th Plan (up to 31.1.2007) has been encouraging as the country today is one among the top rankers in grid-interactive renewable power installations which aggregate 9373 MW, corresponding to over 7.0 per cent of the total power generating installed capacity in the country.

- Of this, 6315 MW is the share of wind power placing the country at 4th rank world-wide, 1905 MW of small-hydro power and 1152 MW of bio-power.
- About 5923 MW capacity has been added during the first 4 years and 10 months of the 10th Plan (up to 31.1.2007) against a target of 3075 MW for the 10th Plan.
- Accordingly the share of renewable in 10th Plan power generating capacity addition is 20 per cent, i.e., double the initial aim of 10 per cent.
- Capacity addition during 2006-07 (up to 31.1.2007) has been 1191MW: wind power-933 MW; bio-power-199 MW; small hydro power -69 MW. As per current trends, renewable power capacity addition during the year should reach 2000 MW.

Solar Photovoltaic Programmes

Solar energy can be harnessed through two routes, namely solar photovoltaic and solar thermal, by direct conversion to electricity and heat energy respectively.

(Source: Ministry of New & Renewable, <http://www.mnes.nic.in/frame.htm?publications.htm>)

A country wide Solar Photovoltaic Programme is being implemented by the Ministry for more than two decades. The Programme is aimed at developing cost effective PV technology and its applications for large-scale diffusion in different sectors, especially in rural and remote areas.

Major components of the solar PV programme include R&D, Demonstration and Technology Utilization, Testing & Standardization, Industrial and Promotional activities etc.

The following solar PV systems are covered under the solar PV programmes of MNRE:

- Solar Home Lighting Systems/Solar Home Systems
- Solar Lanterns
- Solar Street Lighting Systems
- Stand-alone PV Power Plants
- Solar PV Water Pumping systems
- Other applications of solar PV Technology including new applications.

Research & Development (R & D)

R&D projects are supported by the Ministry at research organizations of central/state government, autonomous societies, Universities, recognized colleges, IITs and industries etc., which have suitable infrastructure for undertaking R&D in solar photovoltaic technology. R&D proposals are scrutinized by experts and recommended to the Ministry for approval.

The Ministry supports R&D on various aspects of solar photovoltaic technology including development of poly silicon and other materials, development of device fabrication processes and improvements in crystalline silicon solar cell/module technology, development of thin film solar cell technology (based on amorphous silicon films, cadmium telluride films and copper indium diselenide thin films, organic, dye sensitized and carbon nano tubes). MNRE is also supporting development of photovoltaic systems and components used in manufacture of such systems. The Ministry has identified thrust areas for R&D support in solar photovoltaic technology during the 11th plan.

Two R&D projects were implemented during 2006-07. Scientists at the Indian Association for Cultivation of Sciences, Jadavpur are working on the development of nano and multi-junction silicon thin film solar cells and optimization of the performance of multi-junction thin film solar cells through computer modeling. These projects are in progress.

During 2007-08 five R&D projects are supported by the Ministry

(Source: Ministry of New & Renewable Energy, <http://www.mnes.nic.in/frame.htm?publications.htm>)

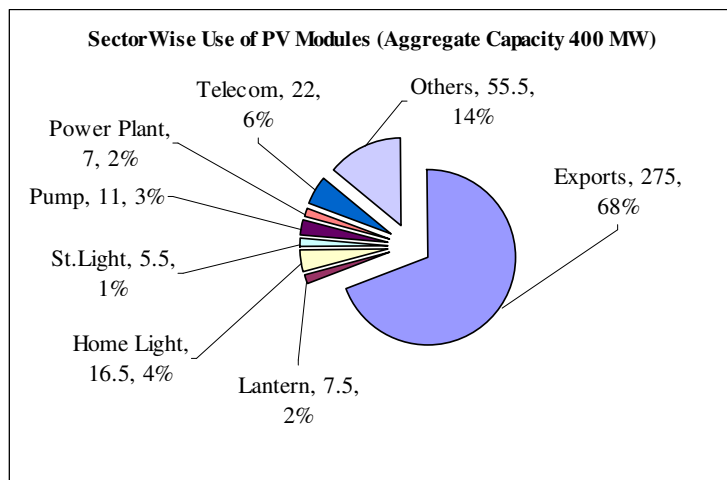
The Ministry is implementing a country wide programme on demonstration and utilization of solar photovoltaic lighting systems, stand alone power plants and other new and specialized systems in the country, except for the areas and applications covered under the other programme of the Ministry on solar PV applications in the Urban Areas and the Remote Village Electrification (RVE) programme. The Ministry is also implementing a programme on distribution of solar lanterns in the un-electrified villages and hamlets of the special category (Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikkim, Arunachal Pradesh, Assam, Nagaland, Manipur, Meghalaya, Mizoram and Tripura) states.

Another programme under implementation is on installation of solar photovoltaic water pumping systems for agriculture and related uses including drinking water supply. Use of solar pumps for drinking water supply and other community applications is preferred.

The details of implementation guidelines and specifications of systems covered under the programmes are available in the Administrative Approvals of the respective programme.

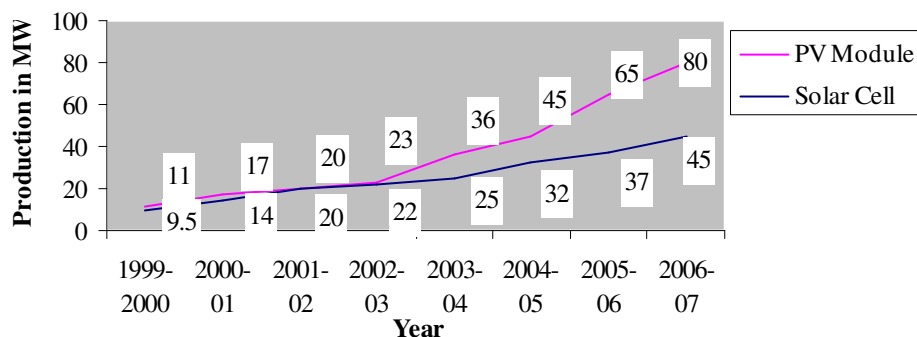
Progress

PV systems of about 400 MWp aggregate capacity (about 14,00,000 systems) have been utilized by 31st December, 2007, for various applications, including export of about 275 MWp aggregate capacity of PV products.



Under the solar PV program, about 11 lac systems have been installed. This includes 5.6 lac solar lanterns; 3.42 lac s solar home lighting systems; 59,000 street lighting systems, 7,068 water pumping systems and of about 4.75 MWp aggregate capacity of stand alone and grid interactive solar PV power plants.

Annual Production Growth of Solar Energy



As one can see there is ~ 5 fold increase in Solar Cell production over last 7 year period from 9.5 MW in 1999-2000 to about 45 MW in 2006-2007 (i.e. CAGR of about 29.59 % over the last 7 years.) . Also PV modules have grown from 11MW in 1999-2000 to 80 MW in 2006-07 indicating CAGR of about 39.19 % over the last 7 years . The production during 2007-08 (till December 2007) is estimated to be over 40 MWp of solar cells and 60 MWp of PV modules.

(Source: Ministry of New & Renewable Energy, <http://www.mnes.nic.in>)

Institutional Arrangements

The following institutions are involved in the implementation of solar PV related programmes of the Ministry, as per details given in the Administrative Approvals of the respective programme. The implementing agencies are required to implement the targets in the eligible areas as per the performance specifications of the systems specified by the Ministry.

- i) State Renewable Energy Development Agencies / Departments / Corporations,
- ii) Akshaya Urja' Shops
- iii) Indian Renewable Energy development Agency (IREDA) and the state renewable energy development agencies/departments /corporations etc.

Special Incentive Package Scheme to encourage Investments for setting up Semiconductor Fabrication and other micro and nano technology manufacture Industries in India.

The Special Incentive Package as under:

In case of Semi-conductor manufacturing (Fab units) products,the threshold Net Present Value (NPV) of investment will be Rs. 2500 Cr. and above . The threshold NPV of investment in manufacture of other eco-system products will be Rs. 1000 Cr. and above. This threshold value shall be taken as the Net Present Value (NPV) of investments made during the first 10 years of the project life and the discount rate will be @ 9%.

The central government or any of its agencies shall provide the incentives of 20% of the capital expenditure (as defined below) during first 10 years for the units in SEZ and total 25% of the capiatal expenditure for non-SEZ units .Non-SEZ units shall be exempt from CVD. The incentives if any, offered by the state government or, any of its local bodies shall be over and above this investment.

Capital expenditure will be total of capital expenditure in Land, building, plant and machinery and technology including R&D.The cost of land exceeding 2% of the capital expenditure shall not be considered for calculation in this regard..

Any unit may claim incentives in the form of capital subsidiary or equity participation in any combination of the following:



- 1) Equity in the project not exceeding 26%.
- 2) Capital subsidy in the form of investment grant and interest subsidy.

The entire equity contribution will be taken towards the value of the incentive package. There shall be an exit option, to be exercised by the government, at a suitable point of time in future, after the project goes on stream.

Those investors who choose equity as part of their incentive package shall be given such equity after the financial closure for the project and the equity shall be released on a proportionate basis as equity is bought in by the promoters.

All other incentives shall be released after the end of the financial year in which the NPV of the total investment exceeds the threshold value.

Thereafter, the incentive shall be provided on an annual basis on the value of investments made during the year and be restricted to the first 10 years of the project life.

There shall be ceiling on number of units -2 to 3 'fab' units and 10 eco-system units. The Special Incentive Package shall be available only up to 31-3-2010.

(Source: The Gazette of India, March 21, 2007, Department of Information Technology)

Industrial Activities

Indian PV Industry

A sizeable industrial base for production of solar cells, PV modules and PV systems has been established in the country. There are 9 manufacturers of solar cells and 44 of PV modules. Another 60 companies are engaged in assembly and supply of PV systems.

(Source: <http://www.enf.cn/database/panels-india.html>)

During the financial year 2006-07, about 45 MWp aggregate capacity of solar cells and 80 MWp aggregate capacity of PV modules were produced in the country. During the same period over 60 MWp capacity of PV products were exported.

Industrial Policy

The Government has allowed up to 100% direct foreign investment in solar photovoltaic technology. General conditions laid down by the Ministry of Industry, Secretariat for Industrial Approvals and the Reserve Bank of India for setting up an industrial undertaking are applicable for this sector. It is possible to set up industrial units as joint venture, Export Oriented Unit or under Electronic Technology Hardware Park schemes. Recently the Ministry of Information Technology has announced new semiconductor policy, which includes support to set up manufacturing for solar photovoltaic cells/modules etc.

Trade

The Indian PV industry has been regularly exporting solar cells, PV modules, PV systems and components to other countries. During the last five years more than 220 MWp capacity PV products have been exported.

The Indian PV industry is also importing silicon material, wafers, solar cells, PV modules, raw materials and components used in manufacture of solar cells and modules and components used in manufacture of PV systems.

Duties and Taxes

Concessional or nil duty import of raw materials, components, solar cells, PV modules and systems is permitted. Most of the PV products are exempted from Excise duty. 80% accelerated depreciation under Income Tax Act 1961 can be availed during the first year. Value Added Tax (VAT) is applicable on solar PV products.

India's Solar Power: Greening India's Future Energy Demand

- India due to its geo-physical location received solar energy equivalent to nearly 5000 trillion KWH / year, which is far more than the total energy consumption of the country today. But India produces a very negligible amount of solar energy – a mere 0.2 percent.
- Up till now, India's energy base has been more on conventional energy like coal and oil. However, India has now attained 7th place worldwide in Solar Photovoltaic (PV) Cell production and 9th place in Solar Thermal Systems. Grid-interactive renewable power installed capacity as on 31-10-2006 aggregated 9013 MW corresponding to around 7 percent of the total power installed capacity.
- At present, the industry in India is highly fragmented, with at least 17 companies involved in SPV manufacturing, though with minuscule capacities.

The major nine players of Solar PV Cells with present MW capacity as on 31 st March 2007 are:

1	Bharat Heavy Electricals Limited (BHEL)	NA
2	Bharat Electronics Limited	NA
3	Central Electronics Limited	[Shaibabad(UP) : 2MW]
4	KL Solar Company Private Limited	[Coimbatore: 7MW]
5	Maharishi Solar Technology	[Chittoor(AP) : 2.5MW]
6	Moserbaer Photovoltaic Limited	[New Delhi: 80MW]
7	Tata BP Solar India	[Banglore: 36MW]
8	Udhaya Semiconductors Limited	[Coimbatore: 3MW]
9	Webel SL Energy	[Kolkatta: 10MW]

(Source: <http://www.solarbuzz.com/solarindex/CellManufacturers.html> & Respective Company Websites)

The latest various expansion plans declared and being undertaken by the above players is the pointer towards the booming solar market in India in the coming years. Of late, the market is growing for SPV (Solar Photo Voltaic) applications based products with the active encouragement of the government.

Future Plans in India

An Expert Committee constituted by the Planning Commission has prepared an Integrated Energy Policy that aims at achieving integrated development and deployment of different energy supply sources, including new & renewable energy. The grid-interactive renewable power installed capacity was estimated to reach 10,000 MW as on corresponding to a share of over 2 per cent in the electricity-mix, by 31-3-2007. Further capacity addition of 14,000 MW is envisaged during the 11th Plan (2007-12) leading to a then share of around 5 per cent in the electricity-mix but mostly through hydro-power. A 10 million square meter solar collector area capable of conserving electricity equivalent to that generated from a 500 MW power plant is expected to be set up by 2022. India has recently proposed to augment cooking, lighting, and motive power with renewable in 600,000 villages by 2032, starting with 10,000 remote off-grid villages by 2012.

There are number of R & D projects going on solar PV Program in India. The Solar Energy Centre (Source: <http://mnes.nic.in/solarenergy1.htm>) has been established by Government of India as a part of MNES to undertake activities related to design, development, testing, standardization, consultancy, training and information dissemination in the field of Solar Energy.

Players and projects

Proposals in this space have been submitted by Solar Semiconductor (Rs 11,821 crore), Reliance Industries (Rs 11,631 crore), Moser Baer PV Technologies (Rs 6,000 crore), Signet Solar (Rs 9,672 crore), Titan Energy Systems (Rs 5,880 crore), KSK Energy Ventures (Rs 3,211 crore) and Tata BP Solar India (Rs 1,693 crore). Besides this, the government has received similar applications from companies such as EPV Solar, Vavasi Telegence and Lanco Solar, according to industry sources.

(Source: *Business Standard*, June 23, 2009).

Optical Storage Media

The Compact Disk was one of the great success stories of the 1980s, revolutionizing the recorded-music business in less than five years. After that something similar started happening in the personal computer industry: After years of anticipation, the CD-ROM -- which stands for compact disk-read-only memory -- was becoming an essential piece of business software and made its way into the home as well. Corporate managers are using the shiny silver platters to store voluminous reports and manuals. Publishers are creating "multimedia" CD-ROM disks that combine reference works like encyclopedias with music, photographs, and flashy video.

CD-ROMs can hold a wealth of information -- reams of text, stacks of photos, sheaves of illustrations, and dozens of video clips. A laser-based optical disk drive reads the digitized data the same way a CD player does (floppy disks, by contrast, are read by magnetic drives).

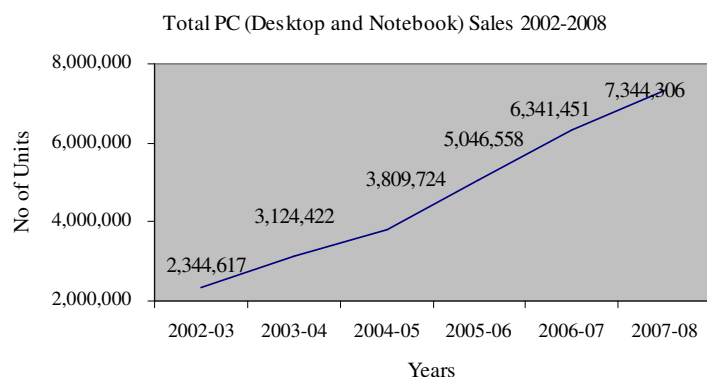
The big advantage of a CD-ROM over other forms of data storage is that it holds gargantuan amounts -- up to 660 megabytes per disk, equal to 350,000 typewritten pages or 330 floppy disks.

The big disadvantage of CD-ROM was that it's was "read-only" medium. That is, unlike a floppy, after the information is "burned" onto the disk you can't erase it, change it, or add to it. But you can copy CD-ROM files and transfer them to your PC's hard drive, where the words, sounds, and pictures can be woven into, say, traditional word-processing or spreadsheet programs. Ever since CD-ROM technology was introduced in 1985, computer experts have predicted that it would change the world of PCs. After all, there's no better way to package and distribute large amounts of information. A single optical disk can hold a whole year's worth of inventory reports for a FORTUNE 500 company or a snazzy live-action detective game with over 90 minutes of sound and video. But businesses and consumers were slow to accept CD-ROMs.

The optical drives needed to read the disks were expensive at first -- in the \$1,000 to \$3,000 range -- and much more sluggish than floppy drives. There were also problems with compatibility. When the first CD-ROM products hit the market, you couldn't be sure that one manufacturer's drive would play another manufacturer's disk. Over the past year, though, most of these obstacles have been eliminated.

Optical storage Media CD/DVD Growth Drivers:

- The domestic IT market in India grew by 22.4% in 2006 and is expected to keep the momentum up in 2007. The estimated year-on-year growth in 2007 was estimated to be 21.5%, making it the fastest growing market in the Asia-Pacific region. The domestic IT market has posted impressive growth in the last three years and is expected to continue the momentum in 2007 also.



- As one can clearly see from the above graph total PC sales in the country have grown at a CAGR of 25.65 % over the period of last five years. (Source: MAIT, 2007-08 Annual Review). PC growth inturn is expected to fuel CDR and DVDR growth in the country.



- CD Audio market will increase substantially in next 3 years in underdeveloped markets of Africa, India, Bangladesh, Central Asia and parts of Middle East.
- As per Crisinfac, the combined market for magnetic and optical storage materials, estimated at \$19.80 billion in 2005, is expected to rise to \$39.90 billion in 2010, by growing at a CAGR of 15 per cent.
- With the better industry for computers (as detailed above), the demand for computer related accessories like data storage devices (CDs, DVDs etc.) is expected to grow.
- Future market potential for CDs are conducive with increasing use of the same in various fields like, hospitals, educational institutes, recordings in social gatherings etc.
- CDs / DVDs are optical storage media that holds information in digital form and that are written and read by a laser. Optical media storage devices have a number of advantages over magnetic media such as floppy disc, such as, higher storage capacity and durability. Consequently, CDs/DVDs are fast replacing the floppy disc as data storage devices.
- Increasing growth in Entertainment segment to fuel growth in demand of CD & DVDs
- DVD Video market also to grow driving the demand

(Source: www.idcindia.com official website of IDC (I) Limited and CRISINFAC)

Positive Development

The directorate of anti-dumping & allied duties, a quasi-judicial body attached to the Commerce ministry, is planning to expand the scope of anti-dumping duty on imported optical discs by making it applicable to imports from five more countries, namely, Malaysia, Republic of Korea, Thailand, United Arab Emirates and Vietnam. The move is expected to block imports of all optical discs to India.

Earlier, the government had imposed anti-dumping duties ranging from Rs 2.24 per unit to Rs 4.20 per unit on import of compact discs recordable (CD-R) from China, Hong Kong, Singapore and Taiwan. Industry sources say that the Indian manufacturers, who were affected due to dumping of CD-R products from these countries, now have a level-playing field in blank optical media segment.

Industry sources said though the domestic CD market had increased over 200% last year, the share of the domestic industry in the total demand declined by 17%, and the share of dumped imports increased by 17%.

The dumping happened largely on account of overcapacity in countries like Malaysia, UAE and Vietnam. As per industry estimates, the current annual demand for CD-R in India is over 800-million units, of which Indian manufacturers account for 50%. While 20-25% of this demand is driven by IT applications, the balance is accounted for by music and films. (Source: *Business Standard* September 25, 2007)

Research data shows that India has over 26-million DVD/VCD users, which is growing at over 25%, comprising about a fourth of all TV ownership in the country.

Of the 25-million DVD/VCD users, DVD player consumption stands at 20%, while VCD players are at 80%. (Source: *Economic Times* October 10, 2007)

Recent VCD/DVD players Data

Indian Data

Applications	Measure	2006	2007	2008	2009	2010	2011
CD Player	Equipment Production Revenue (M\$)	933	913	905	902	899	918
DVD Players	Equipment Production Revenue (M\$)	0	50	157	232	279	299
DVD Recorders	Equipment Production Revenue (M\$)	5	10	14	20	22	29
Grand Total	Equipment Production Revenue (M\$)	938	973	1,076	1,154	1,200	1,246
CD Player	Application Units (K)	12,436	13,049	13,710	14,318	14,981	15,827
DVD Players	Application Units (K)	0	1,084	3,448	5,154	6,255	6,797
DVD Recorders	Application Units (K)	30	64	106	171	199	274
Grand Total	Application Units (K)	12,465	14,196	17,264	19,643	21,435	22,897
CD Player	Semiconductor TAM (M\$)	122	129	141	151	152	161
DVD Players	Semiconductor TAM (M\$)	0	30	91	130	148	164
DVD Recorders	Semiconductor TAM (M\$)	2	3	5	8	10	16
Grand Total	Semiconductor TAM (M\$)	124	162	237	289	310	341

Source: Semiconductor Asia Pacific Forecast Database (September 2007)

As per the above data one can clearly see the CD/DVD player volumes are going to go up in India which is big positive for the CD/DVD manufacturing Industry.



BUSINESS OVERVIEW

Existing Business

We are the second largest company among few companies that are into manufacturing of CDRs and DVDRs (*Source: Optical Disk Manufacturers Welfare Association*). The other companies in the existing business are MoserBaer, Jupiter Innovations, Optek Disc manufacturing and Lizer Technologies etc.

Our Company is a part of EURO group which was promoted by Shri Nenshi Shah. EURO group was promoted in 1995. Euro group has presence across multi products such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminium Section, Aluminium Composite Panels (Bond), Hardware & Sanitary ware Fittings, Plywood, Veneers, Laminates, Mica, Canfor, Imported Furniture, Sponge Iron, CDR, DVDR, Glass Articles, Dry Battery Cell and Wooden Flooring and spread over various parts of India.

Euro Multivision limited was incorporated on April 29, 2004 and has set up a plant for the manufacture of Compact Disc Recordables (CDRs) and Digital Versatile Disc Recordables (DVDRs). Our company has commenced commercial production in April, 2005 with five manufacturing lines having an installed capacity of 720 lac units of CDRs and 72 lac units of DVDRs a year. After successfully operating five lines in the first year of its commercial operation, the company expanded the capacity by adding another five manufacturing lines in the second half of financial year 2006-07 taking the total to 10 manufacturing lines with a total installed capacity of CDRs to 1800 lac units a year. These lines are interchangeable and are convertible to manufacture DVDR as and when the requirement arises. Also these lines are compatible for manufacturing of pre recorded CD's and DVD's. In the same financial year, the DVDR manufacturing line was converted into CDR manufacturing line. The CDR production is fully stabilized and is operating on full capacity.

Our manufacturing facility is situated at Taluka Bhachau, District- Kutch, Gujarat. Our manufacturing facility is fully automated with least human intervention, which ensures international quality standards with optimum utilization of installed capacities. The major parts of the said manufacturing facility are procured from VDL ODMS B.V, Netherlands which is one of the leading suppliers for CDR manufacturing technology. Further, our manufacturing facility operates in Class 10000 (class 10,000 clean rooms, which enable us to produce clean, sterile, aseptic and dust-free products and components) environment and is completely powered by our Captive power plant for uninterrupted power supply.

We propose to make an entry into the Photovoltaic business by manufacturing solar cells used for generation of electrical energy. This new field of business is synergistic with Company's existing businesses and we will leverage on our core competencies in the areas of precision high technology, mass manufacturing, and project management. As one of the early entrants in this space, EML is well-positioned to leverage this growing business opportunity. EML is targeting one segment in the PV value chain that is most attractive from a synergy standpoint, since it leverages the company's manufacturing competencies.

For this, we propose to build a photovoltaic solar cell manufacturing unit with a capacity of 40MW per year at a total cost of Rs.16756 Lacs at Taluka Bhachau, Dist- Kutch, Gujarat. We propose to set up this photovoltaic plant in a Special Economic Zone (SEZ) to be developed by us. As Regards to the SEZ, our Company got the formal approval from Ministry of commerce & industry, Department of Commerce dated October 30, 2008. Later our Company received it SEZ notification on April 23, 2009 which was published in the Gazette of India. For further details, please refer chapter titled "Objects of the Issue" on page 24 of this Red Herring Prospectus.

At Euro Multivision, success is measured in terms of customer satisfaction and quality that is built into our product. The commitment to quality is also cherished by each of our 147 staff members and is consciously upheld by a network of 16 distributors with over 515 district dealers and more than 150000 retailers.

The Company has received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications. The existing project enjoys exemption from excise duty and sales tax for a period of five years and seven years from the date of commencement of commercial production, respectively.



Our Products

- 1) **Compact Disc Recordables (CDRs)**
- 2) **Digital Versatile Disc Recordables (DVDRs)**

Uses of Optical Storage Devices

Our products have different uses like data storage, recording and reproduction of audio and video media for entertainment, education, software installation etc.

Product range of optical storage devices

Name	Storage Capacity	Recording Speed
CD - R 80 MIN	700 MB / 80 min	2X – 52X
CD - R 90 MIN	800 MB / 90 min	2X – 52X
MINI CD - R 24 min	210 MB / 24 min	2X – 16X
DVD +R	4.7 GB	1X - 8X
DVD – R	4.7 GB	1X - 8X
CD – RW 80min	700 MB / 80 min	2X – 12X
DVD - RW	4.7 GB	1X - 4X
DVD + RW	4.7 GB	1X - 4X
MINI DVD – R	1.4 GB	1X - 4X
MINI DVD - RW	1.4 GB	1X - 4X

Raw Material required for the Manufacture of CDRs/DVDRs

The major raw materials required for manufacturing CDR / DVDR in the unit are as detailed below: -

- (i) Polycarbonate.
- (ii) Silver Target.
- (iii) Ultra Green Dye \ Laser Violet Dye.
- (iv) Solvents for Dye & Edge Cleaning.
- (v) Lacquer \ Bonding Glue.
- (vi) Stampers.
- (vii) Adhesives.

(i) Polycarbonate

Poly Carbonate is the basic raw material for manufacture of the blank discs. The raw material is available in overseas markets. Accordingly, the company imports the raw material requirement from the overseas markets. It is received in bags of 750 Kgs to 1000 Kgs. This raw material costs almost 80% of the total cost of the raw material.

(ii) Stamper

Stampers are the masters, which are used to create the blank disc, which is the replica of a CD. As the company has large requirement of better quality stampers, it imports the annual requirement from France.

(iii) Ultragreen Dye & Silver Target

Ultra Green Dye and Silver Target are used for adding a recording layer and silver layer on the disc, which enables the disc to read and write by a laser CD / DVD player. The Ultra Green Dye material is imported from Switzerland and China and Silver Targets are available in domestic market.



(iv) **Solvents**

Solvents are used at the time of grooving the disc and for edge cleaning. This raw material is imported from Germany, as the same is not available in the domestic markets.

(v) **Lacquer and Adhesives**

Lacquers and Adhesives are used in the production process to make the disc, dust and scratch resistant which increases the life of the disc. These are mainly imported from Japan and China.

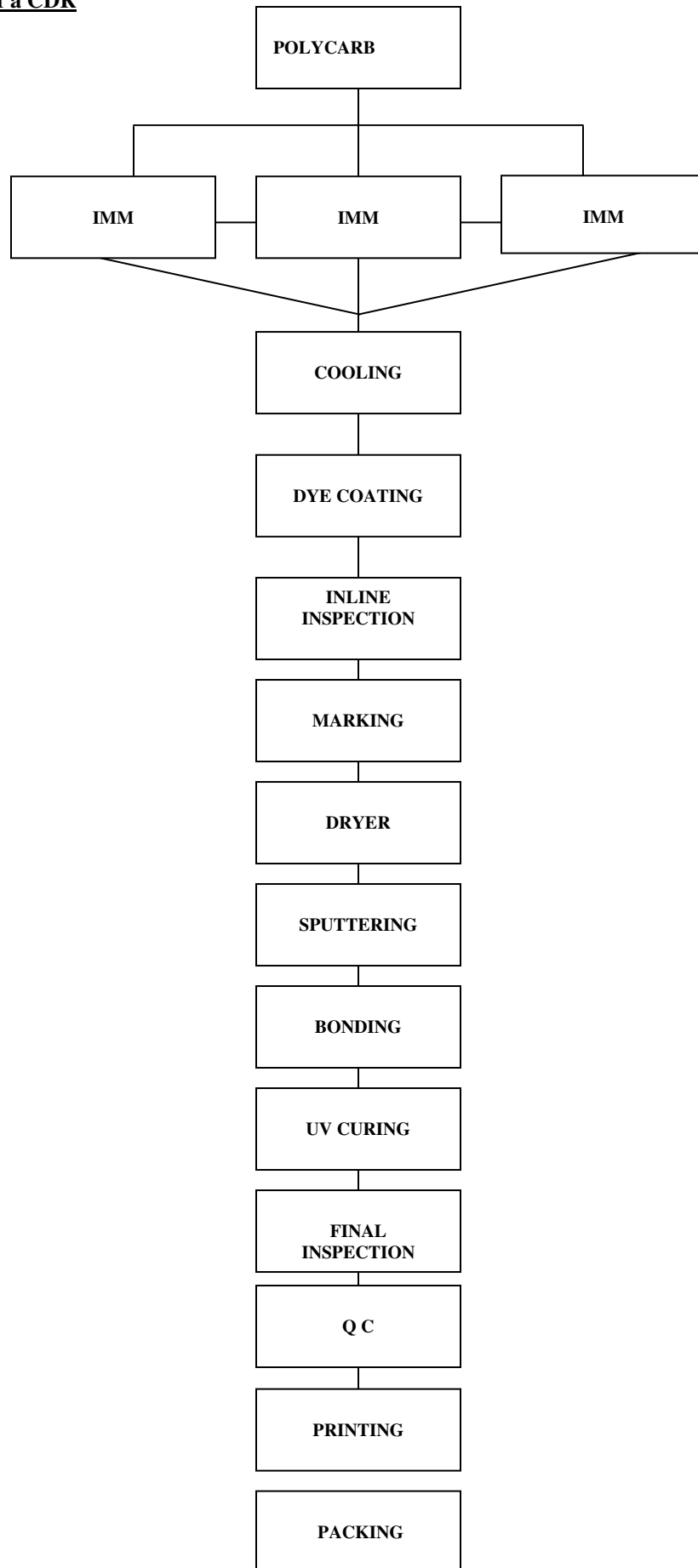
Methods of Procuring Material

The majority of our raw material required for the entire manufacturing process is imported except for Silver Targets which are procured from the domestic market.

Manufacturing Process

Our facility for manufacture of CDRs and DVDRs is driven by state of the art technology which minimizes the time taken for production per disc and reduces wastages, thereby having higher manufacturing capacity and cost efficiency.

Production Process Of a CDR





1. Drying of raw material

Our major raw material polycarbonate contains moisture which is required to be dried in the drier to reduce the moisture component.

2. Injecting module

The dried polycarbonate is then fed into the injection-molding machine. The molding machine contains a Nickel Master also known as a Stamper. In the molding process the output generated is a replica of a CD.

3. Cooling

The replica of a CD, which is the output of the molding process, is received at a very high temperature of 90°C . This is required to be cooled down to as low as 25°C - 30°C .

4. Dye Coating

The cooled replica of the disc is then processed for dye coating. In this process the recording layer of dye is added on the disc which enables the CDR to be written upon.

5. Edge Washing

The recording layer after the dye coating process is spread to the edge of the CDR and does not look good cosmetically. The edge washing process, which uses the solvents for edge cleaning, removes the dye coating from the outer edge.

6. Marking

The disc is then marked as per operations for traceability. This includes marking the manufacturing date, batch number, molding number etc.

7. Scanning for defects.

The dye coated CDR is scanned for defects in a line scanner. This will check the defects of the dye coating on the disc and the disc will be rejected by the reject spindle if not found to be in line with the specifications.

8. Drying

In this process, the dye coated CDR is dried at a temperature of 85°C to remove the extra dye on the disc.

9. Metallization

The CDR is written and read by a laser CD player. In this process a reflective layer of silver is added on the CDR to make it readable by a laser.

10. Lacquering

After a silver layer is added, a layer of ultra violet lacquer is added on it to protect the CDR from dust and scratches. This is done to give CDR a long life.



11. Ultra Violet Curing

The lacquer coated CDR has to be cured for lacquer to solidify and stick to CDR i.e. it has to be dried. This is done by passing CDR through an ultra violet light.

12. Scanning for defects

The finished CDR is now checked for small defects in finishing scanner. This scanner checks the CDR for smallest of surface defects on both the sides. Accepted CDRs are then sent to printing process and the rejected CDRs are removed from the system by the reject spindle.

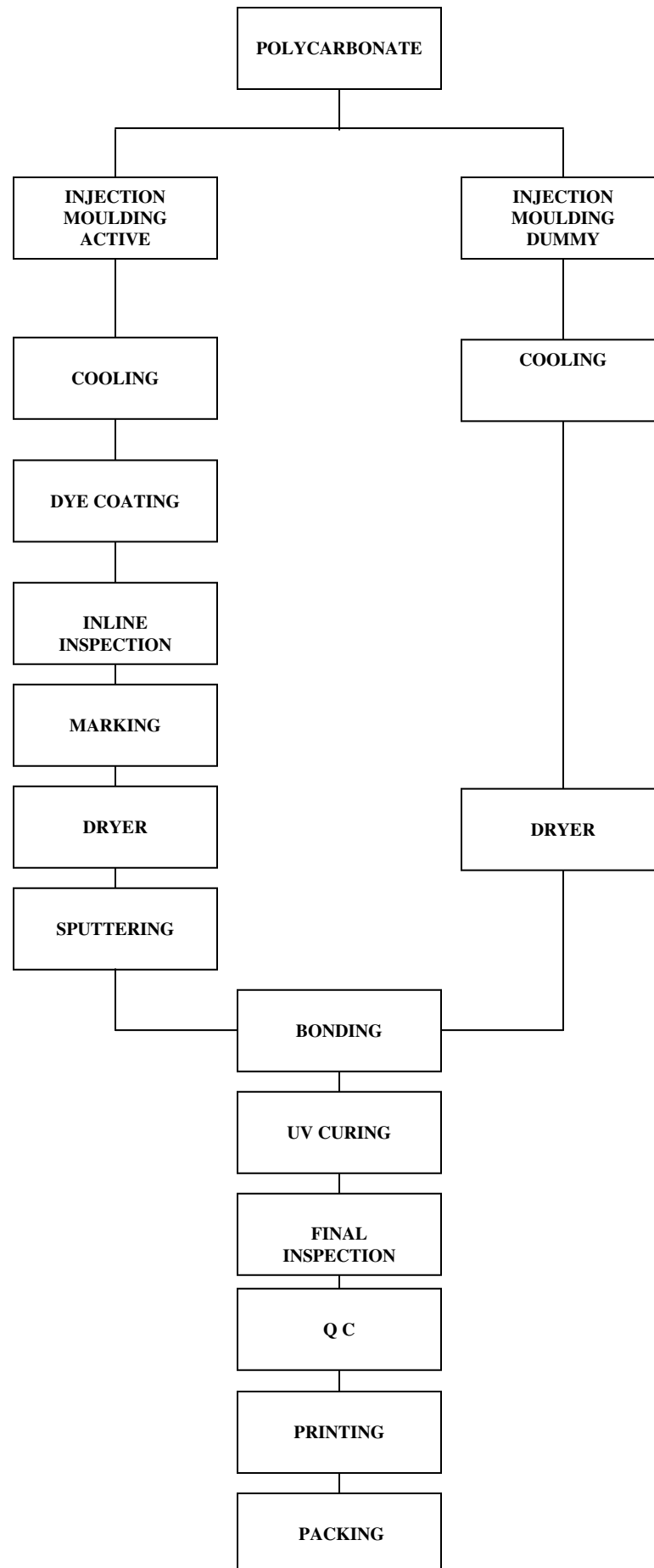
13. Printing and packing

All the accepted CDRs passed by the final scanner are processed in the printing station where the CDRs are printed in different colored printing inks. Printed CDRs are then finally packed for dispatch.

PRODUCTION PROCESS OF A DVDR

On the surface, there isn't much that would distinguish a DVD from a CD; internally also, there are more similarities than differences. As far as the manufacturing process is concerned most of the processes are also common.

Unlike CDR, the DVDR is made up of two discs of 0.6 mm each. This disc consists of an active disc and a dummy disc. The two discs are joined together in the bonding process to produce a DVDR.





1. **DRYING OF RAW MATERIAL.**

Our major raw material polycarbonate contains moisture which is required to be dried in the drier to reduce the moisture component.

2. **INJECTING MODULE.**

This dried polycarbonate is then fed into the injection-molding machine. Two molding machines are used; one for producing the replica of the active half, and another makes the dummy half. The molding machine contains a Nickel Master also known as Stamper. In the molding process the output generated is a replica of the DVDR in two parts namely active half and dummy half. The active half has pre grooves whereas the dummy half is plain.

3. **COOLING**

Both the blank replica, which is output of the molding process, is received at a very high temperature of 90°C . This is required to be cooled down to as low as 25°C - 30°C .

4. **DYE COATING**

The cooled replica of the disc is then processed for dye coating. In this process the layer of dye is filled into the pre grooves by using dye and solvents on the blank active half of the disc. This dye layer enables the DVDR to be written upon.

5. **EDGE WASHING**

The recording layer on the active half, after the dye coating process is spread up to the edge of the DVDR and does not look good cosmetically. The edge washing process, which uses the solvents for edge cleaning, removes the dye from the outer edge.

6. **MARKING**

The disc is then marked as per operations for traceability. This includes marking the manufacturing date, batch number, molding number etc.

7. **SCANNING FOR DEFECTS.**

The active half of the dye coated DVDR, is scanned for defects in a line scanner. This will check the defects of the dye coating on the active half of the disc and the disc will be rejected by the reject spindle if not found to be in line with the specifications.

8. **DRYING**

In this process, the dye coated half of the DVDR is dried at a temperature of 85°C to remove the extra dye on the disc.

9. **METALLIZATION**

The DVDR is written and read by a laser CD player. For a laser to read, it needs to have a reflective surface from where it can reflect back. In this process a layer of silver is added on the active DVDR as a reflective material. The thickness of this layer is 120 nm.

The DVDR is written and read by a laser. In this process a reflective layer of silver is added on the CDR to make it readable by a laser.



10. BONDING

After the active half is sputtered a silver layer is added, both the half's (Active and Dummy) are joined together by this process. In this process the Adhesive or glue is dispensed between the two discs and then they are pressed together to make a single disc known as DVDR. This followed by passing the disc from an extra glue process. This special process is provided by VDL ODMS B.V, which is known as "Gap Dispense Bonding".

11. ULTRA VIOLET CURING

The bonded DVDR has to be cured for glue to solidify, so that both the discs are properly stuck to each other, i.e. it has to be dried and this is done by passing the DVDR through a Ultra Violet light in this process.

12. SCANNING FOR DEFECTS.

The finished DVDR is now checked for small defects in finishing scanner. This scanner checks the DVDR for smallest of surface defects on both the sides. Accepted DVDRs are sent to printing process and the rejected DVDRs are removed from the system by the reject spindle.

13. PRINTING AND PACKING

All the accepted DVDRs passed by the final scanner are processed in the printing station where the DVDRs are printed in different colored printing inks. Printed DVDRs are automatically packed for dispatch.

CAPACITY AND CAPACITY UTILIZATION

The following table gives the total manufacturing capacities of plant and actual manufactured quantity since the Company commenced commercial production.

<i>(Units/Year*)</i>			
Year	Installed Capacity in units	Total quantity manufactured	Capacity Utilization
2005-06	CDR –72000000 (4 Lines of manufacture with 50000 units per day)	59033500	82.00%
	DVDR --7200000 (1 Line of manufacture with 20000 units per day)	6089966	84.58%
2006-07	CDR – 72000000 (4 Lines of manufacture with 50000 unites per day)	72000000	100.00%
	CDR – 90000000 (5 Lines of manufacture with 50000 units per day) (for 68 days) (from January 23, 2007 to March 31, 2007)	17000000	100.00%
	CDR – 18000000 (1 Line of manufacture with 50000 units per day) (for 196 days) (from September 17, 2006 to March 31, 2007)	9800000	100.00%
	DVDR --7200000 (1 Line of manufacture with 20000 units per day) (for 153 days) (from April 01, 2006 to August 31, 2006)	337600	11.00%
2007-08	CDR – 18000000(10 Lines of	176366700	97.98%



	manufacture with 50000 unites per day)		
2007-08	DVDR**	1112400	100%
2008-09	CDR/DVDR – 18000000(10 Lines of manufacture with 50000 unites per day)	159159000	88.42%

*Full year is taken to be 360 days

The proposed capacity utilization for manufacture of CDRs will be 90% to 100% for the subsequent years. However, capacity utilization for manufacture DVDRs can not be given as the manufacturing line for CDRs will be converted to manufacture DVDRs as and when required.

** In 2007-08, Since the production line for CDR's is convertible into DVDR's production line at any time, the installed capacity of DVDR's is reflected in installed capacity of CDR's.

QUALITY POLICY

The Company received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications. The entire range of Eurovision recordable products undergoes the most stringent in-line and off-line quality checks, in keeping with the high end of the Orange Book II specifications (*informal name for Philips and Sony's Recordable CD Standard published in 1990*). Our products are manufactured on European in-line machines with latest cutting edge technologies to achieve optimal quality products. Our in-house quality check team checks all incoming material, products-in-process at multiple points and the final product off line to ensure that only the best and high-end quality products are branded as "Eurovision" products.

Our Quality process is determined by continued customer and market feedback, which drives the cycle of continuous improvement at our plants, providing immediate benefits with a better understanding of our products. A well-structured quality assurance plan strives to ensure that all our products are manufactured well and free of defects.

Our quality promise can be summed up in three points:

- Data Reliability
- Data Security
- Data Longevity

DVD+R Disc Patent License Agreement

Our Company has entered into a Philips Only DVD+R Disc Patent License Agreement dated July 25, 2005 with Koninklijke Philips Electronics N.V. (hereinafter referred to as "Philips"). The said Agreement is valid for a period of ten years from the effective date (i.e date of the agreement), unless otherwise terminated earlier as per the terms of the Agreement.

As per this Agreement, Philips has granted a non-exclusive, non-transferable license under its own DVD+R patents to manufacture DVD+R Discs in India and sell the same worldwide upon payment of applicable royalty to Philips. Our Company has also been provided with certain basic information relating to the DVD+R System."

Proposed New Business - Manufacture of Solar Photovoltaic Cells

We propose to make an entry into the Photovoltaic business by manufacturing solar cells used for generation of electrical energy. This new field of business is synergistic with Company's existing businesses and we will leverage on our core competencies in the areas of precision high technology, mass manufacturing, and project management. As one of the early entrants in this space, EML is well-positioned to leverage this growing business opportunity. EML is targeting one segment in the PV value chain that is most attractive from a synergy standpoint, since it leverages the company's manufacturing competencies.

For this, we propose to build a photovoltaic solar cell manufacturing unit with a capacity of 40MW per year at a total cost of Rs.16756 Lacs at Taluka Bhachau, Dist- Kutch,Gujarat. We expect to start the commercial operations by the month of January, 2010.



We propose to setup this photovoltaic plant in a Special Economic Zone (SEZ). Our Company acquired 28.75 acres of land for setting up the SEZ adjacent to the existing manufacturing unit at Bhachau, District- Kutch, Gujarat. We had made applications dated November 20, 2007 and November 30, 2007 to the State Government of Gujarat and the Central Government respectively, for seeking approval for the proposed SEZ. On the basis of recommendation of the Special Economic Zone Development Authority, the State Government of Gujarat recommended the proposal to Government of India on 1st July 2008. On August 2, 2008 the Board of Approvals, New Delhi formally also approved our Company's application for setting up the special economic zone. Later, a formal approval letter dated 30th October, 2008, from Government of India, Ministry of Commerce & Industry, Department of Commerce (SEZ Section) was issued to our Company. Accordingly, the SEZ was notified and published in the Official Gazette vide notification dated April 23, 2009.

At present, of the multiple technology options, crystalline silicon technology has proven to be the most viable for solar cell-manufacturing, with over 90% of global cell production based on crystalline silicon. (Source: IEA Photovoltaic Power Systems Programme). Also, the cost reduction potential of PV promises to make it competitive with grid electricity over the years, and should see PV play a significant role in meeting tomorrow's global energy requirements. For further details, please refer chapter titled "Industry Overview" on page 49 of this Red Herring Prospectus.

Solar Photovoltaic Cells

The word "photovoltaic" is a marriage of two words - "photo", meaning light, and "voltaic", meaning electricity. So, photovoltaic technology is the scientific term used to describe solar energy as it involves the generation of electricity from sunlight.

Today, PV systems have an important use in areas remote from an electricity grid where they provide power for water pumping, lighting, vaccine refrigeration, electrified livestock fencing, telecommunications and many other applications. With the global demand to reduce carbon dioxide emissions, PV technology is also gaining popularity as a mainstream form of electricity generation. Some tens of thousands of systems are currently in use yet this number is insignificant compared to the vast potential that exists for PV as an energy source.

Photovoltaic modules provide an independent, reliable electrical power source at the point of use, making it particularly suited to remote locations. PV systems are technically viable and, with the recent reduction in production costs and increase in conversion efficiencies, can be economically feasible for many applications.

How solar photovoltaic cells work:

A photovoltaic cell uses semiconductor material to transform light into electrical energy. Photons from light hitting the material excite electrons, releasing them from their atoms into the material. Once electrons are excited, they are able to move freely within the material. The semi-conductor then serves to force the electrons in the desired directions. By creating a junction of a p and n type semiconductor, an electrical potential is created. The electrons move from the n-type to the p-type. Meanwhile, the positively charged atoms move from the p-type to the n-type. As a result, the n-type material gains a positive charge and the p-type gains a negative charge. When an electrical circuit connects the p-type and n-type ends, difference in electrical potential is created which results in current.

Another factor important in producing photovoltaic cells is the material used for the semi-conductor. By far the most common material used today is silicon. It is the second most abundant element in the earth's crust, allowing for an almost limitless supply. Any light will have sufficient energy required to free an electron from a silicon atom. Thus, all light in the visible and ultra-violet sphere will free electrons and create electricity. However, any energy of light above that required to free the electrons is wasted as inefficiencies within the cell. Thus, having lower energy thresholds than infra-red, while allowing more light to be absorbed, loses energy from all photons above the threshold for silicon. What occurs here is a trade off – allowing more photons to be absorbed versus losing energy per photon. Silicon absorbs about sixty percent of the light coming into the atmosphere without having too low of a threshold. When this is combined with its cost effectiveness, it becomes the best material to use in photovoltaic cells.

(Source: http://www.engin.swarthmore.edu/~temmons1/Solar_energy.html)

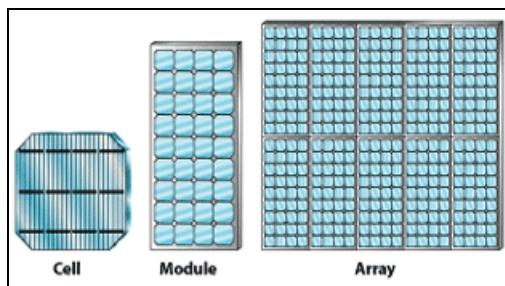
The Advantages of Solar Power

- The fuel is free.
- No moving parts to wear out or break down.
- Minimal maintenance required to keep the system running.

- Modular systems can be quickly installed anywhere.
- Produces no noise, harmful emissions or polluting gases.

PV Cell

A photovoltaic (PV) or solar cell is the basic building block of a PV (or solar electric) system. An individual PV cell is usually quite small, typically producing about 1 or 2 watts of power. To boost the power output of PV cells, we connect them together to form larger units called modules. Modules, in turn, can be connected to form even larger units called arrays, which can be interconnected to produce more power, and so on. In this way, we can build PV systems able to meet almost any electric power need, whether small or large.



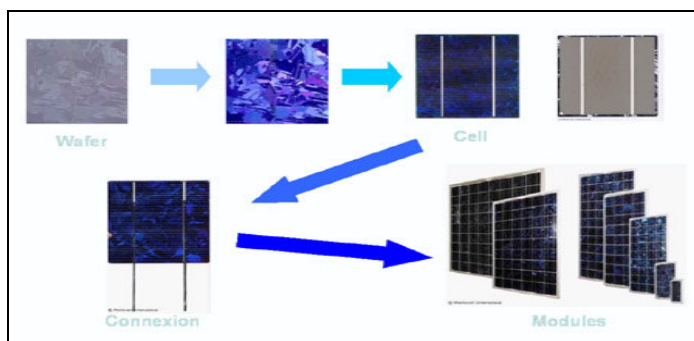
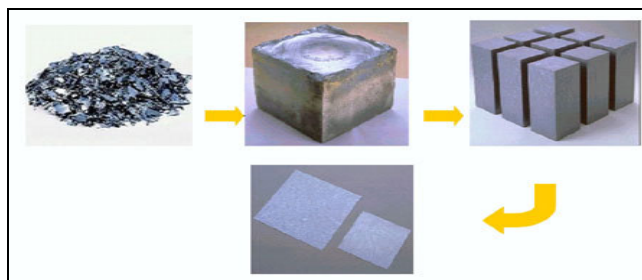
Raw Material for PV Cells – Silicon

Silicon is a non-metallic chemical element. Chemical symbol – Si

It has two forms, a brown amorphous form, and a dark crystalline form. Discovery of the element is usually credited to J. J. Berzelius, who in 1824 prepared fairly pure amorphous silicon.

Silicon is the second most abundant element of the earth's crust; it makes up about 28% of the crust by weight. And hence all the silicon comes from the earth, the ground below.

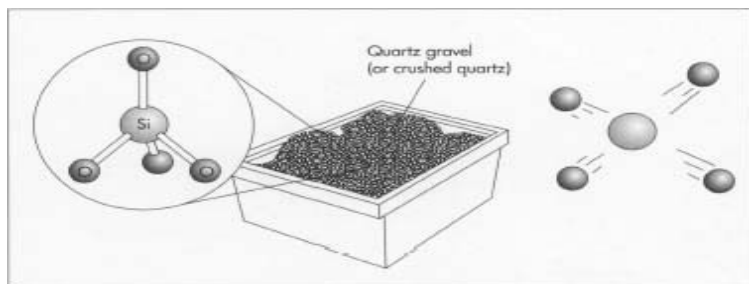
Silicon is widely extracted and distributed as silica and silicates. These are compound metals that have silicon as a constituent. Example: silica is the composition of oxygen and silicon and silicate is the compositions of oxygen, metals and silicon.



Silicon is obtained commercially by heating sand and coke in an electric furnace

Silicon is used to manufacture silicon wafers which in turn will become raw material for manufacturing solar cells. Our manufacturing set up will use silicon wafers as the basic raw material for manufacture of solar cells. We intend to import silicon wafers for our entire requirement.

The basic component of solar cell i.e. pure silicon is not pure in its natural state.



To make solar cells, the raw materials—silicon dioxide of either quartzite gravel or crushed quartz—are first placed into an electric arc furnace, where a carbon arc is applied to release the oxygen. The products are carbon dioxide and molten silicon. At this point, the silicon is still not pure enough to be used for solar cells and requires further purification.

Pure silicon is derived from such silicon dioxides as quartzite gravel (the purest silica) or crushed quartz. The resulting pure silicon is then doped (treated with) with phosphorous and boron to produce an excess of electrons and a deficiency of electrons respectively to make a semiconductor capable of conducting electricity. The silicon disks are shiny and require an anti-reflective coating, usually titanium dioxide.

The solar module consists of the silicon semiconductor surrounded by protective material in a metal frame. The protective material consists of an encapsulant of transparent silicon rubber or butyryl plastic (commonly used in **automobile windshields**) bonded around the cells, which are then embedded in ethylene vinyl acetate. A polyester film (such as mylar or tedlar) makes up the backing. A glass cover is found on terrestrial arrays, a lightweight plastic cover on satellite arrays. The electronic parts are standard and consist mostly of copper. The frame is either steel or aluminum. Silicon is used as the cement to put it all together.

The Manufacturing Process

Purifying the silicon

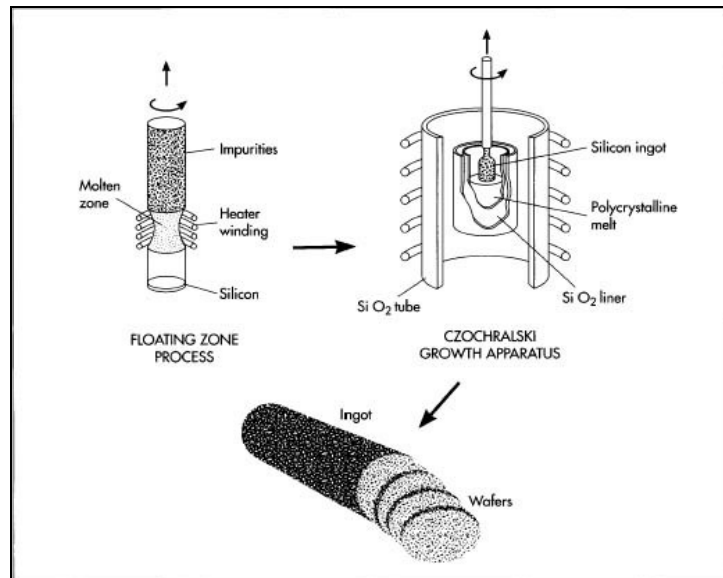
- (1) The silicon dioxide of either quartzite gravel or crushed quartz is placed into an electric arc furnace. A carbon arc is then applied to release the oxygen. The products are carbon dioxide and molten silicon. This simple process yields silicon with one percent impurity, useful in many industries but not the solar cell industry.
- (2) The 99 percent pure silicon is purified even further using the floating zone technique. A rod of impure silicon is passed through a heated zone several times in the same direction. This procedure "drags" the impurities toward one end with each pass. At a specific point, the silicon is deemed pure, and the impure end is removed.

Making single crystal silicon

- (3) Solar cells are made from silicon boules, polycrystalline structures that have the atomic structure of a single crystal. The most commonly used process for creating the boule is called the *Czochralski method*. In this process, a seed crystal of silicon is dipped into melted polycrystalline silicon. As the seed crystal is withdrawn and rotated, a cylindrical ingot or "boule" of silicon is formed. The ingot withdrawn is unusually pure, because impurities tend to remain in the liquid.

Making silicon wafers

- (4) From the boule, silicon wafers are sliced one at a time using a circular saw whose inner diameter cuts into the rod, or many at once with a multiwire saw. (A diamond saw produces cuts that are as wide as the wafer—. 5 millimeter thick.) Only about one-half of the silicon is lost from the boule to the finished circular wafer—more if the wafer is then cut to be rectangular or hexagonal. Rectangular or hexagonal wafers are sometimes used in solar cells because they can be fitted together perfectly, thereby utilizing all available space on the front surface of the solar cell.

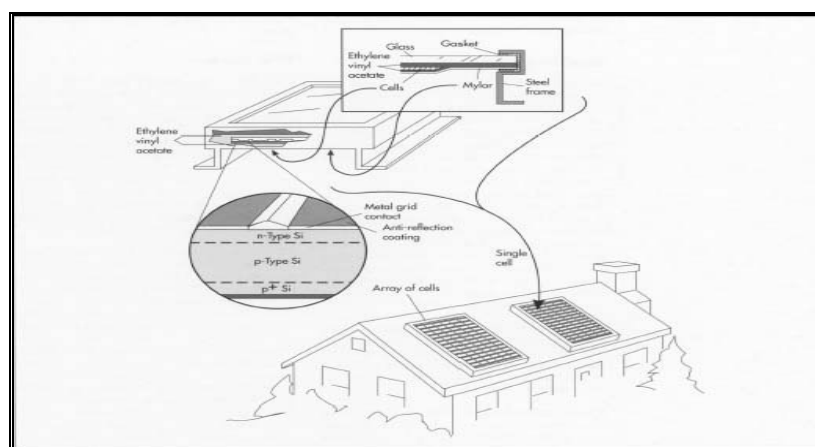


- (5) The wafers are then polished to remove saw marks. (It has recently been found that rougher cells absorb light more effectively, therefore some manufacturers have chosen not to polish the wafer.)
- (6) **Doping:** The traditional way of doping (adding impurities to) silicon wafers with boron and phosphorous is to introduce a small amount of boron during the Czochralski process in step #3 above. The wafers are then sealed back to back and placed in a furnace to be heated to slightly below the melting point of silicon (2,570 degrees Fahrenheit or 1,410 degrees Celsius) in the presence of phosphorous gas. The phosphorous atoms "burrow" into the silicon, which is more porous because it is close to becoming a liquid. The temperature and time given to the process is carefully controlled to ensure a uniform junction of proper depth.

A more recent way of doping silicon with phosphorous is to use a small particle accelerator to shoot phosphorous ions into the ingot. By controlling the speed of the ions, it is possible to control their penetrating depth. This new process, however, has generally not been accepted by commercial manufacturers.

Placing electrical contacts

- (7) Electrical contacts connect each solar cell to another and to the receiver of produced current. The contacts must be very thin (at least in the front) so as not to block sunlight to the cell. Metals such as palladium/silver, nickel, or copper are vacuum-evaporated



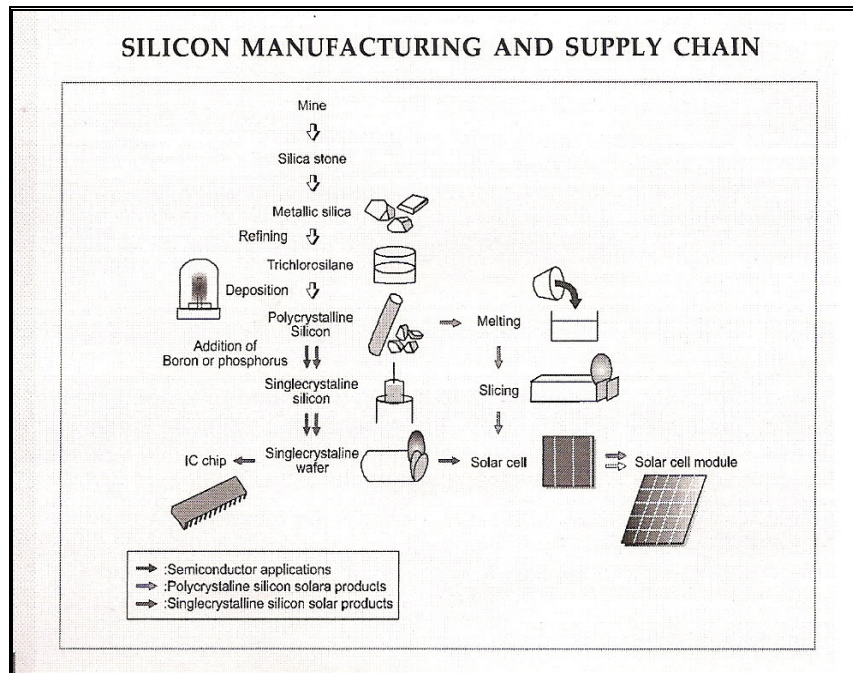
This illustration shows the makeup of a typical solar cell. The cells are encapsulated in ethylene vinyl acetate and placed in a metal frame that has a mylar backsheet and glass cover, through a photoresist, silkscreened, or merely deposited on the exposed portion of cells that have been partially covered with wax. All three methods involve a

system in which the part of the cell on which a contact is not desired is protected, while the rest of the cell is exposed to the metal.

- (8) After the contacts are in place, thin strips ("fingers") are placed between cells. The most commonly used strips are tin-coated copper.

The anti-reflective coating

- (9) Because pure silicon is shiny, it can reflect up to 35 percent of the sunlight. To reduce the amount of sunlight lost, an anti-reflective coating is put on the silicon wafer. The most commonly used coatings are titanium dioxide and silicon oxide, though others are used. The material used for coating is either heated until its molecules boil off and travel to the silicon and condense, or the material undergoes sputtering. In this process, a high voltage knocks molecules off the material and deposits them onto the silicon at the opposite electrode. Yet another method is to allow the silicon itself to react with oxygen- or nitrogen-containing gases to form silicon dioxide or silicon nitride. Commercial solar cell manufacturers use silicon nitride.

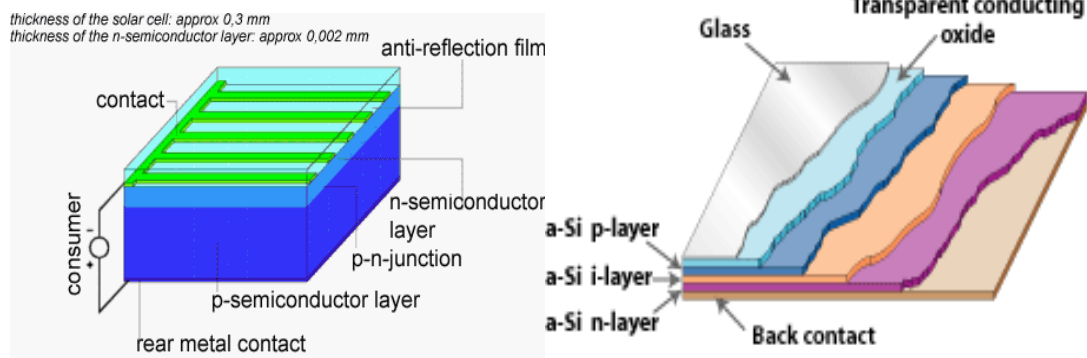


Encapsulating the cell

- (10) The finished solar cells are then encapsulated; that is, sealed into silicon rubber or ethylene vinyl acetate. The encapsulated solar cells are then placed into an aluminum frame that has a mylar or tedlar backsheet and a glass or plastic cover.

PV Cell Design

A typical silicon PV cell is composed of a thin wafer consisting of an ultra-thin layer of phosphorus-doped (N-type) silicon on top of a thicker layer of boron-doped (P-type) silicon. An electrical field is created near the top surface of the cell where these two materials are in contact, called the P-N junction. When sunlight strikes the surface of a PV cell, this electrical field provides momentum and direction to light-stimulated electrons, resulting in a flow of current when the solar cell is connected to an electrical load.



Figures: Layers of a Crystalline Solar Cell

Quality Control

Quality control is important in solar cell manufacture because discrepancy in the any process and factors can adversely affect the overall efficiency of cells. The primary research goal is to find ways to improve the efficiency of each solar cell over a longer lifetime. The Low Cost Solar Array Project (initiated by the United States Department of Energy in the late 1970s) sponsored private research that aimed to lower the cost of solar cells. The silicon itself is tested for purity, crystal orientation, and resistivity. Manufacturers also test for the presence of oxygen (which affects its strength and resistance to warp) and carbon (which causes defects). Finished silicon disks are inspected for any damage, flaking, or bending that might have occurred during sawing, polishing, and etching.

During the entire silicon disk manufacturing process, the temperature, pressure, speed, and quantities of dopants are continuously monitored. Steps are also taken to ensure that impurities in the air and on working surfaces are kept to a minimum.

The completed semiconductors must then undergo electrical tests to see that the current, voltage, and resistance for each meet appropriate standards. An earlier problem with solar cells was a tendency to stop working when partially shaded. This problem has been alleviated by providing shunt diodes that reduce dangerously high voltages to the cell. Shunt resistance must then be tested using partially shaded junctions.

An important test of solar modules involves providing test cells with conditions and intensity of light that they will encounter under normal conditions and then checking to see that they perform well. The cells are also exposed to heat and cold and tested against vibration, twisting.

The final test for solar modules is field site testing, in which finished modules are placed where they will actually be used. This provides the researcher with the best data for determining the efficiency of a solar cell under ambient conditions and the solar cell's effective lifetime, the most important factors of all.

INFRASTRUCTURE FACILITIES:

Raw Materials

The key raw materials for manufacturing CD-R and DVD-R are Optical grade Polycarbonate, Stamper, Dye, Dibutyl Ether (DBE), 99.99% Silver, Lacquer, Printing inks, Mesh, and Squeegee.

Except for Polycarbonate, Dye and Stamper, which are procured from international market, other raw materials are available in domestic market.

The key raw materials used for packing of CDR's and DVDR's are, Cake box, Corrugated box, strapping rolls and shrink wrapping rolls. The cake box is manufactured in house from the raw materials like Polypropylene (Random and Homo), and the other raw materials are procured from domestic market.

Our Company keeps adequate stock of the raw materials to mitigate any adverse price fluctuations and delay in availability of raw materials.



Utilities

Water

Our current requirement of water consumption is about 1.50 Lacs liters/month, including Industrial and domestic for which we have the sanction from Gujarat Water & Sewerage Board. Further, our water requirement is also supported through bore well water.

Power

The power requirement for our current products i.e. CD-R and DVD-R is about 2 MW per year. This Power requirement is met from in house Lignite based captive power plant. The captive power plant uses Lignite as fuel, which is abundantly available in the Kutch District, Gujarat.

As a standby arrangement, we also have Four DG Sets of 500KVA each. We use Light Diesel Oil (LDO) or High Speed Diesel (HSD) as fuel, which is procured from various oil companies.

Man power

As on June 30, 2009, the total manpower strength of our Company is about 147 employees. Our manufacturing process requires adequate mix of skilled, semi-skilled and un-skilled manpower. The detailed break-up of our category wise employees is mentioned hereunder:

Description	Office	Factory	Sales Team	Total
Management Cadre	5	9	4	18
Officers	4	15	8	27
Clerks/Supervisors	2	67	-	69
Workers (Skilled/Semi Skilled)	4	29	-	33
Total	20	120	12	147

The factory site is located in Bachau, Kutch Dist., Gujarat wherein many industries have come up recently and we do not envisage any difficulty in recruitment of additional manpower.

Existing Plant & Machinery

We own a number of plants and equipment required for manufacturing of CDR and DVDR which are properly maintained and kept in good working condition. The brief snapshots of our major equipment are as follows:

Serial No.	Name of Equipment	Number of Units	Kind and Make	Capacity	Age of Machinery
1.	In-line Equipment	4	"Profiliner" CDR Recordable System, ODME Replication B.V., The Netherlands.	200000 Nos. per day	2.75 years
2.	In-line Equipment	1	"Profiliner" DVDR Recordable System, ODME Replication B.V., The Netherlands.	20000 Nos. per day	2.75 years
3.	In-line Equipment	2	CDR to DVDR conversion Kit, ODME Replication B.V., The Netherlands.	For Interchanging two CDR lines to DVDR lines as per requirement	2.75 years
4.	In-line Equipment	5	"Profiliner" high volume CDR production System, VDL ODMS B.V., The Netherlands.	CDR = 250000 Nos. per day,	1 year
5.	In-line Equipment	1	DVDR to CDR conversion Kit, VDL ODMS B.V., The Netherlands.	For Interchanging one DVDR line to CDR line as per requirement	1.25 years

Serial No.	Name of Equipment	Number of Units	Kind and Make	Capacity	Age of Machinery
6.	Captive Power Plant	1	Lignite based Thermal Power Generating Plant jointly owned with Euro Ceramics Limited in the ratio of 20% (our company) & 80% (Euro Ceramics Limited)	10 MW (Out of which our company owns 2 MW)	1.75 years
7.	CD-R Analyzer	1	Blank and recorded CDR analysis, Portege Corporation, Hongkong	8X Analysis Speed	0.75 years
8.	CD/DVD Screen Printer	1	Fully automated five Color CD/DVD Screen Printing Machine, Guann Way Technologies Co. Limited, Taiwan	Max.90 pieces / min	2.75 years
9.	CD/DVD Screen Printer	1	Fully automated five Color CD/DVD Screen Printing Machine, Guann Way Technologies Co. Limited, Taiwan	Max.90 pieces / min	2.42 years
10.	CD/DVD Color Printer	2	High Speed three colors Printing Machine, Hanky & Partners (Taiwan) Limited, Taiwan.	4000 Pieces~8000 Pieces Per Hour	1.17 years
11.	Air Cooled Screw Chillers	4	Chilled water flow, Dunham-Bush Industries SDN Malaysia	2 Nos. = 150 Tonne Rated (Model No. ACFX-155-5) 2 Nos. = 130 Tonnes Rated (Model No. ACFX-130-5)	2.75 years
12.	Thermo Plastic Injection Molding Machine	4	Thermo Plastic Injection Molding Machine for making Cake Boxes of CDR & DVDR, Ningbo Dagang Haitian Machinery Co. Limited, China	2 Nos. = 58 tonnes (Model No. HTF 58X) 2 Nos. = 120 tonnes (Model No. HTF 120X)	2.75 years
13.	Uninterruptible Power Supply System	5	5 X 60 KVA IGBT/PWM technology based & fully microprocessor controlled true online double conversion UPS System, Delta Energy Systems	60 KVA	2.25 years
14.	Air Handling Units	5	For circulation of Air to maintain Clean Room environment in production hall, Nutech Constructions Private Limited	4 Nos. = AHU-90TR/23700 CFM at 125 mm static 1 Nos. = AHU-5TR/1600 CFM at 100 mm static	2.75 years
15.	Air Handling Units	1	For circulation of Air to maintain Clean Room environment in production hall, Nutech Constructions Private Limited.	AHU-8TR/5000 CFM at 100 mm static	2.42 years
16.	Air Handling Units	3	For circulation of Air to maintain Clean Room	2 Nos. = AHU-90TR/23700 CFM at	1.33 years

Serial No.	Name of Equipment	Number of Units	Kind and Make	Capacity	Age of Machinery
			environment in production hall, Nutech Constructions Private Limited.	125 mm static 1 Nos. = AHU-5TR/8000 CFM at 125 mm static	
17.	Diesel Gensets	4	Stand by for power supply, Sudhir Gensets Limited.	500KVA each (Model No. KTA19G9-R)	1.83 years
18.	Compressors	2	Atlas Copco make Air Compressor, Global Airtech Systems	160 CFM (Model No. GA-30C-7.5-EL-1)	2.75 years
19.	Compressors	2	Atlas Copco make Air Compressor, Aditi Engineering Corporation	250 CFM (Model No. GA 37+FF-7.5)	1 year

Export Obligation

We have obtained licences under Export Promotion Capital Goods (“EPCG”) scheme. As per the licencing requirement under the said scheme, we are required to export the finished goods of a defined amount within a period of 8 years from the date of the licence, failing which, our Company will have to pay to the Government of India, an amount equivalent to the duty benefit enjoyed by our Company under the said scheme along with interest. Our current export obligations as on June 30, 2009 are Rs. 18,886.79 Lacs. For further details on the same please refer to heading titled “EPCG Licences” beginning on page 216 in the chapter titled “Government / Statutory Approvals” beginning on page 213 of this Red Herring Prospectus.

Our Competition

Much of the market in which we operate is unorganized and fragmented with many small and medium-sized companies. We face substantial competition for our products from other manufacturers in domestic market and dumping from overseas markets. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience.

Our competition varies for our products and regions. We have to compete with different players in different regions. Overall, our Company’s major competitors for the product CDRs and DVDRs are, MoserBaer, Jupitar Innovations, Optek Disc manufacturing and Lizer Technologies etc. & imports from China, Hong Kong, Singapore, Taiwan, Malaysia, Republic of Korea, Thailand, United Arab Emirates and Vietnam.

Our competitors for the proposed product solar cells are Tata BP Solar India, Moserbaer Photovoltaic Limited., Webel SL Energy, KL Solar Company Private Limited. etc. Also we are planning to export our solar cells for which we may face competition from other international players as well.

Competitive Strengths

- ***Experienced Management***

We are a part of the “Euro Group” which was started in 1995. Our Company which was incorporated on April 29, 2004 has seen its Sales & Income from operation grow at a CAGR of 48.4% from 4128.13 Lacs as on March 31, 2006 to 9092.46 Lacs as on March 31, 2008. We have entered into CDR/DVDR business on April 29, 2004. However, the presence and the cumulative experience of all promoters for over 8 decades has helped our Company to manage the business efficiently. Even though the Photovoltaic business is a new business for our Company, our Promoters have experience in various business such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminium Section, Aluminium Composite Panels (Bond), businesses etc which has helped us grow since our inception.

- ***Strong Brand Visibility***

Our products are sold under the brand name “EUROVISION” which is a part of the EURO group. Euro group has a presence across products such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminium Section, Aluminium Composite Panels (Bond), Hardware & Sanitary ware Fittings, Plywood, Veneers, Laminates, Mica, Canfor, Imported Furniture, Sponge Iron, CD-R, DVD-R, Glass Articles, Dry Battery Cell and Wooden Flooring.



- ***Cordial Relationship between management and labour***

We enjoy cordial relations with our employees and there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our organization since the incorporation of our Company.

- ***Strong Dealer Network***

Our Promoters have an understanding of the trade segment of the market. Through this understanding, we have been able to establish a strong dealer network across India, enabling our products to reach the small consumers easily. Our sales are through the distribution network that has been developed over a period of last three years. Presently we have 16 distributors with over 515 district dealers and more than 150000 retailers spread across the country for marketing and distribution of our products.

- ***Location advantage***

The strategic location of the plant is helpful as the Plant is located in Kutch region which is well connected with two ports of India namely Kandla and Mundra Ports. Because of the natural protection provided by its location, these ports are able to handle cargo throughout the year in all weather conditions, including during severe weather conditions of the monsoon season characterised by heavy rains, winds and waves, with minimal costs, delays and damages that often impact other more exposed ports. Our plant is connected by rail and road to the transportation network of India, particularly the inland regions of western and northern India.

For CDR/DVDR business

- ***We are ranked second among all the Optical storage media devices manufacturers in the country***

In our country there are a few optical storage media manufacturers like Moser Baer India Limited, Jupitar Innovations Limited, Optek Disc manufacturing Co. Limited, and Lizer Technologies Limited etc. with Moser Baer being the largest manufacturer. In 2009, according to the Optical Disk Manufacturers Welfare Association, we are the second largest player (with an installed capacity of 1800 Lac units per annum, ranked second with Moser Baer being ranked first with an installed capacity of more than 10000 lac units per annum) in the country in terms of installed manufacturing capacities

- ***Our Quality Certification***

Our CDRs/ DVDRs manufacturing unit has received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications. Since our company is dedicated towards the quality of products, processes and inputs, we get repetitive orders from our customers, as we are capable of meeting our quality standards thereby enabling us to maintain our brand image in the market.

- ***Fully Automated Plant***

Our manufacturing facility is fully automated with least human intervention, which ensures international quality standards with optimum utilization of installed capacities. The said facility is compatible for switch over of manufacturing process from CDR to DVDR and vice versa. The manufacturing facility has inbuilt quality testing at two stages which ensures both in-line and off-line quality checks.

- ***Optimum utilization of manufacturing facilities***

Our manufacturing facility is, currently operating at 100% capacity. Our company regularly emphasizes to utilize its manufacturing facility at optimum level to meet increasing demand in the CDR /DVDR segment, which helps in maintaining cost competitiveness and manufacturing efficiencies.

- ***Captive Power plant***

Power is an important factor in every manufacturing facility. Considering the power requirements of our existing manufacturing facilities we have our own captive power plant that has been jointly commissioned with our group Company Euro Ceramics Limited. The complete present requirement of power is met by the Power Plant which uses abundantly available lignite as a fuel to generate power. Captive power plant gives us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. Uninterrupted power supply helps to avoid any delays in manufacturing process thereby ensuring complete utilization of our capacities.

- ***Convertibility from CDR to DVDR***

Our CDR/DVDR manufacturing lines can easily be interchanged from CDR to DVDR and vice versa. Hence any change in customer preference from CDR to DVDR and vice versa can be easily addressed without any loss of time.



For Photovoltaic business

- ***Manufacturing unit will be set up as SEZ***

We will be setting up the photovoltaic cell manufacturing unit in a SEZ. This project will be eligible for all SEZ policy concessions and advantages. This will result in cost reduction and thereby enhancing our margins and market share.

- ***Early Mover Advantage***

We will be one of the companies who will enter the growing Photovoltaic Business at an early stage considering the global requirement for renewable energy & present status (For further details, please refer to the chapter titled “Industry Overview” beginning on page 49 of this Red Herring Prospectus). Our company would be able to pre-empt competition and capture demand by establishing a strong brand name. This would enable us to build up sales volume and ride down the experience curve ahead of our competitors.

- ***EML has tied up for the supply of machinery for the proposed manufacturing unit***

We have entered into an agreement with OTB solar, Netherlands based company for the supply of the machinery for the proposed unit and we have already received the consignments of Imported Plant and Machinery in the months of November and December 2008. This will put us in an advantageous position as far as the commissioning of the photovoltaic cell manufacturing unit.

Business Strategy

The key components of our strategy to drive profitable growth and to maximize value are to continuously enhance customer satisfaction, attract, develop, and retain qualified employees, and maintain stringent standards of environmental safety and corporate responsibility.

Our Vision

Our vision is to make EML a trusted brand name by:

- Creating a distinct status for our self in the CDR DVDR business and Solar Photovoltaic business.
- Driving growth through both organic & inorganic initiatives.
- Keeping shareholders’ interests at the core of business and put customer satisfaction on top of the agenda.

Keeping in view the above, our Company has devised certain strategies to take the advantage of the growing Renewable Energy and IT peripheral Industry, as described below:

For CDR/DVDR Business

Continue to integrate all our external stakeholders & our internal stakeholders (i.e. our employees)

We will continue to get feedback from our customers, so as to address to their changing preferences. This will be done through our existing distributors and dealers, and be enhanced through new dealers and distributors. So as to expand our presence geographically, this activity will be energized by regular sales promotion and target achievement schemes. This exercise will ensure the compatibility of our CDRs and DVDRs and their manufacturing mix, to address the rapidly changing CDRs and DVDRs market.

Our people are our most important asset, and it is their talent, integrity and dedication that results in our success. We offer a highly entrepreneurial culture with a strong, team-based approach that we believe is attractive to our employees. We have been successful in attracting and retaining key professionals and intend to continue to seek out talent to further enhance and grow our business. Additionally, we believe that becoming a publicly traded company will further enable us to offer attractive stock-based incentives to talented professionals, which will aid our recruitment effort and our retention of key employees.

Mix of Organic and Inorganic Models of Growth

Our strategy so far had been organic growth. At this stage of our business, we believe that a combination of organic and inorganic models will help us continue to grow. Strategic acquisitions would help us in leveraging complementary skills to capture market opportunities as well as reduce time-to-market and accelerate growth.



For Photovoltaic business

Export Strategy

In the present scenario, solar cells are in much demand in overseas markets due to various governmental initiatives/support schemes. Hence, our Company proposes to export entire production.

With regard to this, our Company has identified Europe, US, South East Asia and Middle East as some of the key places wherein we propose to set up marketing offices for effective marketing of the product and therefore we propose to engage overseas marketing agents once our manufacturing facility starts the commercial production of Solar Cells.

Enlarging the value chain so as to add more value for our shareholders through Backward and Forward Integration

Backward Integration

As stated in the Object of the Issue, our company proposes to setup a manufacturing facility for production of solar cells. The key raw material required for manufacture of solar cells is Silicon Wafers which will be procured from the overseas market. As part of our Backward integration plan, our company proposes to manufacture Poly Silicon which is the essential raw material required for Silicon wafers thereby enhancing our margins and meeting timely requirement of raw material. For this purpose, our company has already entered into a Technology Transfer/ License agreement with SRI International, California which will provide the training and technology know how to our personnel to manufacture Poly Silicon.

Forward Integration

Presently, our company proposes to sell the solar cells to module manufacturers. The said module manufacturing is more of a sort of assembly job and doesn't require any expert or critical manufacturing know how. As part of our forward integration strategy, we intend to setup a module manufacturing facility thereby enabling us to enter Energy Farming. In which the solar modules can be laid down on the acres of land in order to generate the power and to supply the generated power to the Grid. Hence, this concept which is very popular in European countries especially in Germany and Spain would be also gain importance in India.

This forward integration will give us many advantages like:

1. Our products will directly be sold to ultimate consumers
2. The firsthand feedback of the ultimate customers would be available to us that would enable us to understand the customer needs and preferences.
3. Our Company would be eligible for Carbon Credits.

Contract of Sale agreement with OTB Solar for supply of Machinery for the proposed plant

We have signed an agreement dated August 03, 2007 with OTB Solar B.V, Netherlands for the supply of Solar Cell production line for the proposed photo voltaic project. As per this agreement, we have already paid an advance of Rs. 556 Lacs towards the purchase.

OTB will sell and design, deliver, install, test and mechanically commission the production line needed for this project.

Technology Transfer/ License agreement with SRI International, California

Our Company has entered into a Technology Transfer and License Agreement with SRI International ("SRI") whereby SRI grants our Company a non exclusive, non sub licensable, royalty-bearing, revocable, right and license (a) to use the SRI-Technology for production purposes within the field of use within the Republic of India and (b) to sell raw silicon, single and/or multi-crystalline silicon ingots and granules, and polished silicon wafers for semiconductor and solar cell applications anywhere in the world. The main objective of the Technology Transfer Program is to help our Company prepare a solid technological team to design a pilot plant at it's facility. This program will consist of three main phases namely:

Phase I. Technology transfer of the underlying chemistry, and reactor operation using laboratory-scale reactors.

Phase II Technology transfer using bench-scale reactors (~10 metric tone/year capacity)

Phase III An optional additional technology training and transfer program utilizing a miniplot reactor that can produce at a rate equivalent to 10 metric tone per year capacity.



Features of SEZ

The incentives and facilities offered to the units in SEZs for attracting investments into the SEZs, including foreign investment include:-

- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units
- 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
- Exemption from minimum alternate tax under section 115JB of the Income Tax Act.
- External commercial borrowing by SEZ units up to US \$ 500 million in a year without any maturity restriction through recognized banking channels.
- Exemption from Central Sales Tax.
- Exemption from Service Tax.
- Single window clearance for Central and State level approvals.
- Exemption from State sales tax and other levies as extended by the respective State Governments.

The major incentives and facilities available to **SEZ developers** include:-

- Exemption from customs/excise duties for development of SEZs for authorized operations approved by the BOA.
- Income Tax exemption on export income for a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act.
- Exemption from minimum alternate tax under Section 115 JB of the Income Tax Act.
- Exemption from dividend distribution tax under Section 115O of the Income Tax Act.
- Exemption from Central Sales Tax (CST).
- Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).

Marketing and Distribution

The Marketing strategy of the company is threefold:

1. Indirect Marketing:

The products of the company are distributed by each state wise distributor appointed at pan India level. The products are further distributed to area wise dealers who in turn distribute to wholesaler. These wholesalers sell the company's products to retailers. The ultimate consumers are catered through these retailers. The Company's Marketing personnel regularly visit the entire value chain to service their requirements of our Company products.

2. Direct Marketing:

The products of our company are also made available in the organised retail segment. This segment is serviced directly by our company's marketing personnel as this requires highly professional level of approach. Large Corporates, Institutions, hospitals, etc. are also catered directly by the Company's Sales Team. The sales promotion campaign is regularly initiated which contributes to brand awareness and brand Building.

3. Export Marketing.

EUROVISION CDs and DVDs are also made available in the overseas market. The brand building is done by taking participation in various overseas exhibitions from time to time. This initiative goes a long way to get direct interaction with the prospective customers. We also undertake regular overseas visit to meet the clients & get the pulse of the actual market scenario. Overseas distribution of the company's products is executed by our company directly.

Our Distribution Network



SR. NO.	NAME OF THE STATE	NO. OF DISTRIBUTORS	NO. OF DEALERS
1	GUJARAT	1	28
2	RAJASTHAN	1	120
3	BIHAR	1	27
4	KERALA	1	6
5	ANDHRA PRADESH / KARNATAKA	1	57
6	DELHI	1	26
7	UTTARANCHAL	1	15
8	MAHARASHTRA	7	184
9	GOA	1	2
10	MADHYA PRADESH	1	50
	TOTAL	16	515



Insurance

Our Company has insured all the Cash in transit, CD-R, DVD-R & such other Non-hazardous-goods, Silver & such other Non-hazardous things, Building including staff quarters Exc., Plinth & Foundation, cost of plinth & foundation, Plant and Machinery including accessories, electrical installation including panel and cable, furniture, fixtures, fittings, Stock-stock in process, finished goods including packing material and raw material, Compound wall and D.G. Set and Transformer, Plastic goods manufacturers-plastic goods-excluding celluloid goods, against fire accidents, robbery, burglary, house breaking and such other loss and damage to property.

Properties

List of properties of our Company

Sr. No.	Date of Sale Deed / Agreement for Sale	Name of the Purchaser / Transferee / Occupier	Name of the Seller/ Transferor	Particulars of the Property, Description & Area	Consideration	Registration	Existing Usage
1.	Sale Deed dated May 03, 2004 Converted from Agricultural to non-agricultural land vide Order No. BTP-Rev-Non-agricultural-Sikara/04-05 dated February 05, 2005 issued by Taluka Panchayat Office, Bhachau, Kutch.	Euro Multivision Limited	Karamsi Kana Verat	Survey No. 508 Land bearing Survey No. 508 admeasuring Acre 5-33 Gunthas equivalent to Hector 2-35-73 with land revenue assessed to Rs. 9.25 Ps known as “Khachariyun” situated within eastern limits at Village Shikra, Taluka Bhachau, Sub-Registration District Kutch.	Rs. 60,000 [Sixty Thousand Only]	Sr. No.936 dated May 03, 2004 Rs. 1,115 [One Thousand One Hundred and Fifteen]	Manufacturing of CDRs/DV DRs
2.	Sale Deed dated May 14, 2004 Converted from Agricultural to non-agricultural land vide Order No. BTP-Rev-Non-agricultural-Sikara/04-05 dated February 05, 2005 issued by Taluka Panchayat Office, Bhachau, Kutch.	Euro Multivision Ltd.	Amarshi Manshi Nissar	Survey No. 509 Land situated within eastern limits at Village Shikra, Taluka Bhachau, Sub-Registration District Kutch known as “Khachariyun” bearing Survey No. 509 admeasuring Acre 6-27 Gunthas equivalent to Hector 2-70-13 with land revenue assessed to Rs.10.19 Ps has been shown in account Agricultural Land being found less taking measurement on the spot presently	Rs. 70,000 [Seventy Thousand Only]	Sr. No.1001 dated May 14, 2004 Rs. 1,255 [One Thousand Two Hundred and Fifty Five]	Manufacturing of CDRs/DV DRs

				the said agricultural land is Acre 4-25 Guntha equivalent to Hector 1-87-17.			
3.	Sale Deed dated May 30, 2007	Euro Multivision Ltd.	Smt. Ramilaben Khimji Gala	Survey No. 505/2 Land bearing Survey No. 505/2 admeasuring Acre 2-37 Gunthas equivalent to Hector 1-18-37 with land revenue assessed to Rs.4.50 Ps situated within eastern limits at Village Shikra, Taluka Bhachau, Sub-Registration District Kutch	Rs. 60,000 [Sixty Thousand Only]	Sr. No. 3146 dated May 30, 2007 Rs. 720 [Seven Hundred and Twenty]	SEZ
4.	Sale Deed dated June 07, 2007	Euro Multivision Ltd.	Shri. Valji Shamji Chamariya	Survey No. 506 Land bearing Survey No. 506 admeasuring Acre 4-05 Gunthas equivalent to Hector 1-66-93 with land revenue assessed to Rs. 5.31 Ps situated within eastern limits at Village Shikra, Taluka Bhachau, Sub-Registration District Kutch.	Rs. 70,000 [Seventy Thousand Only]	Regn No. 3397/2007 Rs. 820 [Eight Hundred and Twenty]	SEZ
5.	Sale Deed dated October 05, 2007	Euro Multivision Ltd	Shri. Jethalal Ratanshi Chhabhaiya	Survey No. 505/1 The field named "GARABAVALU" bearing Survey No. 505/1 admeasuring Acre 7 and 18 Gunthas equivalent to Hector 3-01-49 is situated Northern Sim of Village Shikra, Taluka Bhachau, Sub-Registration District Kutch.	Rs. 1,87,000/- [One Lac and Eighty Seven Thousand Only]	Regn No. 5516/2007 Rs. 2,090 [Two Thousand and Ninety]	SEZ
6.	Sale Deed dated October 05, 2007	Euro Multivision Ltd	Shri. Jayantilal Ratanshi Chhabhaiya	Survey No. 504 The field named "GARABAVALU" bearing Survey No. 504 admeasuring Acre 7 and 33	Rs. 1,96,000 [One Lac Ninety Thousand Only]	Regn No. 5515/2007 Rs. 2120 [Two Thousand One]	SEZ



				Gunthas equivalent to Hector 3-16-67 is situated Northern Sim of Village Shikra, Taluka Bhachau and Sub-Registration District Kutch.		Hundred and Twenty]	
7.	Sale Deed dated October 17, 2007	Euro Multivision Ltd.	Shri. Madeva Devraj Bhawan Anavadia	Survey No. 492 Agricultural land (Kapit Land) bearing Survey No. 492 admeasuring Acre 6-17 Gunthas equivalent to Hector 2-60-01 with land revenue assessed to Rs. 9.81 Ps situated within limits at Village Shikra, Taluka Bhachau, Sub Reegn Dist Bhachau regn Dist Kutch.	Rs. 48,89,000/- [Forty Eight Lacs Eighty Nine Thousand]	Regn No. 5682/07 Rs. 48,980 [Forty Eight Thousand and Nine Hundred Eighty]	SEZ

Note: All the properties acquired by our Company are free from all encumbrances and have a clear title except for our properties beign survery no. 508 and 509, Bhachau Dudhai Road, Bhachau (Kutch), Gujarat – Pin – 370140, which have been mortgaged with Cosmos Bank.

Intellectual Property

Our Company has 36 registered trademarks and 5 applications pending for registration of trademarks.

Following are the registered trademarks of our Company.

Sr. No.	Trade Mark / Trade Name	Trade Mark Number	Issuing Authority	Class	Date of Application	Date of Registration
1	Eurovision (Word)	1312204	Trade Marks Registry, Mumbai	09	September 30, 2004	December 03, 2005
2	Eurovision (Label)	1348756	Trade Marks Registry, Mumbai	09	April 04, 2005	February 03, 2005
3	Eurovision (Design)	199691	Controller General of Patents, Designs and Trademarks, Calcutta	09	May 17, 2005	December 30, 2005
4	Euromulti	1293465	Trade Marks Registry, Mumbai	09	June 06, 2004	March 16, 2006
5	Vavona	1363828	Trade Marks Registry, Mumbai	09	June 14, 2005	January 21, 2007
6	Boat	1363821	Trade Marks Registry, Mumbai	09	June 14, 2005	September 15, 2006

Sr. No.	Trade Mark / Trade Name	Trade Mark Number	Issuing Authority	Class	Date of Application	Date of Registration
7	Dysonic	1368060	Trade Marks Registry, Mumbai	09	June 30, 2005	September 18, 2006
8	Wezith	1363831	Trade Marks Registry, Mumbai	09	June 14, 2005	September 12, 2006
9	GNG	1347970	Trade Marks Registry, Mumbai	09	March 30, 2005	March 16, 2007
10	Bio-Data	1363817	Trade Marks Registry, Mumbai	09	June 14, 2005	March 28, 2007
11	Azzro	1363822	Trade Marks Registry, Mumbai	09	June 14, 2005	March 28, 2007
12	Mahogany	1363833	Trade Marks Registry, Mumbai	09	June 14, 2005	May 22, 2007
13	Pomelle	1363826	Trade Marks Registry, Mumbai	09	June 14, 2005	May 22, 2007
14	Optomode	1363815	Trade Marks Registry, Mumbai	09	June 14, 2005	May 22, 2007
15	Ebony	1363820	Trade Marks Registry, Mumbai	09	June 14, 2005	March 28, 2007
16	Cembra	1363832	Trade Marks Registry, Mumbai	09	June 14, 2005	March 28, 2007
17	Raider	1363835	Trade Marks Registry, Mumbai	09	June 14, 2005	March 28, 2007
18	Madrona	1363827	Trade Marks Registry, Mumbai	09	June 14, 2005	May 18, 2007
19	Sycamore	1363829	Trade Marks Registry, Mumbai	09	June 14, 2005	May 18, 2007
20	Venata	1363830	Trade Marks Registry, Mumbai	09	June 14, 2005	May 22, 2007
21	Venge	1363819	Trade Marks Registry, Mumbai	09	June 14, 2005	March 28, 2007
22	Kangaroo	1363834	Trade Marks Registry, Mumbai	09	June 14, 2005	May 22, 2007
23	Super Brain	1363816	Trade Marks Registry, Mumbai	09	June 14, 2005	May 18, 2007
24	Tekage	1363823	Trade Marks Registry, Mumbai	09	June 14, 2005	January 29, 2007
25	Krishna Tech	1375214	Trade Marks Registry, Mumbai	09	August 03, 2005	August 10, 2007
26	S.T.K. SoundTrack	1366023	Trade Marks Registry, Mumbai	09	June 22, 2005	August 10, 2007
27	RIDisk	1373267	Trade Marks Registry, Mumbai	09	July 22, 2005	January 12, 2008
28	Trans Media	1373270	Trade Marks Registry, Mumbai	09	July 22, 2005	January 12, 2008
29	Compudisc	1373271	Trade Marks Registry, Mumbai	09	July 22, 2005	January 12, 2008
30	Dymedia	1373272	Trade Marks Registry, Mumbai	09	July 22, 2005	January 12, 2008
31	Dusonic	1373268	Trade Marks Registry, Mumbai	09	July 22, 2005	January 12, 2008
32	Peacock	1393400	Trade Marks Registry, Mumbai	09	October 20, 2005	January 12, 2008



Sr. No.	Trade Mark / Trade Name	Trade Mark Number	Issuing Authority	Class	Date of Application	Date of Registration
33	Dev	1373273	Trade Marks Registry, Mumbai	09	July 22, 2005	August 11, 2008
34	Rock	1363825	Trade Marks Registry, Mumbai	09	June 14, 2005	August 14, 2008
35	Euro DVD-R	1304009	Trade Marks Registry, Mumbai	09	August 20, 2004	September 01, 2008
36	Euro CD-R	1304010	Trade Marks Registry, Mumbai	09	August 20, 2004	September 01, 2008

Following are the trademarks pending registration.

Sr. No.	Trade Mark / Trade Name	Trade Mark Number	Issuing Authority	Class	Date of Application	Date of Registration
1.	Oxygen	1518175	Trade Marks Registry, Mumbai	09	January 08, 2007	-
2.	Prime Disk	1373266	Trade Marks Registry, Mumbai	09	July 22, 2005	-
3.	Value Media	1373269	Trade Marks Registry, Mumbai	09	July 22, 2005	-
4.	Euro	1293464	Trade Marks Registry, Mumbai	09	June 30, 2004	-
5.	Europhotovoltaic	1737931	Trade Marks Registry, Mumbai	09	September 27, 2008	-



KEY INDUSTRY REGULATIONS AND POLICIES

Our Company, in its business of manufacturing of CDRs and DVDRs in India, is governed by various legislations as applicable to it, and its unit at Bhachau, Kutch-Gujarat. Some of the key regulations applicable to us are summarised hereunder:

The Bombay Shops and Establishments Act, 1948

Our Company is governed by Bombay Shops and Establishments Act, 1948. This Act regulates 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.

For details of our Company's material registration under the Bombay Shops and Establishment Act, 1948 please refer to the chapter "GOVERNMENT/STATUTORY APPROVALS" on page 213 of this Red Herring Prospectus.

IN RESPECT OF PRODUCT

Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Packaged Commodities) Rules, 1977

Our Company is required to comply with the provisions of the Standards of Weights and Measures Act, 1976 and the rules made there under, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977. It provides the specification of measuring instruments used in commercial transaction, industrial production and measurement involved in public Health and Human safety. It regulates the inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures; controls and regulates export and import of weights and measures and commodities in packaged form; surveys and collects of statistics for facilitating planning and enforcement of the proposed legislation; inspects weighing and measuring instruments during their use to prevent fraudulent practices.

IN RESPECT OF OUR UNIT IN BHACHAU-KUTCH, GUJARAT

Factory Act, 1948

Our Company complies with the provisions under the Factory's Act, 1948 which provides for healthy working environment for the workers/ labourers to work it not only regulates the health, safety, welfare and other working conditions of workers in the factory but also the working hours of the workers and labourers.

Industrial Dispute Act, 1947,

Industrial Dispute Act, 1947 provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit strikes and lock-outs, declaration of strikes and lock-outs as illegal and provisions relating to lay-off and retrenchment and closure, Conciliation and adjudication of industrial disputes by; Conciliation Officers, a Board of Conciliation, Courts of Inquiry, Labour Courts, Industrial Tribunals and a National Industrial Tribunal.

Workman Compensation Act, 1923,

Workmen's Compensation Act, 1923 aims at providing financial protection to employees (for their dependents in the event of fatal accidents) by means of payment of compensation by the employers, if personal injury is caused to them by accidents arising out of and in the course of their employment. This Act makes it obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments/Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

Payment of Wages Act, 1936

Payment of Wages Act, 1936 contains provisions as to the minimum wages that are to be fixed by the appropriate Governments for the employees, fixation and revision for the minimum wages of the employees, entitlement of bonus to the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under the Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.



ENVIRONMENT REGULATIONS

We are subject to Indian laws and regulations concerning environmental protection, in particular, the discharge of effluent water and solid particulate matter during our manufacturing processes. The principal environmental regulations applicable to industries in India are the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and the Environment Protection Act, 1986.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act, 1981 which 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.

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

Water (Prevention and Control of Pollution) Act, 1974, which provides for the prevention and control of pollution and for maintaining or restoring the wholesomeness of water in streams or wells. This legislation also 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 Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution.

Environment (Protection) Act, 1986

Environment (Protection) Act, 1986 which 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.

LAND LAWS

Transfer of Property Act, 1882

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

Registration Act, 1908

The Registration Act, 1908 (“**Registration Act**”) has been enacted with the object of providing public notice of the execution of documents affecting transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered. The amount charged as fees for registration is not uniform and each state has the authority to fix these amounts.

The Indian Stamp Act, 1899

Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in



Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

All the aforesaid are “Other Regulations”

INTELLECTUAL PROPERTY

Trademarks Act, 1999, Designs Act, 2000 and Design Rules, 2001

Our Company’s trademarks are required to be registered under the provisions of the Trademarks Act, 1999. Our Company has obtained better statutory protection by registering them under applicable classes of the Trademarks Act, 1999. For details of Our Company’s registration, if applicable, under these statutes please refer to the chapter titled “**Government/Statutory Approvals**” beginning on page 213 of this Red Herring Prospectus.

Further, in respect of our intellectual property i.e. designs; our Company has registered its CD design under the provisions of the Designs Act, 2000 and the Design Rules, 2001 which includes the registration of the design of the front and the rear view of the CDs manufactured in our Unit.

Registration of designs under the Act provides effective protection to the registered designs and also promotes design activity in order to promote design element in an Article of Production.

FISCAL REGULATIONS

In accordance with the Income Tax Act, 1961 any income earned by way of profits by a company incorporated in India is subject to tax levied on it in accordance with the tax rate as declared as part of the annual Finance Act. Our Company, like other companies, avails of certain benefits available under the Income Tax Act, 1961. For details of the tax benefits, please refer to the chapter titled “Statement of Tax Benefits” beginning on page 42 of this Red Herring Prospectus.

Our Company is also registered under the Central Sales Tax (Registration and Turnover) Rules, 1957 Gujarat State Tax Act, 1969, Central Excise Rules, 2002, Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 and Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

Further our Unit at Kutch enjoys exemption from the payment of excise duty which is available to the new industrial units set up in Kutch District of Gujarat State, subject to the conditions mentioned under notification No.39/2001-CE, Dt.31/07/2001 which is a five year exemption under sub section (1) section 5A of Central Excise Act, 1944 read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978). This notification is applied to new industrial units which are set up on or after the date of publication of this notification, but not later than 31st December 2005 (As amended). To avail this exemption the manufacturer produces a certificate from a committee consisting of members prescribed under the notification, he also furnishes a declaration regarding the original value of the plant and machinery installed in the factory as on the date of commencement of commercial production the original value of which should not be less than Rs. 20 Crores.

Value Added Tax

Value Added Tax (VAT) is a modern and progressive form of sales tax. It is charged and collected by dealers on the price paid by the customer. VAT paid by dealers on their purchases is usually available for set-off against the VAT collected on sales. VAT is a state subject and therefore the states will have the freedom for appropriate variations in their VAT regimes, many of the states have agreed to change over to a VAT system providing uniformity. The essence of VAT is in providing set-off for the tax paid earlier, and this is given effect through the concept of input tax credit. VAT is based on the value addition to goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

EMPLOYMENT RELATED REGULATIONS

Employees’ Provident Funds Act, 1952 and Employees’ State Insurance Act, 1948.

Our Company is governed by the provisions of the Employees’ Provident Funds Act, 1952 and the rules made thereunder and is accordingly required to make periodic contributions to the Employees’ Provident Fund Scheme .Our Company is also required



to make contributions under the Employees' State Insurance Act, 1948. For details of Our Company's registration under the Employees' Provident Scheme and the Employees' State Insurance Act, please refer to the chapter titled "**Government / Statutory Approvals**" beginning on page 213 of this Red Herring Prospectus.

Foreign Investment Regulations

An industrial policy was formulated in 1991 (the "Industrial Policy 1991") in order to implement the economic reforms initiated by the government of India. The Government of India has since amended the Industrial Policy from time to time in order to enable foreign direct investment in various sectors of the Indian industry in a phased manner gradually allowing higher levels of foreign participation in Indian companies.

Export Promotion Capital Goods Scheme (EPCG Scheme)

The EPCG Scheme allows import of capital goods for pre-production, production and post production at 5% customs duty subject to an export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of the license. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

Special Economic Zone Act, 2005 and Gujarat Special Economic Zone Act, 2004

Special Economic Zone Act, 2005 is an act to provide for the establishment, development and management of the Special Economic Zones. Major objectives of the SEZ Act include generation of additional economic activity, promotion of export of goods and services, investment from domestic and foreign sources and creation of employment opportunities. The SEZ rules provide for drastic simplification of procedures and for single window clearance on matters relating to Central as well as State Governments. Gujarat Special Economic Zone Act, 2004 was enacted to provide for the operation, maintenance, management and administration of a Special Economic Zone and to constitute an Authority and for matters Connected therewith or incidental thereto. The salient features of Gujarat Special Economic Zone Act, 2004 includes a designated duty free enclave to be treated as foreign territory only for trade operations and duties and tariffs, No license requirement for import, Allowance of Manufacturing, trading or service activities, SEZ units to be positive net foreign exchange earner within three years, Domestic sales subjected to full customs duty and import policy in force, Full freedom for subcontracting, Duty-free goods to be utilised over the approval period of 5 years, No routine examination by customs authorities of export/import cargo and Minimum size of multi-product SEZ, not to be less than 1000 hectares.

In addition to the above, Our Company is required to comply with various other applicable legislations including the provisions of the Companies Act, 1956, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.



OUR HISTORY AND OTHER CORPORATE INFORMATION

HISTORY

Our Company was incorporated on April 29, 2004 as a public limited company under the Companies Act, 1956 bearing No. U 32300 MH 2004 PLC 145995 having its registered office at Boston House, Ground Floor, Near CineMagic Theatre, Suren Road, Chakala, Andheri (E), Mumbai –400 093, Maharashtra, India

Our Company started its first manufacturing plant for the production of Compact Disc Recordable (CDRs) and Digital Versatile Disc Recordable (DVDRs) in the year 2005 at Taluka Bhachau, Dist- Kutch, Gujarat, which began its commercial operations on April 04, 2005. The process for production of CDRs involves in a row drying of raw materials, injection moulding, cooling, dye coating, edge washing, marking, scanning of defects, drying, metallization, lacquering, ultra violet curing, printing and packaging of the CDRs. This chain of process is available in one line and our Company initially had five such lines out of which four lines were manufacturing 20 Lacs CDRs per day and 720 Lacs CDRs per year running at 82% capacity with production of CDRs on four lines. The fifth line was manufacturing 20,000 DVDRs per day making it 72 Lacs DVDRs per year. In view of huge demand in CDRs, the DVDR manufacturing line was converted to CDR manufacturing line in August 2006.

After successfully operating five such lines, the company expanded by adding another five lines in the second half of 2006. The production in the expanded 5 lines started in the January 2007. There are now 10 manufacturing lines and current capacity of the plant is 50 lac pieces of CDRs per day and 1800 lac pieces per year. Currently the plant is running at 100% capacity with production of CDRs. The lines are interchangeable and can be converted to DVDR lines at any time.

Our Company has set up jointly with our Group Company Euro Ceramics Limited, lignite based 10MW Captive power plant. Presently, the entire power requirement of the unit is met by the Captive Power Plant. Our Company has incurred one fifth of the Capital costs and is eligible to produce and consume 20% of the total installed capacity.

Our Unit also enjoys exemption from excise duty under the provisions of notification No.39/2001-CE, dated July 31, 2001 giving five years excise free holiday for units in Kutch District of Gujarat and Sales tax exemption under the provisions of G. R.No.INC/10200/903/7 dated 09-11-2001 as amended from time to time upto a maximum limit of Rs.4167.15 Lacs or for a period of seven years whichever is earlier

OUR SUBSIDIARIES

Our Company has no subsidiary.

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company to be pursued are:

To purchase, manufacture, distribute, sell, export, import, trade, gift and otherwise in whatsoever manner deal in compact disc (CD), digital versatile disc (DVD), universal serial bus flash (USB Flash), Blue ray, high density - digital versatile disc (HD-DVD), high density - versatile multilayer disc (HD- VMD disc), compact disc read only memory (CD Rom), digital versatile disc read only memory (DVD Rom), pre recorded CD,DVD or any other optical storage media, compact disc case (CD case), plastic articles, photovoltaic cell, solar cell, solar wafer, solar module, poly silicon, silicon ingot, power system, solar thin film, solar farm set up, power plant, semi conductor chip, batteries and any other form of product, used for or in the course of or incidental or ancillary to solar power generation in their various branches.

CHANGES IN THE MEMORANDUM OF ASSOCIATION SINCE INCORPORATION:

Date of change	Remarks
December 30, 2004	The authorized share capital of our Company was increased from Rs. 10,00,000 comprising of 1,00,000 Equity Shares of Rs. 10/- to Rs. 10,00,00,000 comprising of 81,50,000 Equity Shares of Rs. 10/- each ranking <i>pari passu</i> with the existing equity shares and new 1,85,000, 5% Cumulative Redeemable Preference Shares of Rs.100/- each.
September 26, 2007	<p>The main Object of the MOA of our Company is substituted the following new object.</p> <p>To purchase, manufacture, distribute, sell, export, import, trade, gift and otherwise in whatsoever manner deal in compact disc (CD), digital versatile disc (DVD), universal serial bus flash (USB Flash), Blue ray, high density - digital versatile disc (HD- DVD), high density - versatile multilayer disc (HD- VMD disc), compact disc read only memory (CD Rom), digital versatile disc read only memory (DVD Rom), pre recorded CD,DVD or any other optical storage media, compact disc case (CD case), plastic articles, photovoltaic cell, solar cell, solar wafer, solar module, poly silicon, silicon ingot, power system, solar thin film, solar farm set up, power plant, semi conductor chip, batteries and any other form of product, used for or in the course of or incidental or ancillary to solar power generation in their various branches.</p>
September 26, 2007	<p>The Objects Incidental/ ancillary i.e. Part IIIB of the MOA of our Company is altered by insertion/ addition of following new incidental clause 2a and 2b after existing clause 2:</p> <p>2a. To conduct research and development, whether by itself or through associates or third parties, in the course of solar power generation or materials or technologies used in the course of solar power generation, CD, DVD, HD-VMD disc, CD case, plastic articles or aspects incidental or ancillary thereto and to commercially develop/sell/license/lease/let out/gift the technology/science/products/services that may be developed, wholly or partly as a result of such research and development.</p> <p>2b. To conceive, design, develop, set up, operate (pursuant to whatever arrangement including lease in or lease only), whether for the purpose of manufacturing/providing of services by the Company or by third parties therein, one or more special economic zone (s)/ software technology or information technology park (s) / electronic or other hardware technology park (s), by whatever name and description called, and to carry on all allied activities relating thereto including provision of services connected with, incidental or ancillary in relation to any of the aforesaid, and to acquire or hold any estate, or interest and to let, sub-let in whole or in part, develop, manage and exploit any lands and buildings and assets, rights, privileges and property of any kind, necessary or convenient for all or any business of the Company.</p>
September 26, 2007	The authorized share capital of our Company was increased from Rs. 10,00,00,000 comprising of 81,50,000 Equity Shares of Rs. 10/- each and 1,85,000, 5% cumulative Redeemable Preference Shares of Rs.100/- each to Rs.30,00,00,000 consisting of 2,81,50,000 equity shares of Rs.10/- each and 1,85,000, 5% cumulative Redeemable Preference Shares of Rs.100/- each by creation of 2,00,00,000 new Equity Shares . ranking <i>pari passu</i> with the existing equity shares.

MAJOR EVENTS:

MONTH & YEAR	EVENTS
April 2004	Incorporation of our Company
April 2005	Commencement of commercial production of CDR
December 2005	Registration of our Trade mark "Eurovision"
April 2006	CDR Production stabilized at 100%
May 2006	Certified as ISO 9001:2000 (Quality Management System)
January 2007	Capacity expanded from 5 lines to 10 lines
July 2007	ISO 14001 : 2004 Certificate Received (Environmentally Certified)
July 2007	OHSAS 18000 : 1999 Certificate Received (Safety Certified)
August 2008	Certified as 18001:2007 Manufacture & Supply (Domestic and Export) of CDRs & DVDRs (Safety Certified)
April 2009	Our Land for the PV Cell Project notified as an SEZ in the Gazette of India
June 2009	Certified as ISO 9001 : 2008 (Manufacture and supply of CDRs and DVDRs)

AWARDS, ACHIEVEMENTS AND CERTIFICATIONS:

YEARS	PARTICULARS
May 2006	ISO 9001:2000 Certificate Received (Quality Management System)
July 2007	Certified as ISO 14001 : 2004 (Environmentally Certified)
July 2007	Certified as OHSAS 18000 : 1999 (Safety Certified)
August 2008	Certified as 18001:2007 Manufacture & Supply (Domestic and Export) of CDRs & DVDRs (Safety Certified)
April 2009	Our Land for the PV Cell Project notified as an SEZ in the Gazette of India
June 2009	Certified as ISO 9001 : 2008 (Manufacture and supply of CDRs and DVDRs)

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

DATE	REGISTERED ADDRESS CHANGED FROM	CHANGED TO
June 10, 2004	208, Sangam Arcade, Vallabhbhai Road, Vile Parle (W), Mumbai-400 056	204, Vyom Arcade, Off: Subhash Road, Veer Baji Prabhu Marg, Vile Parle (East), Mumbai-400 057
November 07, 2005	204, Vyom Arcade, Off: Subhash Road, Veer Baji Prabhu Marg, Vile Parle (East), Mumbai-400 057	Boston House, Ground Floor, Near Cinemagic Theatre, Suren Road, Chakala Andheri (East), Mumbai-400 093

SHAREHOLDERS AGREEMENTS

Our Company does not have any subsisting shareholder's agreement as on the date of filing this Red Herring Prospectus.



OTHER AGREEMENTS

Our Company on September 21, 2006 entered into a Name License Agreement with Euro Ceramics Limited (one of our group Companies) thus granting our Company to use the word “EURO” as our Company’s corporate name and/or trade name, Logo on our products/services and otherwise in its day-to-day activity. There is no other right, title or interest given to our Company except for the use of the name “EURO”. Our Company has no right to assign the word ‘EURO’ without the prior consent of the Proprietor of the word “EURO” i.e. Euro Ceramics Limited. Any dispute arising due to carrying on the business in India, under the name and trading style of “EURO” by our Company whether against our Company or the Euro Ceramics Limited has to be indemnified by our Company. Euro Ceramics Limited according to the provisions of the agreement has the right to terminate the agreement at the time of our Company going into liquidation, winding up, at the time of any beneficial or legal ownership of our Company which is prejudicial to the interest of Euro Ceramics Limited or its Promoters to whom a similar name license has been granted or at the time of any breach being committed by our Company in respect of the said agreement. Upon termination of the said agreement, our Company will have to discontinue within 60 days the use of the word “EURO” as our Company’s corporate name and/or trade name, Logo in any form or manner.

STRATEGIC PARTNERS

Our Company does not have any strategic partners.

FINANCIAL PARTNERS

Our Company does not have any financial partners.



OUR MANAGEMENT

BOARD OF DIRECTORS

The Board of Directors of our Company comprises of 10 Directors, which includes Mr. Nenshi Shah, the Non-executive Chairman and Mr. Hitesh Shah being the Managing director of our Company and in-charge of the overall management of our Company subject to the supervision and control of the Board.

MANAGEMENT

Sr. No.	Name, Father's name, Designation, Address, Occupation, Nationality, Tenure & DIN	Age	Date of Appointment as Director	Other Directorships
1.	Mr. Nenshi Shah S/o Mr.Ladhabhai S. Gala(Shah) Non-Executive Chairman Address: 202, Asha Niketan Bapitsa Road, Vile Parle (West) Mumbai-400 056 Occupation: Business Nationality: Indian DIN: 00006223	49	April 30, 2004 Appointed as Chairman on July 23, 2007. Reappointed as a Director with effect from September 29, 2008	Public Limited Companies: <ol style="list-style-type: none"> 1. Euro Ceramics Limited. 2. Euro Merchandise (India) Limited. 3. Euro Aluminium Industries Limited. 4. Euro Glass Limited. 5. Euro Steel and Minerals Limited Private Limited Companies: <ol style="list-style-type: none"> 1. Euro Pratik Ispat Private Limited Company. 2. Euro Flooring Private Limited. 3. Euro Developers Private Limited. 4. Subhnen Ply Private Limited. 5. Canbara Constructions Private Limited. 6. Link Estate Private Limited. 7. Euro Bond Industries Private Limited. 8. Euro Solar Power Private Limited Partnership Firms: <ol style="list-style-type: none"> 1. M/s. Laxmi Ply Agency. 2. M/s.Euro Agro. 3. M/s. Arihant Investments
2.	Mr. Rayshi Shah S/o Mr. Lakhadir S. Shah Non-Executive Director Address: 8, Satya Niwas, 3 rd Floor,Subhash Road, Vile Parle (East), Mumbai-400 057 Occupation: Business Nationality: Indian DIN: 00043104	59	April 30, 2004	Private Limited Companies: <ol style="list-style-type: none"> 1. Paras Polyplast (Mfg.) Private Limited. Proprietary Firm: <ol style="list-style-type: none"> 1. Paras Plastic.
3.	Mr. Suresh Shah S/o Mr. Lakhamshi D. Shah Executive Director Address: 94, Satyam, Dr. M. B. Raut Road, Shivaji Park, Dadar, Mumbai-400 028 Occupation: Business	44	April 30, 2004 Appointed as an Executive Director for a period of 3 years with effect from August 01, 2006. Reappointed as an	Proprietary Firm: <ol style="list-style-type: none"> 1. Rangoli Annexe.

	Nationality: Indian DIN: 00043199		Executive Director for a period of 5 years with effect from August 01, 2009	
4.	Mr. Hitesh Shah S/o Mr. Shantilal L. Shah Managing Director Address: A-302, Parle Abhishek Building, Vallabhbhai Road, Vile Parle (West), Mumbai-400 056 Occupation: Business Nationality: Indian. DIN: 00043059	31	April 30, 2004 Appointed on August 27, 2007 as the Managing Director for a term of 5 years with effect from September 01, 2007.	Partnership Firms: 1. M/s. Kanch Ghar. 2. M/s. Laxmi Ply Agency. 3. M/s. Euro Agro.
5.	Mr. Chirag Shah S/o Mr. Rayshi L. Shah Executive Director Address: 8, Satya Niwas, 3 rd Floor, Subhash Road Vile Parle (East), Mumbai-400 057 Occupation: Business Nationality: Indian DIN: 00043149	27	April 30, 2004 Re appointed on May 28, 2007 as the Executive Director for a period of 5 years with effect from June 01, 2007.	NIL
6.	Mr. Jatin Chhadva S/o Mr. Ramniklal D. Chhadva Independent Director Address: 602-B, Captain House, Dr. Babasaheb Ambedkar Road, Matunga, Mumbai-400 019 Occupation: Business Nationality: Indian DIN: 00194371	36	July 23, 2007	Public Limited Companies: 1. Euro Ceramics Limited. Private Limited Companies: 1. Sia Lifestyles Private Limited. 2. Dhanvantri Health Care Private Limited. 3. Kintech Energy Private Limited. Partnership Firms: 1. M/s. Tohfa. 2. M/s. Jyoti Plastics. 3. M/s. Noble Stores. 4. M/s. INIT Solutions.
7.	Mr. Pravin Gala S/o Mr. Nanji B. Gala Independent Director Address: 1502, Laburnum, Mahindra Gardens, S.V. Road, Goregaon (West), Mumbai-400 062. Occupation: Business Nationality: Indian DIN: 00786492	44	July 23, 2007	Public Limited Companies: 1. Inventure Growth & Securities Limited. Private Limited Companies: 1. Nipra Stock Broking Private Limited. 2. Suyojana Impex Private Limited. 3. Anupam Realities Private Limited.
8.	Mr. Deepak Savla S/o Mr. Gangjibhai Savla	42	July 23, 2007	Public Limited Companies: 1. Euro Ceramics Limited



	Independent Director Address: 207, 1st Floor, Sadhna Building, Station Road, Wadala (West), Mumbai-400 031 Occupation: Business Nationality: Indian DIN: 00272801 Occupation: Professional Nationality: Indian DIN: 00272801			Private Limited Companies: 1. Serial Merchandise Broking India Private Limited. Partnership Firms: 1. M/s. More Kulkarni & Associates. Proprietary Firm: 1. Savla & Associates
9.	Mr. Vinod Shah S/o Mr. Kanji Shah Independent Director Address: Vijaya Bhuvan, 1st Floor, Bajaj Road, Vile Parle (W) Mumbai-400 056 Occupation: Business Nationality: Indian DIN: 00143268	50	July 23, 2007 Reappointed as a Director with effect from September 29, 2008	Public Limited Companies: 1. Inventure Growth & Securities Limited. Private Limited Companies: 1. Bob Berry Fashion Private Limited. 2. Nirmal Poly Plast Private Limited. Partnership Firms: 1. Ratan Ploy Plast. 2. Parshwa Associates.
10.	Mr. Anil Mandevia S/o Mr. Mansukhlal Mandevia Independent Director Address: 501, Abhilasha-II, 5 th Floor, Punjabi Lane Borivli(West) Mumbai-400 0925 Occupation: Professional Nationality: Indian DIN: 00023126	58	July 23, 2007	Public Limited Companies: 1. Euro Ceramics Limited. Proprietary Firm: 1. M/s. Anil Mandevia & Co.

Note: None of the above mentioned Directors and companies in which they were or are Directors have been debarred from accessing the capital market by SEBI.

BRIEF PROFILE OF OUR DIRECTORS

1. Mr. Nenshi Shah, Non Executive Chairman, Age: 49 Years.

Mr. Nenshi Shah was earlier known as Mr. Nenshi L. Gala and with effect from April 13, 2006 his name was changed to Mr. Nenshi L. Shah. He is the Non Executive Chairman and key founder of our Company. His leadership and direction has been instrumental in the growth of our Company. He holds a Secondary School Certificate and started his career as a small textile merchant at Bhachau, Kutch District, Gujarat and moved to Mumbai in the year 1987 and commenced the business of trading in plywood and other allied items. After gaining experience in marketing, he then shifted to manufacturing. He was responsible for setting up of our CDRs manufacturing plant at Bhachau, Gujarat. He has also been a pioneer for few of our other Group Companies which have their own success stories like Euro ceramics Limited, Euro Merchandise (India) Limited, Subhnen Ply Private Limited etc. He has more than 25 years experience in trading and manufacturing. He was also the Chairman of Indian Council of Ceramic Tiles & Sanitary ware (ICCTAS) till July 2009. Mr. Shah has also been the recipient of the prestigious Customer Appreciation Award organised by The Cosmos Co-operative Bank Limited in the year 2000-2001. He has also been awarded the Industry Award for his exceptional achievement in the field of Tiles Industry from Bruhad Mumbai Gujarati Samaj on December 30, 2006. He is a trustee of Ladhbbhai Sanganbhai Gala Charitable Trust, Sadbhavna Medical & Education Trust, Vagad Medical Relief Trust, Vagad Sarvoday Trust, Bhachau, Euro Foundation Trust and Chairman and Trustee of Laxmiben Eye Hospital and Ajramar Jain Upashray.



2. Mr. Rayshi Shah, Non-Executive Director, Age: 59 Years.

Mr. Rayshi Shah is the Non-Executive Director of our Company. He is one of the very first promoter-directors of our Company. He completed his education till standard eight and has over 25 years of experience in areas of production, development and marketing. His valuable input in the areas of quality standards and productivity in all aspects of manufacturing had helped the Company. He is currently contributing in policy matters and future business plans of the company. He is presently running a unit for manufacturing of household Plastic items and is marketing its product under the name of 'Paras Plastics'. He has wide experience in the field of export business, as the major customers of Paras Plastics are in overseas market. He is also a promoter for Paras Ployplast Manufacturing Private limited.

3. Mr. Suresh. Shah, Executive Director, Age: 44 Years.

Mr. Suresh Shah is the Executive Director of our Company. He is one the very first promoter-directors of our Company. He has completed his first year of junior college. He has been responsible for growth of our Company in manufacturing of CDRs and DVDRs. He has been associated with our unit at Bhachau since inception of our Company and also contributed in setting up the infrastructure for our unit at Bhachau, including procurement of land, creation of infrastructure, recruitment and development of qualified technical personnel of our Company. He has an experience of 20 years in retail marketing. He has established renowned retail outlets in various parts of Mumbai by the name Rangoli which at today's date is well known for its quality products. Presently he is actively involved in marketing and sales of CDR and DVDR in domestic as well as International Market. In a short span of time, he has been successful in developing the brand name of our Company's product in the market. He has also set up dealer/distributor network through out India which has helped our Company to grow manifold. Mr. Suresh Shah is responsible for all marketing activities of our company such as the identification of markets, expansion of our product market, brand building, introduction of new product range.

4. Mr. Hitesh Shah, Managing Director, Age: 31 Years.

Mr. Hitesh Shah is the Managing Director of our Company. He has completed his higher secondary certificate. He is actively associated in the business of plywood, glass and aluminium for the past eleven years. He has been instrumental in setting up a wide dealer/ distributor's network in India for the products mentioned above. He also has vast experience in finance and budgeting. He is involved in interaction with Financial Institutions and Banks for raising short term and long term funds. He has been associated with our Company since its inception either by way of selection of technology providers or selection of plants and machinery or by setting up of the CDRs/DVDRs manufacturing plant at Bhachau in Kutch. Currently he looks after the accounting and finances for our Company and is also responsible for the expansion and diversification of the same. It was his vision that our Company made 100% expansion within one year of its commencement.

5. Mr. Chirag Shah, Executive Director, Age: 27 Years.

Mr. Chirag Shah is one of the Executive Director of our Company. He has completed his first year of junior college. He is associated with our Company since its inception and was involved in setting up the infrastructures for our Unit at Bhachau, Kutch, Gujarat. He is also involved in total operation of our unit, procurement of plants and machineries, procurement of raw materials and Consumables and vendor development. Within a short span of time he has shown a significant growth in all fields like meeting production and quality and also achieving international certifications for quality ISO 9001:2000, ISO 14001 and OHSAS 18001. He also has seven years experience in manufacture of plastic, retail marketing and whole sales marketing of plastic products.

6. Mr. Jatin Chhadva, Independent Director, Age: 36 Years.

Mr. Jatin Chhadva, an Independent Director of our Company is a commerce graduate. He is the founder of Sia Lifestyles and has an experience of more than twelve years in jewellery retailing. He is a true entrepreneur having established four successful brands within Sia Lifestyles group, including Sia Art Jewellery. He is a partner in Tohfa which is a wholesale dealer in imitation jewellery, Jyoti Plastics, the dealers in traveling goods and bags and Noble Stores who are the dealers in traveling and plastic articles. He shaped up the future not only for Sia Art Jewellery but also for Sia Soulmates, Sia Styles and Fl'rt all being brands of Sia Lifestyles. Currently he is the Chief Executive Officer for Sia Lifestyles Private Limited.

7. Mr. Pravin Gala, Independent Director, Age: 44 years

Mr. Pravin Gala is one of the Independent Directors of our Company. He is a fellow member of the Institute of Chartered Accountants of India since 1986. He was involved doing income tax and audit for companies, partnership firms and individuals. He is not only involved in handling various functions related to stock broker activity but is also an Executive Director with Inventure Growth and Securities Limited. He also has vast experience in capital structuring, underwriting, public issue and management. He is currently working in Nipra Stock broking Private Limited and handles investment advisory services and portfolio management, broking activity and risk management of the company.



8. Mr. Deepak Savla, Independent Director, Age: 42 Years.

Mr. Deepak Savla is one of the Independent Directors of our Company. He is a commerce Graduate passed from Mumbai University in the year 1986. He passed the final examination held by the Institute of Chartered Accountants of India in the year 1989 and enrolled to Registrar of Members as an Associate Member of the Institute on January 31, 1990. He has been practicing as a Chartered Accountant for last 17 years. He has vast experience in finance. He has his own practice under the name of Savla & Associates.

9. Mr. Vinod Shah, Independent Director, Age: 50 Years.

Mr. Vinod Shah is one of the Independent Directors of our Company. He has completed his first year of Bachelor of Commerce. He is actively associated in the business of manufacture and export of plastic house-ware for past 15 years. He is one of the Key persons involved in setting up Nirmal Poly Plast Private Limited, a Government recognized Export House in India. He also has experience in finance and budget. He is involved in security related business and holds a position of a Director in Inventure Growth and Securities Limited. He is also Managing Director to Nirmal Poly Plast Private Limited. He is actively involved in exports of plastic house-ware through Ratan Poly Plast, a partnership firm and Nirmal Poly Plast Private Limited. Currently he looks after over all management of Nirmal Poly Plast Private Limited which involves accounting, finances, marketing and exports.

10. Mr. Anil Mandevia, Independent Director, Age: 58 years

Mr. Anil Mandevia is a commerce graduate and holds a Degree in Law from the Bombay University in the year 1976. He was then enrolled as a member in the Bar Council of Maharashtra & Goa. Mr. Mandevia completed his solicitorship in 1980 and practices solicitor in M/s. Anil Mandevia & Co., Advocates & Solicitors. He is also an Independent Director with Euro Ceramics Limited. He represents various companies, financial institutions, Builders and Developers and Commercial Establishments as a solicitor.

BORROWING POWERS OF DIRECTORS

The borrowing powers of our Directors are regulated by Articles 95, 96, 97, 98 and 99 of the Articles of Association of our Company. For further details, please refer to section titled “Main Provisions of Articles of Association beginning on page 274 of this Red Herring Prospectus.

Further, pursuant to a resolution passed at the Third Annual General Meeting held on September 26, 2007 of our Company, our Board of Directors was authorized to borrow money(s) on behalf of our Company in excess of the aggregate amount of paid up share capital and free reserves of our Company from time to time subject to an amount not exceeding Rs.1000,00,00,000/-(Rupees One Thousand Crores Only) pursuant to section 293(1)(d) of the Companies Act, 1956.

Details of Compensation Payable to Managing Director And Whole Time Director

In the Third and the fourth AGMs of our Company held on September 26, 2007 and September 29, 2008, our shareholders have approved the appointment and alteration in terms of appointment of Managing Director and Whole Time Directors, respectively:

1. Terms of appointment and compensation of Mr. Hitesh Shah, Managing Director is as follows:

Mr. Hitesh Shah has been appointed as a Managing Director of the Company for a period of five years w.e.f. September 01, 2007 at the meeting of the Board of directors held on August 27, 2007 at a remuneration of Rs. 1,00,000/- per month (Rs. One Lac Only). Our Company has also entered into an agreement dated October 25, 2007 with Mr. Hitesh Shah, appointing him as our Managing Director. Further, *vide* board resolution dated August 08, 2008 and AGM resolution dated September 29, 2008, the remuneration of Mr. Hitesh Shah was increased and the agreement dated October 25, 2007 was replaced and a fresh agreement dated October 01, 2008 was entered into between our Company and Mr. Hitesh Shah for changing his terms of appointment. Subsequently *vide* board resolution dated June 10, 2009, EGM resolution dated July 10, 2009 and supplemental agreement dated July 24, 2009 the terms of appointment for Mr. Hitesh Shah were modified, which are as follows:

Remuneration:

1. Remuneration including salary, dearness, house rent and all other allowances upto Rs. 1,75,000/- (Rupees One Lac Seventy Five Thousand Only) per month.



2. Commission: Commission computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 and subject to a maximum as may be fixed by the Board from time to time on the basis of the performance of the Company but within the limit prescribed by the Companies Act, 1956.

3. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary.

4. The Salary and perquisites as mentioned under (1), (2) and (3) above shall be exclusive of:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income tax Act, 1961.
- b. Gratuity as per the rules of the company.
- c. Leave as per the rules of the company including encashment of leave at the end of the tenure.

5. Apart from above mentioned remuneration, he shall be entitled to:

- a. Medical Expenses actually and properly incurred for him and his family.
- b. Entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
- c. Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid.
- d. Personal Accident Insurance Policy.
- e. Provision for use of car and telephone for both official and personal use.
- f. Group Insurance Policy as per the rules of the company.
- g. Company based accommodation or house rent allowance.
- h. Education allowance.
- i. Leave travel concession.

2. Terms of appointment and compensation of Mr. Suresh Shah, Executive Director is as follows:

Mr. Suresh L. Shah had been appointed as a Whole-time Director at the EGM of the members held on November 08, 2006 at remuneration of Rs. 50,000/- per month. Subsequently the remuneration payable to him was revised from Rs. 50,000/- per month to Rs. 1,00,000/- per month w.e.f. 1st July 2007. Further, *vide* board resolution dated August 08, 2008, the remuneration of Mr. Suresh Shah was increased and the same was ratified in the AGM dated September 29, 2008. Thereafter the Company entered into an agreement dated October 01, 2008 with Mr. Suresh Shah for modifying his terms of appointment. Further *vide* board resolution dated June 10, 2009 and EGM resolution dated July 10, 2009 Mr. Suresh Shah was reappointed as the wholetime diector for a period of 5 years with effect from August 01, 2009. Subsequently Mr. Suresh Shah entered into an agreement with the Company dated July 24, 2009 and terms of his appointment are as follows:

Remuneration:

1. Remuneration including salary, dearness, house rent and all other allowances upto Rs. 1,75,000/- (Rupees One Lac Seventy Five Thousand Only) per month.
2. Commission: Commission computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 and subject to a maximum as may be fixed by the Board from time to time on the basis of the performance of the Company but within the limit prescribed by the Companies Act, 1956.
3. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary.
4. The Salary and perquisites as mentioned under (1), (2) and (3) above shall be exclusive of:
 - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income tax Act, 1961.
 - b. Gratuity as per the rules of the company.
 - c. Leave as per the rules of the company including encashment of leave at the end of the tenure.
5. Apart from above mentioned remuneration, he shall be entitled to:



- a. Medical Expenses actually and properly incurred for him and his family.
- b. Entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
- c. Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid.
- d. Personal Accident Insurance Policy.
- e. Provision for use of car and telephone for both official and personal use.
- f. Group Insurance Policy as per the rules of the company.
- g. Company based accommodation or house rent allowance.
- h. Education allowance.
- i. Leave travel concession.

3. Terms of appointment and compensation of Mr. Chirag Shah, Executive Director is as follows:

Mr. Chirag Shah had been appointed as a Whole-time Director at the meeting of the Board of directors held on May 28, 2007 at remuneration of Rs. 40,000/- per month. Subsequently the remuneration payable to him was revised from Rs. 40,000/- per month to Rs. 1,00,000/- per month w.e.f. 1st July 2007. Further, *vide* board resolution dated August 08, 2008, the remuneration of Mr. Chirag Shah was increased and the same was ratified in the AGM dated September 29, 2008. Thereafter the Company entered into an agreement dated October 24, 2008 with Mr. Chirag Shah appointing him as a wholetime director. Further *vide* board resolution dated June 10, 2009, EGM resolution dated July 10, 2009 and supplemental agreement dated July 24, 2009 the terms of appointment of Mr. Chirag Shah were modified which are as follows:

Remuneration:

1. Remuneration including salary, dearness, house rent and all other allowances upto Rs. 1,75,000/- (Rupees One Lac and Seventy Five Thousand Only) per month.
2. Commission: Commission computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 and subject to a maximum as may be fixed by the Board from time to time on the basis of the performance of the Company but within the limit prescribed by the Companies Act, 1956.
3. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary.
4. The Salary and perquisites as mentioned under (1), (2) and (3) above shall be exclusive of:
 - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income tax Act, 1961.
 - b. Gratuity as per the rules of the company.
 - c. Leave as per the rules of the company including encashment of leave at the end of the tenure.
5. Apart from above mentioned remuneration, he shall be entitled to:
 - a. Medical Expenses actually and properly incurred for him and his family.
 - b. Entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
 - c. Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid.
 - d. Personal Accident Insurance Policy.
 - e. Provision for use of car and telephone for both official and personal use.
 - f. Group Insurance Policy as per the rules of the Company.
 - g. Company based accommodation or house rent allowance.
 - h. Education allowance.
 - i. Leave travel concession.

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. Our Company has complied with SEBI Regulations in respect of Corporate Governance specially with respect to broad basing of board, constituting the Committees such as Share Transfer cum Investors Grievance Committee, Audit Committee and Remuneration Committee.

Our Company has complied with the corporate governance requirements as per clause 49 of the listing agreement. In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders/Investors Grievance Committee
4. Finance Committee

Composition of Board of Directors:

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Accordingly, majority of the Board of Directors comprises of non-executive Directors. The Board has 10 Directors of which five are independent directors in accordance with the requirement of clause 49 of the listing agreement of the stock exchanges. The chairman of the Board is a non-executive director.

Board structure:

Sr. No.	Name of Director	Designation	Status	Term of Directorship
1	Mr. Nenshi Shah	Non-executive Chairman	Non-Independent	Liable to retire by rotation.
2	Mr. Rayshi Shah	Non-Executive Director	Non-Independent	Liable to retire by rotation.
3	Mr. Suresh Shah	Executive Director	Non-Independent	Three Years from the date of appointment.
4	Mr. Hitesh Shah	Managing Director	Non-Independent	Five Years from the date of appointment
5	Mr. Chirag Shah	Executive Director	Non-Independent	Five Years from the date of re-appointment
6	Mr. Jatin Chhadva	Independent Director	Independent	Liable to retire by rotation.
7	Mr. Pravin Gala	Independent Director	Independent	Liable to retire by rotation.
8	Mr. Deepak Savla	Independent Director	Independent	Liable to retire by rotation.
9	Mr. Vinod Shah	Independent Director	Independent	Liable to retire by rotation.
10	Mr. Anil Mandevia	Independent Director	Independent	Liable to retire by rotation.

Note: As per the corporate governance requirements as per clause 49 of the listing agreement, if the Chairman of the Board is Non Executive Director then at least one-third of the board should be independent. We have total of ten Directors out of which five are Independent Directors.

Audit Committee

The Audit Committee was constituted on July 23, 2007. On December 28, 2007 the Audit Committee was reconstituted. The Audit Committee consists of the following Directors as its members:

Composition of Audit Committee:

Sr. No.	Name of Director	Designation	Nature of Directorship
1	Mr. Pravin Gala	Chairman	Non Executive and Independent Director
2	Mr. Jatin Chhadva	Member	Non Executive and Independent Director
3	Mr. Vinod Shah	Member	Non Executive and Independent Director
4	Mr. Hitesh Shah	Member	Managing Director

The terms of reference of the Audit Committee are as follows:

- 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.



- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors
- 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.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Monitoring the use of the proceeds of the proposed Initial Public Offer of the Company.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing internal audit reports and adequacy of the internal control systems.
- 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.
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

Dates of the Audit Committee meetings

October 13, 2007
 February 11, 2008
 May 17, 2008
 August 08, 2008
 November 07, 2008
 January 19, 2009
 April 25, 2009 and
 July 15, 2009

Remuneration Committee:

The Remuneration Committee was constituted on July 23, 2007 and the same was reconstituted *vide* Board resolution dated November 07, 2008. The Remuneration Committee has been formed 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 matter related thereto.

Composition of the Remuneration Committee:

Sr. No.	Name of Director	Designation	Nature of Directorship
1	Mr. Jatin Chhadva	Chairman	Non Executive and Independent Director
2	Mr. Pravin Gala	Member	Non Executive and Independent Director



3	Mr. Deepak Savla	Member	Non Executive and Independent Director
4	Mr. Chirag Shah	Member	Executive Director

The terms of reference of the Remuneration Committee are as follows:

- (i) 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.);
- (ii) 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;
- (iii) To implement, supervise and administer any share or stock option scheme of the Company

Dates of the Remuneration Committee meetings:

August 08, 2008
April 24, 2009 and
June 10, 2009

Shareholders/Investors Grievance Committee:

The Shareholders/Investors Grievance Committee was constituted on July 23, 2007.

Composition of Shareholders/Investors Grievance Committee:

Sr. No.	Name of Director	Designation	Nature of Directorship
1	Mr. Nenshi Shah	Chairman	Non Executive Chairman
2	Mr. Chirag Shah	Member	Executive Director
3	Mr. Hitesh Shah	Member	Managing Director
4	Mr. Suresh Shah	Member	Executive Director

The terms of reference of the Shareholders/Investors Grievance Committee are as follows:

To supervise and ensure the following:

- 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, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
- iii. Issue of duplicate / split / consolidated share certificates;
- iv. 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;
- vii. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances

Dates of the Shareholders/Investors Grievance Committee meetings

October 10, 2007

Finance Committee:

The Finance Committee was constituted on November 07, 2008. The Finance Committee has been formed to borrow on behalf of Our Company from time to time with in the limits sanctioned by the Board of Director.

Composition of the Finance Committee:

Sr. No.	Name of Director	Designation	Nature of Directorship
1	Mr. Nenshi Shah	Chairman	Non Executive Chairman and Non-Independent Director
2	Mr. Hitesh Shah	Member	Executive Director
3	Mr. Suresh Shah	Member	Executive Director
4	Mr. Vinod Shah	Member	Non Executive and Independent Director

The terms of reference of the Finance Committee are as follows:

1. to borrow from the various banks and financial institutions, bodies corporates and by way of inter corporate deposits upto a sum not exceeding Rs. 1,00,000 Lacs at any one time and authorized to provide such security on behalf of our company to secure the said borrowings;
2. to invest the surplus funds of our Company in fixed deposits with the bank, in the units of mutual funds a sum not exceeding Rs. 10,000 Lacs; and
3. to make loans upto a sum not exceeding Rs. 5,000 Lacs at any one time.

Dates of the Finance Committee meetings

December 22, 2008,
March 16, 2009, and
March 26, 2009

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. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares. Further, the Board of Directors has approved and adopted the policy on insider trading in view of the proposed issue.

SHAREHOLDING OF OUR DIRECTORS

As per our Articles, our Directors are not required to hold any Equity Shares in our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.

Sr. No.	Name of the Director	No. of Shares
1.	Mr. Nenshi Shah	15,10,300
2.	Mr. Rayshi Shah	49,91,923
3.	Mr. Suresh Shah	49,99,753
4.	Mr. Hitesh Shah	16,83,334
5.	Mr. Chirag Shah	8,330
	Total	1,31,93,640

None of our Directors or Key Managerial Personnel is “relatives” within the meaning of Section 6 of the Companies Act except Mr.Chirag Shah who is the son of our Promoter-Director Mr. Rayshi Shah.

INTEREST OF DIRECTORS

All Directors of our Company 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, reimbursement of expenses payable to them as per our Articles of Association and terms of their appointment as whole time directors, where applicable. The whole time directors will be interested to the extent of remuneration paid to them for services rendered by them as officers or employees of our Company. All our directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares and also to the extent of interest if any paid on loan advanced by our Directors to our Company.

Directors Remuneration (including sitting fees) for the year ended March 31, 2009

Sr. No.	Name of Director	Sitting Fees (in Rs.)	Salaries / Perquisites (in Rs.)	Commission (in Rs.)	Total (in Rs.)
1.	Mr. Nenshi Shah	10,000	-	-	10,000
2.	Mr. Rayshi Shah	7,500	-	-	7,500
3.	Mr. Suresh Shah		18,00,000	-	18,00,000
4.	Mr. Hitesh Shah	-	18,00,000	-	18,00,000
5.	Mr. Chirag Shah	-	18,00,000	-	18,00,000
6.	Mr. Jatin Chhadva	2,500	-	-	2,500
7.	Mr. Pravin Gala	2,500	-	-	2,500
8.	Mr. Deepak Savla	5,000	-	-	5,000
9.	Mr. Vinod Shah	2,500	-	-	2,500
10.	Mr. Anil Mandevia	-	-	-	-
	Total	30,000	54,00,000	-	54,30,000

There is no other remuneration paid to any of the other Directors.

Our Company has taken unsecured loans from Directors and the amount pending as on March 31, 2009 is as follows:

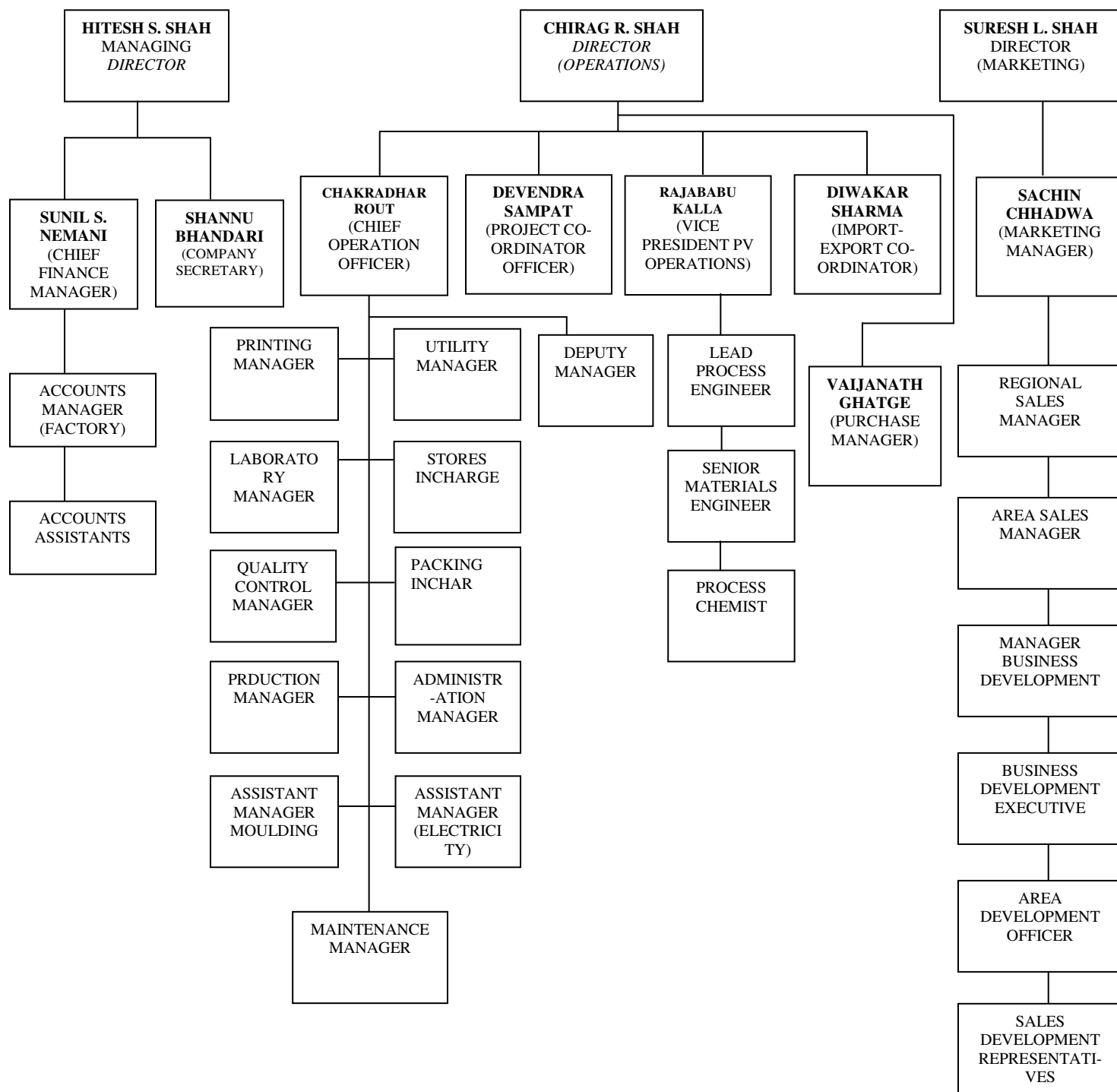
Sr. No.	Name of Directors	Amount (Rs. in Lacs)	Interest Rates (%) (2008-09)
1.	Mr. Nenshi Shah	139.97	12.00
2.	Mr. Rayshi Shah	100.00	Nil
3.	Mr. Suresh Shah	104.29	12.00
		32.50	9.00
		61.81	9.00
4.	Mr. Hitesh Shah	415.05	9.00
5.	Mr. Chirag Shah	64.00	Nil
	TOTAL	917.62	-

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of change	Reasons for change
Mr. Pravin Gala	July 23, 2007	Appointed as an Additional Director
Mr. Deepak Savla	July 23, 2007	Appointed as an Additional Director
Mr. Vinod Shah	July 23, 2007	Appointed as an Additional Director
Mr. Anil Mandevia	July 23, 2007	Appointed as an Additional Director
Mr. Jatin Chhadva	July 23, 2007	Appointed as an Additional Director
Mr. Harshit Shah	September 30, 2005	Resigned as Director
Mr. Shantilal Shah	August 30, 2004	Resigned as Director



ORGANIZATIONAL CHART OF OUR COMPANY



KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Sr. No.	Name	Designation	Age	Qualification
1.	Mr. Chakradhar Rout	Chief Operation Officer	54	M.Tech in Electronics
2.	Mr. Rajababu Kalla	Vice President- PhotoVoltaic Operations	47	Bachelors of Mechanical Engineering
3.	Mr. Sunil Nemani	Chief Finance Manager	40	B.Com, ICWA Inter
4.	Mr. Devendra Sampat	Project Development Officer	42	B.Sc in Physics
5.	Ms. Shannu Bhandari	Company Secretary	23	B.Com and ACS
6.	Mr. Vaijanath Ghatge	Purchase Manager	31	B.Com
7.	Mr. Diwakar Sharma	Import -Export Co-ordinator	47	Graduate
8.	Mr. Sachin C. Chhadwa	Marketing Manager	30	B.Com

Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- There is no understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.

1. Mr. Chakradhar Rout

Mr. Chakradhar Rout aged 54 years joined our Company on April 01, 2005 as Chief Operations Officer. Before he joined our Company he was working as a vice president with SM Telesys Limited, Noida. He completed his M.Tech in Electronics from IIT, Kharagpur in the year 1981. He has more than 26 years of integrated experiences in Telecommunication Industries in the fields of Project Identification, Technology selection, project implementation with foreign collaboration, Infrastructure set up, New business development etc. The Remuneration paid to him in the financial year 2008-2009 was Rs. 5.40 Lacs.

2. Mr. Rajababu Kalla

Mr. Rajababu Kalla, aged 47 years joined our Company on February 07, 2008 as a Vice President PhotoVoltaic Operations. Before he joined our Company he was working as a technical director for Planet Optical Disc FZE, Dubai (UAE). He holds a Bachelors Degree of Mechanical Engineering from Jodhpur University. He has more than 20 years of experience as a manager/director at various levels in different companies. The remuneration paid to him in the financial year 2008-2009 is Rs. 25 Lacs.

3. Mr. Sunil S. Nemani

Mr. Sunil S. Nemani aged 40 years joined our Company on May 10, 2004 as Chief Finance Manager. Before he joined our Company he was working as a Finance Executive - Treasury and Banking with Vijayan Wood Products Private Limited for 15 years. He holds a Bachelors Degree in Commerce from Delhi University and cleared his ICWA Inter in the year 1994. Since the date of incorporation of our Company he has handled the procedure of completing various formalities of our Company, project financing, project implementation, registrations, approvals from Government authorities and other related work, effectively and efficiently. He has the ability to develop new internal systems as per the requirement for the smooth running of our Company. He has also developed effective accounting systems, which includes inventory management, cost centres, finalization of accounts etc. The Remuneration paid to him in the financial year 2008-2009 was Rs. 5.63 Lacs.

4. Mr. Devendra Sampat

Mr. Devendra Sampat, aged 42 years joined our Company on September 01, 2007 as a Project Co-ordinator officer. Before he joined our Company he was running a proprietary concern in the name and style of Dilraj Traders for 19 years. He holds a bachelors degree in physics from Mumbai University. In our Company he is responsible for managing technology in various projects being taken up by our Company. The yearly remuneration is Rs 5.65 Lacs.



5. Ms. Shannu Bhandari

Ms. Shannu Bhandari, aged 23 years joined our Company on May 15, 2009 as our Company Secretary. Ms. Shannu Bhandari holds B.Com Degree from Hinduja College of Commerce. She has worked as a trainee with Compugate Infocom Limited. She is an associate member of the Institute of Company Secretaries of India. The yearly remuneration paid to her is Rs 0.96 Lacs.

6. Mr. Vaijanath Ghatge

Mr. Vaijanath Ghatge aged 31 years joined our Company on December 27, 2004 as Purchase Manager. Before he joined our Company he was working as a Purchase cum Store Incharge with M/s Exon Technologies Limited. He completed his B.Com from University of Mumbai. He has more than 10 years of experience as a Purchase executive in different companies. The remuneration paid to him in the financial year 2008-2009 was Rs 3.10 Lacs.

7. Mr. Diwakar Sharma

Mr. Diwakar Sharma aged 47 years joined our Company on November 01, 2004 as an Export-Import Co-ordinator. Before he joined our Company he was working as an Accounts Executive with Sanjay Plywood Industries Private Limited. He completed his B.com from University of Jaipur. He has more than 22 years of experience as an accountant at various levels in different companies. The remuneration paid to him in the financial year 2008-2009 was Rs. 2.49 Lacs.

8. Mr. Sachin C. Chhadwa

Mr. Sachin C. Chhadwa, aged 30 years joined our Company on March 27, 2008 as a Marketing Manager. Before he joined our Company he was working as an operational marketing manager for Metro Stationary Mart. He completed his B.com from University of Mumbai. He has more than 9 years of experience as a manager at various levels in different companies. The remuneration paid to him in the financial year 2008-2009 is Rs. 3.24 Lacs.

We confirm that other than as mentioned above, the Promoters / Directors of our Company do not have any relationship whatsoever with any of our Key Managerial Personnel.

BONUS OR PROFIT SHARING PLAN

There is no fixed or certain bonus or profit sharing plan for the key managerial personnel. The key managerial personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of benefits derived on Equity Shares held by them in our Company.

SHAREHOLDING OF OUR KEY MANAGERIAL PERSONNEL

None of our key managerial personnel in our Company holds any shares of our Company as on the date of filing of this Red Herring Prospectus with ROC (excluding allotment pursuant to this Issue, if any)

CHANGES IN OUR KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Sr. No.	Name	Designation	Date of Appointment	Date of Leaving	Reason
1.	Mr. Pranav Sanghvi	Marketing Manager	December 01, 2006	July 24, 2008	Resignation
2.	Mr. Devendra Sampat	Project Co-ordinator Officer	September 01, 2007	----	Appointment
3.	Ms. Astha K Rathi	Company Secretary	October 29, 2007	December 01, 2008	Resignation
4.	Ms. Kavita Lunawat	Company Secretary	January 19, 2009	May 11, 2009	Resignation
5.	Ms. Shannu Bhandari	Company Secretary	May 15, 2009	----	Appointment
6.	Mr. Rajababu Kalla	Vice President Photovoltaic Operations	February 07, 2008	----	Appointment
7.	Mr. Sachin C. Chhadwa	Marketing Manager	March 27, 2008	----	Appointment



Interest of Key Managerial Personnel

All our key managerial personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. Further, if any Equity Shares are allotted to our key managerial personnel in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same. Furthermore, no amount or benefit has been paid or given during the preceding year to any of our key managerial personnel.

Employees

We believe that a motivated and empowered employee base is integral to our competitive advantage. Our Company has 147 employees as on the date of filing of this Red Herring Prospectus. The details of which are enumerated below:

Description	Number of Employees
Factory	120
Accounts and Finance	4
Sales and Marketing	12
Secretarial	1
Purchase	2
Imports-Exports	1
Others	7
Total	147

EMPLOYEE STOCK OPTION SCHEME/EMPLOYEE STOCK PURCHASE SCHEME TO EMPLOYEES

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

PAYMENT OR BENEFIT TO OUR OFFICERS

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment or engagement, we have not paid any amount or given any benefit to any officer of our Company, nor is such amount or benefit intended to be paid or given to any officer as on the date of filing this Red Herring Prospectus with SEBI.

OUR PROMOTERS AND THEIR BACKGROUND

The Promoters of our Company are Mr. Nenshi Shah, Mr. Rayshi Shah and Mr. Suresh Shah. The brief profiles of our Promoters are as follows:



Voter ID No.	MT/08/038/468422
Driving License No.	Not available
Directors Identification Number	00006223

Mr. Nenshi Shah was earlier known as Mr. Nenshi L. Gala and with effect from April 13, 2006 his name was changed to Mr. Nenshi L. Shah. He is the Non Executive Chairman and key founder of our Company. His leadership and direction has been instrumental in the growth of our Company. He holds a Secondary School Certificate and started his career as a small textile merchant at Bhachau, Kutch District, Gujarat and moved to Mumbai in the year 1987 and commenced the business of trading in plywood and other allied items. After gaining experience in marketing, he then shifted to manufacturing. He was responsible for setting up of our CDRs making plant at Bhachau, Gujarat. He has also been a pioneer for few of our other Group Companies which have their own success stories like Euro ceramics Limited, Euro Merchandise (India) Limited, Subhnen Ply Private Limited etc. He has more than 25 years experience in trading and manufacturing. He was also the Chairman of Indian Council of Ceramic Tiles & Sanitary ware (ICCTAS) till July 2009. Mr. Shah has also been the recipient of the prestigious Customer Appreciation Award organised by The Cosmos Co-operative Bank Limited in the year 2000-2001. He has also been awarded the Industry Award for his exceptional achievement in the field of Tiles Industry from Bruhad Mumbai Gujarati Samaj on December 30, 2006. He is a trustee of Ladhabbhai Sanganbhai Gala Charitable Trust, Sadbhavna Medical & Education Trust, Vagad Medical Relief Trust, Vagad Sarvoday Trust, Bhachau, Euro Foundation Trust and Chairman and Trustee of Laxmiben Eye Hospital and Ajramar Jain Upashray.



Voter ID No.	MT/08/038/564038
Driving License No.	MH02/94/23800
Directors Identification Number	00043104

Mr. Rayshi Shah is the Non-Executive Director of our Company. He is one of the very first promoter-directors of our Company. He has completed his education till standard eight and has over 25 years of experience in areas of production, development and marketing. His valuable input in the areas of quality standards and productivity in all aspects of manufacturing had helped the Company. He is currently contributing in policy matters and future business plans of the company. He is presently running a unit for manufacturing of household Plastic items and is marketing its product under the name of 'Paras Plastics'. He has wide experience in the field of export business, as the major customers of Paras Plastics are in overseas market. He is also a promoter for Paras Ployplast Manufacturing Private limited.



Voter ID No.	MT/08/032/363537
Driving License No.	82/C/13403
Directors Identification Number	00043199

Mr. Suresh Shah is the Executive Director of our Company. He is one the very first promoter-directors of our Company. He has completed his first year of junior college. He has been responsible for growth of our Company in manufacturing of CDRs and DVDRs. He has been associated with our unit at Bhachau since inception of our Company and also contributed in setting up the infrastructure for our unit at Bhachau, including procurement of land, creation of infrastructure, recruitment and development of qualified technical personnel of our Company. He has an experience of 20 years in retail marketing. He has established renowned retail outlets in various parts of Mumbai by the name Rangoli which at today's date is well known for its quality products. Presently he is actively involved in marketing and sales of CDR and DVDR in domestic as well as International Market. In a short span of time, he has been successful indeveloping the brand name of ourb Company's product in the market. . He has also set up dealer/distributor network through out India which has helped our Company to grow manifold. Mr. Suresh Shah is responsible for all marketing activites of our company such as the identification of markets, expansion of our product market, brand building, introduction of new product range.

We confirm that the Permanent Account Number, Bank Account Number and Passport numbers of the Promoters have been submitted to BSE & NSE at the time of filing the Draft Red Herring Prospectus with them.

Interest of Promoters

All our Promoters are interested in the Promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company. Some of our Promoters may also be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them under the Articles. Further, the Promoters are interested to the extent of equity shares that they are holding and or allotted to them out of the present Issue, if any, in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares except as follows:

Our Promoter Mr. Nenshi Shah, Mr. Rayshi Shah and Mr. Suresh Shah have given unsecured loans to our Company, for further details, please refer to the section titled "Our Management" under the head "Interest of Directors", beginning on page 116 of this Red Herring Prospectus.

Except as stated hereinabove and as stated under the heading "Related Party Disclosures" beginning on page 143 appearing under section titled "Financial Statments" beginning on page 126 of this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Payment or Benefit to Our Promoters

For details of payments or benefits paid to the Promoters, please refer to the head titled "Details of Compensation payable to Managing Director and Whole time director" in the section titled "Our Management" beginning on page 106 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, none of our Promoters has any interest in any property acquired or proposed to be acquired by our Company in last two years of the date of filing this Red Herring Prospectus.

Common Pursuits

The Promoters of our Company do not have any interest in any other venture, which is engaged in the manufacturing of similar products as that of our Company resulting in conflict of interest.



RELATED PARTY TRANSACTIONS

There are no related party transactions with any of the related parties except as mentioned under the heading titled “Related Party Disclosures” on page 143 under the chapter titled ‘Financial Satements’ beginning on page 126 of this Red Herring Prospectus.

There have been no sales or purchases between entities in the Promoters Group of our Company exceeding in value in the aggregate 10% of the total sales or purchases of the Company.

Our Promoters, Promoters Group entities or our Subsidiary have not been restrained or prohibited by SEBI or any other regulatory authority from accessing the capital markets for any reason.

None of the above companies promoted by our Promoters have been struck off from the records of the Registrar of Companies.

Except as mentioned in this section, none of the above companies have made any defaults in meeting any statutory/bank/institutional dues/obligations. No proceedings have been initiated for economic offences against these companies.

There are no pending litigations, defaults, etc against above given companies, its Promoters and/or its Directors except as given under section titled “Outstanding Litigations & Material Developments” beginning on page 198 of this Red Herring Prospectus.



DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, and overall financial requirements.

Dividends may be declared at the Annual General Meeting of the Shareholders based on a recommendation by the Board of Directors. The Board of Directors may recommend dividends, at its discretion, to be paid to the members. Generally the factors that may be considered by the Board, but not limited to, before making any recommendations for the dividend include future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds from alternate sources, liquidity, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and money market conditions.



SECTION V-FINANCIAL INFORMATION

AUDITORS REPORT

**The Board of Directors,
EURO MULTIVISION LTD.**

Boston House, Ground Floor,
Suren Road, Chakala,
Andheri (East)
Mumbai – 400 093

A.(a) We have examined the annexed financial information of **EURO MULTIVISION LTD.** (“the Company”), for the year ended 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008 and 31st March, 2009 being the last date up to which the accounts of the Company have been made up and audited by us. The financial statements for the year ended March 31, 2009 are approved by the Board of Directors of the Company for the purpose of disclosure in the DRHP / RHP / Prospectus (herein after referred as “Offer Document”) of the company, in connection with the Issue of Equity Shares of the Company (referred to as ‘the Issue’).

(b) In accordance with the requirements of

- (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (‘the Act’);
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (‘the SEBI Regulations’) issued by the Securities and Exchange Board of India (‘SEBI’) on August 26, 2009 in exercise of the powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) and
- (iii) Our terms of reference with the Company dated 28th September, 2007 requesting us to carry out work, proposed to be included in the Offer Document of the company in connection with the Offer Document as aforesaid,

We report that the restated assets and liabilities of the Company as at, March 31, 2005, March 31 2006, March 31, 2007, March 31, 2008 and March 31, 2009 are as set out in Annexure I 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 III.

We report that the restated profits of the Company for the financial years ended 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008 and 31st March 2009 are as set out in Annexure II 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 and Notes to Accounts appearing in Annexure III to this report. The Company has not paid any dividend on equity shares in any of the years mentioned above.

B. We have examined the following restated 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 IV to this report;
- (ii) Statement of Accounting Ratios as appearing in Annexure V to this report;
- (iii) Statement of Investment as appearing in Annexure VI to this report;
- (iv) Statement of Sundry Debtors as appearing in Annexure VII to this report;
- (v) Statement of Loans and Advances as appearing in Annexure VIII to this report;
- (vi) Statement of Other Income as appearing in Annexure IX to this report;
- (vii) Statement of Tax Shelters as appearing in Annexure X to this report;
- (viii) Segment wise Financial Statements as per Annexure XI;
- (ix) Details of Unsecured Loan as appearing on Annexure XII to this report;
- (x) Details of Contingent Liabilities as appearing in Annexure XIII to this report;
- (xi) Details of Secured Loans as appearing in Annexure XIV to this report;
- (xii) Details of Related Party Disclosure in Annexure XV;
- (xiii) Capitalization Statement as at March 31, 2009 as appearing in Annexure XVI to this report;



- III. (a) In our opinion the financial information of the Company as stated in Para A and B above read with Significant Accounting Policies enclosed in Annexure III to this report, after making adjustments / restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Accounts, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.
- (b) This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M/S SWAMY & CHHABRA
Chartered Accountants

C. AYYASWAMY
Partner
Membership No. 021754

Place: Mumbai

Date: 7th September, 2009

ANNEXURE - I

Statement of Assets and Liabilities (As Restated) (Rs. in Lacs)

Sr. No.	Particulars	AS AT MARCH 31,				
		2005	2006	2007	2008	2009
A	Fixed Assets					
	Gross Block	4744.96	5588.14	10691.38	11249.56	11778.93
	Less: Depreciation	-	351.07	1057.55	2150.19	3306.24
	Net Block	4744.96	5237.07	9633.83	9099.37	8472.69
	Capital Work In Progress	-	-	-	1372.18	10986.42
	Pre-Operative Expenses Pending Allocation	274.24	-	-	-	-
	Total	5019.20	5237.07	9633.83	10471.55	19459.11
B	Investment	1.00	1.00	1.00	1.00	1.00
C	Current Assets, Loans & Advances					
	Inventories	604.87	751.45	1273.34	1239.53	858.56
	Sundry Debtors	-	826.88	363.19	523.90	1008.54
	Cash and Bank Balances	311.64	123.61	252.62	971.59	803.42
	Loans & Advances	38.43	66.72	188.10	694.69	2789.27
	Total	954.94	1768.66	2077.25	3429.71	5459.79
D	Liabilities & Provisions					
	Secured Loans	3438.89	3227.04	6730.05	5807.98	14651.27
	Unsecured Loans	981.72	2117.15	2099.75	3173.10	4577.44
	Deferred Tax Liability	-	-	295.59	650.26	697.33
	Current Liabilities & Provisions	598.62	826.50	1153.93	1308.00	1847.20
	Total	5019.23	6170.69	10279.32	10939.34	21773.24
E	Net Worth (A+B+C-D)	955.91	836.04	1432.76	2962.92	3146.66
F	Represented by					
	Share Capital	1000.00	1000.00	1000.00	1500.00	1500.00
	Reserves & Surplus	-	-	466.45	1462.92	1646.66
	Less: Miscellaneous Exp. (To the extent not written off)	44.09	163.96	33.69	0.00	0.00
	Net Worth	955.91	836.04	1432.76	2962.92	3146.66

ANNEXURE – II

Statement of Profit and Loss (As Restated)

(Rs. in Lacs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,			2008	2009
		2005*	2006	2007		
A	Incomes					
	Sales & Income from Operation	-	4128.13	5651.33	9092.46	7321.67
	Other Income	-	33.17	12.61	4.55	19.06
	Total Income	-	4161.30	5663.94	9097.01	7340.73
	(Increase)/Decrease in Stock	-	315.15	229.19	(61.17)	16.70
	Total	-	4476.45	5893.13	9035.84	7357.43
B	Expenditures					
	Materials Consumption	-	2429.61	2914.16	4882.36	4069.37
	Manufacturing and Other Expenses	166.84	882.47	667.63	988.58	1208.45
	Advertising and Selling Expenses	0.18	401.07	28.07	52.74	22.47
	Less:-Expenses capitalized to Fixed Assets	(104.16)				
	Less:- Transferred to Pre-operative expenses pending allocation	(62.86)				
	Total		3713.15	3609.86	5923.68	5300.29
C	Net Profit before Interest Depreciation, Tax and Extraordinary Items	-	763.30	2283.27	3112.16	2057.14
	Financial Expenses	211.38	536.72	556.59	765.98	595.23
	Depreciation	-	351.07	706.48	1092.65	1156.20
	Less:- Transferred to Pre-operative expenses pending allocation	(211.38)	-	-	-	-
	Profit before Tax	-	(124.49)	1020.20	1253.53	305.71
	Provision for Taxation					
	- Current Tax	-	-	80.35	131.29	31.58
	- Deferred Tax	-	-	295.59	354.67	47.07
	- Fringe Benefit Tax	-	4.20	3.52	4.40	5.30
	-MAT Credit available for set off	-	-	-	(211.63)	
	-MAT Credit availed	-	-	-	-	38.02
D	Net Profit after Tax but before Extraordinary Items	-	(128.69)	640.74	974.80	183.74
	Add/(Less) : Excess Income Tax Provision made in Last Year	-	-	(21.67)	21.67	-
	Less: Adjustment on account of retrospective effect on account of notification of the Companies (Accounting Standards) Amendment Rule 2009 issued by Ministry of Corporate Affairs pertaining to Foreign exchange differences	-	-	-	(94.71)	-
	Profit as per Audited P&L A/c	-	(128.69)	619.07	901.74	183.74

Details of Manufacturing & Other Expenses

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005*	2006	2007	2008	2009
Direct Expenses	37.40	518.05	247.70	423.59	623.60
Personnel Cost	32.18	205.20	206.67	272.50	330.88
Administrative Expenses	97.25	159.22	213.26	292.49	253.97
Total	166.83	882.47	667.63	988.58	1208.45

* The Commercial Production Commenced in April 2005.

ANNEXURE – III

NOTES TO STATEMENT OF ASSETS & LIABILITIES AND PROFIT & LOSS ACCOUNT

(1) SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India and relevant Section 211(3C) of the Companies Act 1956.

II FIXED ASSETS

Fixed Assets are stated at cost. Cost Comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and also comprises of borrowing costs attributable to acquisition and construction of assets up to the date when such asset is ready for its intended use.

III DEPRECIATION

- Depreciation is provided on Straight Line Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956.
- The plant has been classified as a continuous process plant on technical assessment and depreciation has been provided accordingly.
- Depreciation on fixed assets added/disposed off/discarded during the period has been provided on pro-rata basis with reference to the month of addition/disposal/discarding.

IV BORROWING COST

- Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets is ready for its intended use.
- Other borrowing costs are recognized as an expense in the period in which they are incurred.

V FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Current assets and current liabilities in foreign currency are stated at the period ended closing rates. The resulting exchange gain/loss is recognized in the profit and loss account.

Pursuant to the notification of the Companies (Accounting Standards) Amendment Rule 2009 issued by Ministry of Corporate Affairs on March 31, 2009 amending Accounting Standard – 11 (AS - 11) 'The Effects of Changes in Foreign Exchange Rates (revised 2003), exchange differences relating to long term monetary items are dealt with in the following manner:

- Exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
- In other cases, such differences are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortised to the profit and loss account over the balance life of the long term monetary item but not beyond March 31, 2011.
- All other exchange differences are recognised as income or expense in the profit and loss account.



Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and nonmonetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined.

VI INVESTMENTS

Unquoted Investments are valued at Cost.

VII INVENTORIES

- Raw Materials, components, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- Work in Progress and finished goods are valued at lower of cost and net realizable value. Finished goods and work in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- Cost of inventories is computed on First In First Out (FIFO) basis.

VIII RETIREMENT BENEFITS

- Gratuity is accounted as and when it is accrued and due as per the Payment of Gratuity Act.
- Provident Fund is charged to the profit & loss account in the year in which employee has rendered service.
- Liability for accumulated earned leave of employees is ascertained and provided for as per the Company Rules.

IX TAXES ON INCOME

- Provision for taxation comprises of Current Income Tax, Fringe Benefit Tax and Deferred Tax. Current tax Provision has been made in accordance with the Income Tax Act, 1961.
- Deferred tax provision is made as required under Accounting Standard 22 'Accounting for taxes on income' issued by Institute of Chartered Accountants of India.
- Unutilized MAT Credit has been recognized as an asset in accordance with the recommendation contained in the Guidance Note issued by Institute of Chartered Accountants of India.

X IMPAIRMENT OF ASSETS

Factors giving rise to any indication of impairment of carrying amounts of the Company's Assets are appraised at each Balance Sheet date to determine and provide/reserve an impairment loss. There is no such impairment in the carrying amount of the Company's Assets.

XI MISCELLANEOUS EXPENDITURE

Miscellaneous Expenditure relating to Preliminary Expenses incurred is in accordance to the Accounting Standard -26 'Intangible Assets' issued by the Institute of Chartered Accountants of India .

XII PROVISION AND CONTINGENT LIABILITIES

- Provisions are recognized when the company has a legal and constructive obligation as a result of past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.
- Contingent liabilities are disclosed when a company has possible obligation or a present obligation and it is uncertain as to whether a cash outflow will be required to settle the obligation.

(2) NOTES TO ACCOUNTS

(a) Earnings Per Share

Particulars	March 31, 2005	March 31, 2006	March 31, 2007	March 31,2008	March 31,2009
Number of shares at the beginning of the year (In Lacs)	N.A*	81.50	81.50	81.50	150.00
Number of shares at the end of the year (In Lacs)	81.50	81.50	81.50	150.00	150.00



Weighted Average Number of Equity Shares at the end of the Year [A]	20.20	81.50	81.50	116.31	150.00
Net Profit after Tax available for equity shareholders (Rs. in Lacs) [B]	N.A.**	(128.69)	616.81	974.80	183.74
Earnings per share (In Rs.) [C=B/A]	N.A.	(1.58)	7.57	8.38	1.22

* Date of Incorporation of the company is 29th April, 2004.

** First year of incorporation and company has not commenced commercial production.

Notes:

- (i) Effect of 10660 equity shares issued on 11th May, 2004, 22680 shares issued on 12th May, 2004, 16660 shares issued on 13th May, 2004, 1100 shares issued on 30th August, 2004 and 8098900 shares issued on 02nd January, 2005, as fully paid shares, is given for calculation of EPS on all respective reported years.

September, 2007. **(b) Segment Information**

Activity Based

The Company operates in only one product category - Optical Storage Media that includes CDR's and DVDR's during the period; hence Segment reporting based on activity is not applicable.

Geographically Based

(Rs. in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,									
	2005		2006		2007		2008		2009	
	%	Sales	%	Sales	%	Sales	%	Sales	%	Sales
Domestic	-	-	79%	3278.32	99%	5623.02	95%	8642.88	99%	7235.58
Export	-	-	21%	849.80	1%	28.31	5%	449.58	1%	86.10
Total	-	-	100%	4128.12	100%	5651.33	100%	9092.46	100%	7321.67

(b) Remuneration to M.D and Whole time Directors:

(Rs. in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
Basic Salary	2.50	3.00	7.80	18.75	31.20
Taxable Allowances	1.50	1.80	5.00	12.45	22.80
Total	4.00	4.80	12.80	31.20	54.00

(d) Auditors Remuneration:

(Rs. in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
As Audit Fees	1.50	3.00	3.00	4.00	4.50
Service Tax @ 12.36 %	0.15	0.37	0.37	0.49	-
Service Tax @ 10.30 %				-	0.46
Total	1.65	3.37	3.37	4.49	4.96

(e) Capacities, Production/Purchase, Turnover & Closing Stock of Finished Goods:

Products	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009**
CDR					
Opening Stock					
Quantity (Nos.)	-	-	595100	9496200	5730166
Value (Rs. in Lacs)	-	-	28.75	413.43	310.81
Production					
Quantity (Nos.)	-	59033500	102490200	176366700	159159000
Turnover					
Quantity (Nos.)	-	58438400	93589100	180531000	158365500
Value (Rs. in Lacs)	-	3326.22	5578.72	8589.29	7321.67
Closing Stock					
Quantity (Nos.)	-	595100	9496200	5331900	6523666
Value (Rs. in Lacs)	-	28.75	413.43	247.87	330.86

Products	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009**
DVDR					
Opening Stock					
Quantity (Nos.)	-	-	103266	11866	-
Value (Rs. in Lacs)	-	-	13.02	3.46	-
Production					
Quantity (Nos.)	-	608966	337600	1112400	-
Turnover					
Quantity (Nos.)	-	505700	546600*	726000	-
Value (Rs. in Lacs)	-	917.47	38.31	484.68	-
Closing Stock					
Quantity (Nos.)	-	103266	11866	398266	-
Value (Rs. in Lacs)	-	13.02	3.46	62.94	-

* Includes 117600 Nos. DVDR resold during the year.

** CDR'S and DVDR'S are reclassified under one tariff heading under Excise Act from 2008-2009. Therefore figures of DVDR are being merged with CDR figures for year 2008-2009.

(f) Raw Materials Consumption

(i)

Material Description	FOR THE YEAR ENDED MARCH 31,									
	2005*		2006		2007		2008		2009	
	Qty	Value (Rs in Lacs)	Qty	Value (Rs in Lacs)	Qty	Value (Rs in Lacs)	Qty	Value (Rs in Lacs)	Qty	Value (Rs in Lacs)
Polycarbonate (Kgs)	N.A	N.A	1028750	1834.23	1610100	2359.98	2691400	3569.91	2390000	2982.69
Dye-Irgaphor Ultra Green (Kgs)	N.A	N.A	42	159.66	63.50	96.91	105	150.16	94.00	144.79
Silver Targets (Pcs)	N.A	N.A	1044	149.11	1524	243.00	5624	696.39	3826	575..04
Others	N.A	N.A		286.61		214.27		465.90		366.85
TOTAL	N.A	N.A		2429.61		2914.16		4882.36		4069.37

* The Commercial Production Commenced in April 2005.

Note: Quantitative particulars in respect of opening, closing stocks and turnover of 'Other items' could not be furnished on account of diverse nature of such goods.

(ii)

Particulars	FOR THE YEAR ENDED MARCH 31,									
	2005		2006		2007		2008		2009	
	Value (Rs in Lacs)	%	Value (Rs in Lacs)	%	Value (Rs in Lacs)	%	Value (Rs in Lacs)	%	Value (Rs in Lacs)	%
Imported	N.A	N.A	1994.57	82.09	2749.48	94.35	3843.40	78.72	3330.81	81.85
Indigenous	N.A	N.A	435.04	17.91	164.68	5.65	1038.97	21.28	738.56	18.15
Total	N.A	N.A	2429.61	100.00	2914.16	100.00	4882.36	100.00	4069.37	100.00

(g) C.I.F Value of Imports

(Rs. in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
Raw Materials	488.07	1537.46	2209.08	3222.40	659.66
Capital Goods	3703.34	76.85	3671.56	812.82	432.46
Total	4191.41	1614.31	5880.64	4035.22	1092.12

(h) Expenditure in Foreign Currency

(Rs in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
On Foreign Travel	1.06	6.47	3.66	4.00	6.51
Others	-	6.14	12.59	3.93	251.55
Total	1.06	12.61	16.25	7.93	258.06

(i) Earnings in Foreign Currency

(Rs in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
Exports of Goods on F.O.B. Basis	-	849.80	28.17	420.56	67.87
Total	-	849.80	28.17	420.56	67.87

(j) Details of Interest paid on unsecured loan to Managing Director

(Rs in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
Interest Amount	6.70	8.62	10.53	17.54	19.49
Total	6.70	8.62	10.53	17.54	19.49

(k) Disclosures Relating to SSI

The names of Small Scale industries (SSI) undertakings whose balances are outstanding for more than 30 days for each of the years/period are as follows:

As at	Name of the SSI
March 31, 2005	-
March 31, 2006	-
March 31, 2007	-
March 31, 2008	-
March 31, 2009	-

(l) Note on Cash Flow Statement

- (i) The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on “Cash Flow Statements” issued by The Institute of Chartered Accountants of India.
- (ii) Fixed Deposits included in cash and cash equivalents, which have been given as security against guarantees and Letter of credit issued by State Bank of India and Cosmos Co-Op Bank Ltd., and not available for use by the company are as follows:

Particulars	AS AT MARCH 31,				
	2005	2006	2007	2008	2009
Fixed Deposit Balance	337.87	107.80	242.65	812.03	776.01
Total	337.87	107.80	242.65	812.03	776.01

(m) Interest on borrowed fund capitalized

(Rs in Lacs)

Particulars	AS AT MARCH 31,				
	2005	2006	2007	2008	2009
Interest Amount	211.38	-	23.26	71.59	405.69
Total	211.38	-	23.26	71.59	405.69

(n) Issue of Right Shares

The company has made right issue of equity shares of Rs.10/- each on 28th September, 2007 in the ratio of 85 equity shares for every 100 equity shares held at par as mentioned below. It was subscribed as under:

Name of the Allotees	No of right equity shares issued
Nenshi Shah	10,00,000
Rayshi Shah	22,83,333
Suresh Shah	22,83,333
Hitesh Shah	12,83,334
Total	68,50,000

ANNEXURE – IV

CASH FLOW STATEMENT AS RESTATED AS ON

(Rs. in Lacs)

Particulars		FOR THE YEAR ENDED MARCH 31,				
		2005	2006	2007	2008	2009
A	Cash Flow from Operating Activities					
	Net Profit before Tax	-	(124.49)	1020.20	1253.53	305.72
	Adjustment for:					
	Preliminary Exp W/off	-	8.82	10.63	33.69	-
	Depreciation	-	351.07	706.48	1081.29	1156.20
	Retrospective effect of Depreciation on Foreign Exchange fluctuation as per transitional provision of AS 11				11.36	
	Dividend Received		(0.15)	(0.15)	(0.15)	(0.15)
	Finance Expenses (Net)	-	536.72	556.59	872.07	595.23
	Retrospective effect of Foreign Exchange fluctuation as per transitional provision of AS 11				(106.09)	
	Profit/Loss on Sales of Fixed Assets	-	(33.17)	-	-	0.05
	Operating Profit before working Capital changes	-	738.80	2293.75	3145.69	2057.04
	Decrease/(Increase) in Inventories	(604.87)	(146.57)	(521.89)	33.81	380.97
	Decrease/(Increase) in Trade Receivables	-	(826.88)	463.69	(160.72)	(484.64)
	Decrease/(Increase) in Other Current Assets	(38.43)	(28.29)	(121.38)	(506.59)	(2094.58)
	Increase/(Decrease) in Deferred Tax Provision	-	-	295.59	354.67	47.07
	Increase/(Decrease) in Trade and Other Payables	598.62	227.87	327.43	154.08	539.20
	Cash generated from Operations	(44.68)	(35.07)	2737.19	3020.94	445.06
	Direct Taxes	-	(4.20)	(401.13)	(257.05)	(121.97)
	Net Cash from Operating Activities	(44.68)	(39.27)	2336.06	2763.89	323.09
B	Cash Flow from Investing Activities					
	Purchase of Fixed Assets	(5019.20)	(623.02)	(5103.24)	(1824.28)	(9765.02)
	Sale of Fixed Assets	-	87.25	-	-	0.24
	(Increase)/Decrease in Investments	(1.00)	-	-	-	-
	Preliminary Expenses incurred during the year	-	-	(9.04)	-	-
	Dividend Received	-	0.15	0.15	0.15	0.15
	Net Cash from Investing Activities	(5020.20)	(535.62)	(5112.13)	(1824.13)	(9764.63)
C	Cash Flow from Financing Activities					
	Proceeds from Issue of Share Capital	1000.00	-	-	685.00	-
	Finance Expenses (Net)	-	(536.72)	(556.59)	(872.07)	(595.23)
	Proceeds from long term borrowings	4420.60	923.59	3485.60	151.29	9868.60
	Dividend paid	-	-	(23.93)	-	-
	Expenditure on raising Capital	(44.08)	-	-	-	-
	Redemption of Preference Shares				(185.00)	-
	Net Cash from Financing Activities	5376.52	386.87	2905.08	(220.79)	9273.37
D	Net Increase in Cash and Cash Equivalent	311.64	(188.02)	129.01	718.97	(168.17)
	Opening Balance Cash and Cash Equivalent	-	311.64	123.62	252.63	971.59
	Closing Balance Cash and Cash Equivalent	311.64	123.62	252.63	971.59	803.42

ANNEXURE – V

Accounting Ratios

(i)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
Earning Per Share (EPS) (Rs.)	N.A.	(1.58)	7.57	8.38	1.22
Return on Net Worth (%)	N.A.	(15.39)	43.05	32.90	5.83
Net Asset Value Per Share (Rs)	11.73	10.26	17.58	25.47	20.97

(ii)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
Weighted Average Number of Equity Shares at the end of the Year [A]	20.20	81.50	81.50	116.31	150.00
Net Profit after Tax available for equity shareholders (Rs. in Lacs) [B]	N.A.*	(128.69)	616.81	974.80	183.74
Earning per share (In Rs.) [C = B/A]	N.A.	(1.58)	7.57	8.38	1.22
Net Worth	955.91	836.04	1432.76	2962.92	3146.66

* First year of incorporation and company has not commenced commercial production.

Notes:

- (1) Effect of 10660 equity shares issued on 11th May, 2004, 22680 shares issued on 12th May, 2004, 16660 shares issued on 13th May, 2004, 1100 shares issued on 30th August, 2004 and 8098900 shares issued on 2nd January, 2005, as fully paid shares, is given for calculation of EPS on all respective reported years.

Formula:

$$\begin{aligned} \text{Earning per Share} &= \frac{\text{Net Profit after Tax available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}} \\ \text{Return on Net Worth} &= \frac{\text{Net Profit after Tax available for equity shareholders}}{\text{Net Worth}} \\ \text{Net Asset Value per Share} &= \frac{\text{Net Worth}}{\text{Number of equity shares outstanding at the end of the year}} \end{aligned}$$

ANNEXURE – VI

Details of Investments

Particulars	AS AT MARCH 31,				
	2005	2006	2007	2008	2009
Unquoted Investment					
Shares of Cosmos Co-Operative Bank Ltd.	1.00	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00	1.00

(Rs. in Lacs)

ANNEXURE – VII

Details of Sundry Debtors

(Rs. in Lacs)

Particulars	AS AT MARCH 31,				
	2005	2006	2007	2008	2009
Considered Good					
More than Six Months	-	1.21	2.40	24.78	337.25
Less than Six Months	-	825.67	360.79	499.12	671.29
Considered Doubtful					
More than Six Months	-	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-	-
Total	-	826.88	363.19	523.90	1008.54

There are no beneficiaries of Debtors of the company, who are in any way related to the Promoter/Directors of the Company as on 31st March 2009.

ANNEXURE – VIII

Loans and advances (Unsecured, Considered Good)

(Rs. in Lacs)

Particulars	AS AT MARCH 31,				
	2005	2006	2007	2008	2009
Advances Recoverable in cash or in kind or for value to be received	16.63	22.25	21.41	165.81	76.47
Deposits	1.68	15.93	86.20	100.58	2234.58
Income Tax	3.34	3.34	0.56	173.82	269.76
Loans and Advances (Others)	6.88	15.21	59.99	215.68	179.46
Advances to Suppliers	9.90	9.99	19.94	38.80	29.00
Total	38.43	66.72	188.10	694.69	2789.27

There are no beneficiaries of Loans and Advances of the company, who are in any way related to the Promoter/Directors of the Company as on 31st March, 2009.

ANNEXURE – IX

Details of Other Income

(Rs. in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
Profit on sale of assets	-	33.17	-	-	-
Dividend Income	-	-	0.14	0.14	0.14
Interest on Income Tax Refund	-	-	0.22	-	-
Sales Tax Refund	-	-	0.24	2.73	16.60
Insurance Claim Received	-	-	12.01	0.65	2.32
Others	-	-	-	1.02	-
Total	-	33.17	12.61	4.54	19.06

ANNEXURE – X

Statement of Tax Shelters

(Rs. in Lacs)

Particulars		FOR THE YEAR ENDED MARCH 31,				
		2005	2006	2007	2008	2009
Profit before Tax as per Books	A	N.A	(124.49)	1020.20	1158.79	305.72
Tax Rate						
- Normal		N.A	33.66%	33.66%	30.90%	30.90%
- MAT		N.A	8.42%	11.22%	11.33%	11.33%
Notional tax at normal rates		N.A	N.A	343.40	358.07	94.47
Permanent Differences						
Other Adjustments/Disallowances		N.A	Nil	13.30	27.07	6.78
Total	B	N.A	Nil	13.30	27.07	6.78
Timing Differences						
Difference between Tax Depreciation and Book Depreciation		N.A	(1017.21)	(1335.63)	(90.22)	175.04
Other Adjustments		N.A	(33.17)	Nil	129.71	(10.64)
Total	C	N.A	(1050.38)	(1335.63)	39.49	164.40
Net Adjustment (B + C)	D	N.A	(1050.38)	(1322.33)	66.56	171.18
Tax Expenses / (Savings) thereon		N.A	(353.56)	(445.10)	20.54	52.90
Profit/(Loss) as per Income Tax (A+D)	E	N.A	(1174.86)	(302.13)	1225.35	476.90
Brought forward Loss Adjusted	F	N.A	Nil	(1174.86)	(1476.99)	(251.64)
Profit/(Loss) as per Income Tax Return	E+F	N.A	(1174.86)	(1476.99)	(251.64)	225.26
Taxable Income as per MAT		N.A	(124.49)	721.09	1158.79	305.71
Tax as per return of income		N.A	Nil	80.91	131.29	31.58

ANNEXURE – XI

Segment Information

Activity Based

The Company operates in only one product category - Optical Storage Media that includes CDR's and DVDR's during the period; hence Segment reporting based on activity is not applicable.

Geographically Based

(Rs. in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,									
	2005		2006		2007		2008		2009	
	%	Sales	%	Sales	%	Sales	%	Sales	%	Sales
Domestic	-	-	79%	3278.32	99%	5623.02	95%	8642.88	99%	7235.58
Export	-	-	21%	849.80	1%	28.31	5%	449.58	1%	86.09
Total	-	-	100%	4128.12	100%	5651.33	100%	9092.46	100%	7321.67

ANNEXURE – XII

Details of Unsecured Loan

(Rs. in Lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2005	2006	2007	2008	2009
From Directors / Promoters	524.65	1057.26	846.47	1323.97	917.62
From Group / Associate Companies	-	333.79	283.65	1167.57	2584.72
From Others	457.07	726.10	969.62	681.56	1075.10
Total	981.72	2117.15	2099.74	3173.10	4577.44

Note: The above unsecured loans do not carry any terms and conditions and may be recalled by the lenders at any time.

ANNEXURE – XIII

Details of Contingent Liabilities

(Rs. in Lacs)

Particulars		AS AT MARCH 31,				
		2005	2006	2007	2008	2009
1	Bank Guarantee Issued by the Bank on behalf of the Company	306.40	353.73	502.16	500.76	*500.76
2	Liability towards Royalty remittance in Foreign currency on DVD manufacturing/ sale.	-	8.58	-		
3	Capital Commitments	-	-	-	7771.92	-
4	Excise Refund Recognized as income	-	-	-	-	**63.42
5	Disputed Income Tax Assessment dues	-	-	-	-	***13.70

* The Company has imported various Capital Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, through various licenses, at concessional rates of Custom Duty on an undertaking to fulfill quantified exports within a period of eight years from the date of the respective licenses. The Custom Duty so saved amounts to Rs.2538.56 Lacs and the corresponding Export obligation as on 31st March, 2009 to be fulfilled is Rs.18933.48 Lacs. If the said export is not made within the stipulated time period; the Company is required to pay the said saved Custom Duty together with Interest @ 15% p.a. Bank Guarantee of Rs.500.76 Lacs as on March 31, 2009, were issued against the said EPCG Licenses.

** The Company falls under 1st Schedule to Central Excise Tariff Act, 1985 (5 of 1985). The unit was set up after 31-07-2001 and hence been eligible for Excise Refund benefit envisaged in Notification No:39/2001-CE dated 31-07-2001 as amended. Hence the Company applied to Central Excise Department for Excise Refund and the Department approved the same. The Company commenced commercial production of its first phase on 04-04-2005 with five manufacturing lines and doubled its capacity in January 2007 by adding five more manufacturing lines. The Company was duly in receipt of Excise Refund on the first five lines till the financial year 2007-2008, however from financial year 2008-2009 the Excise Department rejected the Excise Refund claim even for the first five lines. Currently Company is under the appeal with tribunal regarding Excise Refund, however the same is not sanctioned till Balance Sheet date and pending with the authority. Thus during the year the Company has recognized Excise Refund amount of Rs.63,41,853 which is proportionate to first five lines as income and shown as receivable in the Balance Sheet and thus if the Company loses the claim of Refund in the litigation income recognized during the year will not be materialized.

Name of the statute	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	13,28,911	F.Y. 2006-2007	Commissioner of Income Tax (Appeals).
Income Tax Act, 1961	40,732	F.Y. 2004-2005	Commissioner of Income Tax (Appeals).

Total	13,69,643		
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ANNEXURE – XIV

Details of Secured Loan

(Rs. in Lacs)

Particulars		AS AT MARCH 31,				
		2005	2006	2007	2008	2009
	Term Loans from Financial Institutions and Banks					
1	State Bank of India	-	-	461.37	1653.82	1332.84
2	Cosmos Co-op Bank Ltd	3000.00	2671.24	1963.20	824.58	2000.00
	Sub Total (A)	3000.00	2671.24	2424.57	2478.40	3332.84
	Specific Term Loans from Financial Institutions and Banks – Vehicle Loans					
1	ICICI Bank	11.04	22.22	10.06	-	7.55
2	Kotak Mahindra Bank	-	2.40	1.29	0.11	-
	Sub Total (B)	11.04	24.62	11.35	0.11	7.55
	Cash Credit Accounts					
1	Cosmos Co-op Bank Limited	250.46	531.18	639.55	756.38	1347.51
2	Cosmos Co-op Bank Limited (LC)	-	-	0.04	-	2.96
3	State Bank of India	-	-	529.30	78.93	99.61
	Sub Total (C)	250.46	531.18	1168.89	835.31	1450.08
	Overdraft Accounts					
1	Cosmos Co-op Bank Limited	177.38	-	-	-	-
	Sub Total (D)	177.38	-	-	-	-
	Buyers Credit					
1	State Bank of India	-	-	3125.24	1903.06	9403.10
	Sub Total (E)	-	-	3125.24	1903.06	9403.10
	Foreign Currency Loans					
	State Bank of India	-	-	-	441.10	457.70
	Sub Total (F)	-	-	-	441.10	457.70
	Stand by Line of Credit					
	State Bank of India	-	-	-	150.00	-
	Sub Total (G)	-	-	-	150.00	-
	Total Secured Loans (A+B+C+D+E)	3438.88	3227.04	6730.05	5807.98	14651.27

Notes:

- (1) Term Loans are secured against the first charge created by mortgage on all the existing and future assets situated at Bhachau (Kutch)
- (2) Vehicle Loans are secured by mortgage of vehicles.
- (3) Cash Credit & Other facilities are secured against the first charge created by Hypothecation of Stock and Book debts & other current assets and second charge created on existing as well as future fixed assets of the Company situated at Bhachau (Kutch) and against the Personal Guarantees given by the Directors and their relatives.

Details of Secured Loans outstanding as on March 31, 2009						(Rs in Lacs)
Bank /Financial Investment	Nature of Loan	Sanctioned Amount	Balance as on 31.03.09	Rate of Interest (p.a.)	Securities Offered	Fees/Pricing and Repayment Schedule
ICICI Bank Limited	Vehicle Loan	10.00	7.55	10.64%	Secured by hypothecation of specified vehicle against which	Repayable in 36 Monthly Installments w.e.f. 10.07.08

Details of Secured Loans outstanding as on March 31, 2009						(Rs in Lacs)
Bank /Financial Investment	Nature of Loan	Sanctioned Amount	Balance as on 31.03.09	Rate of Interest (p.a.)	Securities Offered	Fees/Pricing and Repayment Schedule
					finance is obtained	
State Bank of India	Term Loan-I	3600.00*	1332.84	1.00% Above SBAR, present effective rate 13.25% p.a. with monthly rests (Reset due on 21-01-2011)	Secured against the first pari passu charge over entire existing and proposed fixed assets of the company along with other consortium member.	Interest @ 13.25% p.a. and rupee loan of Rs.36.00 crores is repayable in 60 Monthly installments payable from April 2007.(First 12 monthly installments = 0.25 crores each, Next 12 monthly installments = 0.50 crores each, Next 12 monthly installments = 0.65 crores each, Next 24 monthly installments = 0.80 crores
	Term Loan-II	8000.00**	0.00	0.75% below SBAR, proposed to be minimum 12% p.a. ranking pari-passu with biennial reset from the date of sanction. Reset due on 24-12-2009)	Secured against the first charge over entire fixed assets of Solar Cell Unit coming up in SEZ at Kutch and proposed to be acquired by TL-II ranking pari-passu with Cosmos Bank.	Repayment will start from December 2010 quarters: 2010-11 Last 2 Quarters = Rs.0.60 Crores each, From F.Y. 2011-12 to F.Y. 2014-15 Rs.4.20 Crores per quarter and in 2015-16, 2 Quarters of Rs.4.20 Crores each and last one of Rs.3.20 Crores.
Cosmos Co-operative Bank	Term Loan	3375.00	2000.00	13.00%	Hypothecation of Indigenous Machinery and other fixed assets of the company situated at Bhachau (Kutch), Gujarat.	Repayable in 69 Months (Including 9 months moratorium period ending December 2009)

*Out of Term Loan of Rs.3600 Lacs the Company partly availed the term loan, and the balance outstanding Rs.1332.84 Lacs. For balance, letter of credit was opened, against which the company has taken buyers credit facility from the bank, details of which are mentioned below:

- (1) Bank of Baroda – Offshore Banking Unit, Port Louis = This Buyers Credit is for a period of 355 days for an amount of Euro 1827612/-with Libor 5.48500 + 75 BPS = 6.23% p.a., balance as on 31-03-09 is Rs 1239.49 Lacs
- (2) State Bank of India -London = This Buyers Credit is for a period of 178 days for an amount of USD 1384614.03 (Euro 897701/-) with Libor +2.00 = 3.80% p.a., balance as on 31-03-09 is Rs.704.77 Lacs

**Out of Term Loan of Rs.8000 Lacs the Company has not availed the term loan. However the Company has taken buyers credit facility from the bank which is for the period of around 180 days total amounting to Euro 10998000 with interest rate

of Libor + 2% per annum from various banks. The outstanding balance on account of Buyers credit as valued is Rs. 7458.84 Lacs

Details of Secured Working Capital Loans as on March 31 st , 2009						(Rs in Lacs)
Bank /Financial Investment	Nature of Loan	Sanctioned Amount	Balance as on 31.03.09	Rate of Interest (p.a.)	Securities Offered	
State Bank of India	Cash Credit / WCDL FCNRB DL	550.00	99.61 457.70	At SBAR, presently 12.25% p.a with monthly rests.	Secured against Hypothecation of entire Current assets such as Stock of Raw Materials, Stock in Process, Finished Goods, stores, Spares, book debts etc. on Pari-Passu basis along with other consortium member.	
Cosmos Co-operative Bank	Cash Credit /WCDL	965.00	1347.51	13.50%	--- do ---	
	Cash Credit AD HOC	500.00		15.50%	--- do ---	
Cosmos Co-operative Bank	Cash Credit LC		2.96		--- do ---	

ANNEXURE – XV

Related Party Disclosures

For the year ended March 31, 2005

The company has transactions with following related parties:

(a) Promoters/ Directors

Nenshi L. Shah	Rayshi L. Shah	Hitesh S. Shah
Suresh L. Shah	Harshit Shah	--

(b) Key Management Personnel

Chirag R. Shah	--	--
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(c) Relatives of Promoters/ Directors

Dhaval S Shah	Gunvantiben L Shah	Ladhabhai S. Shah–HUF
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(d) Associate Concerns

Euro Ceramics Ltd	Kanch Ghar	Subhnen Décor Private Ltd
Tangent Furniture Private Ltd.	Lyons Technologies Ltd.	Subhnen Ply Private Ltd.
Subhnen Finance & Investment Private Ltd.	Neelam Metal & Hardware	Link Estate Private Ltd.

(Rs. in Lacs)

Transaction / Nature Relationship	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Receiving of Services	-	-	-	29.81
Purchase of goods and services	-	-	-	19.00
Remuneration of Directors	-	4.00	-	-
Loans & Advances Obtained *	524.65	-	75.27	60.36
Loans & Advance Given *	-	-	-	357.53

* Represents Closing Balance as at year end.

For the year ended March 31, 2006

The company has transactions with following related parties:

(a) **Promoters/ Directors**

Nenshi L. Shah	Rayshi L. Shah	Hitesh S. Shah
Suresh L. Shah	Chirag R. Shah	--

(b) **Key Management Personnel**

Chirag R. Shah	--	--
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(c) **Relatives of Promoters/ Directors**

Dhaval S Shah	Gunvantiben L Shah	Ladhabhai S. Shah–HUF
Harshit Shah	--	--

(d) **Associate Concerns**

Euro Ceramics Limited	Kanch Ghar	Subhnen Décor Private Ltd.
Tangent Furniture Private Ltd.	Lyons Technologies Ltd.	Subhnen Ply Private Ltd.
Subhnen Finance & Investment Private Ltd.	Neelam Metal & Hardware	Link Estate Private Ltd.
Euro Merchandise (India) Ltd	--	--

(Rs. in Lacs)

Transaction / Nature Relationship	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Receiving of Services	-	-	-	509.12
Purchase of goods and services	-	-	-	1117.38
Remuneration of Directors	-	4.80	-	-
Loans & Advances Obtained *	1057.26	-	57.55	500.59
Loans & Advance Given *	-	-	-	-

* Represents Closing Balance as at year end.

For the year ended on March 31, 2007

The company has transactions with following related parties:

(a) **Promoters/ Directors**

Nenshi L. Shah	Rayshi L. Shah	Hitesh S. Shah
Suresh L. Shah	Chirag R. Shah	--

(b) **Key Management Personnel**

Chirag R. Shah	Hitesh S. Shah	Suresh L. Shah
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(c) **Relatives of Promoters/ Directors**

Dhaval S Shah	Gunvantiben L Shah	Ladhabhai S. Shah – HUF
Manjri H. Shah	Shantilal L. Shah	Harshit Shah

(d) **Associate Concerns**

Euro Ceramics Limited	Kanch Ghar	Subhnen Décor Private Ltd.
Tangent Furniture Private Ltd.	Lyons Technologies Ltd.	Subhnen Ply Private Ltd.
Subhnen Finance & Investment Private Ltd.	Paras Plastic	Subhnen Veneers Private Ltd.
National Laminates Corporation	Euro Floorings Private Ltd.	Neelam Metal & Hardware
Kevin Impex Private Ltd.	Neelam Ply & Laminates	

(Rs. in Lacs)

Transaction / Nature Relationship	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Receiving of Services	-	-	-	254.03
Purchase of goods and services	-	-	-	72.28
Rendering of Services				0.32
Remuneration of Directors	-	7.80	-	-
Donation	-	-	-	3.00
Loans & Advances Obtained *	846.47	-	53.12	716.80
Loans & Advance Given *	-	-	-	-

* Represents Closing Balance as at year end.

For the year ended on March 31, 2008

The company has transactions with following related parties:

(a) **Promoters/ Directors**

Nenshi L. Shah	Rayshi L. Shah	Hitesh S. Shah
Suresh L. Shah	Chirag R. Shah	--

(b) **Key Management Personnel**

Chirag R. Shah	Hitesh S. Shah	Suresh L. Shah
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(c) **Relatives of Promoters/ Directors**

Dhaval S. Shah	Gunvantiben L. Shah	Ladhabhai S. Shah – HUF
Manjri H. Shah	Shantilal L. Shah	Sonalben Shantilal Shah
Shantaben L. Shah	--	--

(d) **Associate Concerns**

Euro Ceramics Limited	Kanch Ghar	Subhnen Décor Pvt. Ltd.
Tangent Furniture Pvt. Ltd.	Lyons Technologies Ltd.	Subhnen Ply Pvt. Ltd.
Subhnen Finance & Investment Pvt. Ltd.	Paras Plastic	Subhnen Veneers Pvt. Ltd.
Euro Glass	Euro Floorings Pvt. Ltd.	Neelam Metal & Hardware
Ladhabhai Sanganbhai Gala Charitable Trust	Neelam Ply & Laminates	Euro Foundation
National Ply & Laminates	Gurukul Enterprises Pvt Ltd	--



(Rs. in Lacs)

Transaction / Nature Relationship	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Receiving of Services	-	-	-	337.57
Purchase of goods and services	-	-	-	14.92
Rendering of Services				0.77
Remuneration of Directors	-	18.75	-	-
Donation	-	-	-	17.00
Loans & Advances Obtained *	1323.97	-	-	1605.54
Loans & Advance Given *	-	-	-	1.77

* Represents Closing Balance as at year end.

For the year ended on March 31, 2009

The company has transactions with following related parties:

(a) Promoters/ Directors

Nenshi L. Shah	Rayshi L. Shah	Hitesh S. Shah
Suresh L. Shah	Chirag R. Shah	--

(b) Key Management Personnel

Chirag R. Shah	Hitesh S. Shah	Suresh L. Shah
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(c) Relatives of Promoters/ Directors

Manjri H. Shah	(b) Ladhahbai S Shah - HUF	--
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(d) Associate Concerns

Euro Ceramics Limited	Subhnen Décor Pvt. Ltd.	Lyons Technologies Ltd.
Kanchghar	Neelam Metals	Subhnen Ply Pvt. Ltd.
Paras Plastic	Euro Floorings Pvt Ltd.	Subhnen Veneers Pvt. Ltd.
Gurukul Enterprises Pvt Ltd	Euro Glass	Ladhahbai Sanganhbai Gala Charitable Trust
Euro Foundation	Subhnen Finance and Investments Pvt Ltd	Euro Solo Energy Systems Ltd
Disti Multimedia & communication Pvt Ltd	--	--

(Rs. in Lacs)

Transaction / Nature Relationship	Refer to (a) above	Refer to (b) above	Refer to (c) above	Refer to (d) above
Receiving of Services	-	-	-	579.85
Purchase of goods and services	-	-	-	2.67
Rendering of Services				1.67
Remuneration of Directors	-	31.20	-	-
Donation	-	-	-	3.50
Sale of Goods	-	-	-	19.08
Loans & Advances Obtained *	917.62	-	-	3539.82
Loans & Advance Given *	-	-	-	-

* Represents Closing Balance as at year end.



ANNEXURE – XVI

Capitalization Statement

(Rs. in Lacs)

Particulars		Pre Issue as at 31.03.09	Post Issue (Refer Note 1)
Debt			
Secured		14651.27	(*)
Unsecured		4577.44	(*)
Total Debt	A	19228.71	(*)
Shareholder's Funds			
Equity Share Capital		1500.00	(*)
Reserves & Surplus		1646.66	(*)
Less: Miscellaneous Expenditure to the extent not written off		-	(*)
Total Shareholder's Funds	B	3146.66	(*)
Debt – Equity Ratio	A/B	6.10	(*)

Note:

Issue price will be decided in consultation with the Merchant Bankers to the Issue. Therefore these figures will be worked out later on.



FINANCIAL INFORMATION OF GROUP ENTITIES / OTHER VENTURES PROMOTED BY OUR PROMOTERS

Our Promoters have not promoted any ventures, except as mentioned below.

1. EURO CERAMICS LIMITED. (“ECL”)

ECL was originally incorporated as Euro Ceramics Private Limited under the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2002. Subsequently it was converted in to a Public Limited Company on November 16, 2004 bearing registration no. U 26914 MH 2002 PLC 135548. Its registered office is situated at Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai- 400 093, Maharashtra. The Company Identification Number of ECL is L 26914MH2002PLC135548.

ECL had come out with an Initial Public Offering in the FY 2006-07. ECL got listed on the Bombay Stock Exchange Limitedm & National Stock Exchange of India Limited on March 9, 2007.

ECL is engaged inter alia in the business to manufacture, produce, treat, process, design, develop, build, convert, compound, cure, crush, distribute, display, exchange, explore, extrude, extract, excavate, purchase, sell, jobwork, mix, modify, market, operate, prepare and to act as brokers, agents, stockists, collaborators, distributors, suppliers, promoters, adatias, consultants, C & F agents, wholesalers, retailers and sales organizers of all shapes, sizes, varieties, specifications, descriptions, applications and uses of vitrified ceramic and sanitary tiles, calcareous tiles, sanitary wares, ceramic wares, earthen wares, table wares, hotel wares, pressedwares, decorative wares, garden wares, kitchen wares, crokeries, potteries, insulators, terracotta, porcelainware, bathroom accessories, pipes, wall tiles, floor tiles, roofing tiles, porcelain tiles, bricks, building materials, asbestos sheets, poles, blocks, aluminium extruded sections, rods, squares, flats, hexagons, tubes, plumbing fixtures including fittings, parts, accessories, consumables, components & by-products thereof whether made out of mild steel, galvanized or forged steel, brass, copper, aluminium, aluminium alloys, stone materials, calcite, titanium powder, joint material, press papers, compound powder, resins, solicitation materials, gypsum, limestone, porcelain, sand, ores, cement, concrete, asbestos cement, china-clay, pulp, paper, plastic, chemical, stone powder, PVC, rubber, canvas, acrylic, fiber, glass, glass fiber, or any other man made synthetic or natural material or any combination thereof.

Board of Directors

As on June 30, 2009 the Board of Directors of ECL comprises of the following:

Sr. No.	Directors	Designation
1.	Mr. Shantilal L. Shah	Non-Executive Director
2.	Mr. Nenshi L. Shah	Chairman and Managing Director
3.	Mr. Talakshi L. Nandu	Whole-Time Director
4.	Mr. Kumar P. Shah	Whole-Time Director
5.	Mr. Paresh K. Shah	Whole-Time Director
6.	Mr. Pravin Gala	Non-Executive Director
7.	Mr. Shivji K. Vikamsey	Independent Director
8.	Mr. Amit G. Shah	Independent Director
9.	Mr. Anil Mandevia	Independent Director
10.	Mr. Raichand K. Shah	Independent Director
11.	Mr. Jatin R. Chhadva	Independent Director
12.	Mr. Deepak G. Savla	Independent Director

Shareholding Pattern

Shareholding patter of ECL as on June 30, 2009 is as follows:

Category of shareholder	No. of shareholders	Total no. of shares	Total no. of shares held in dematerialized form	Total shareholding as a % of total no. of shares	Shares pledged or otherwise encumbered

				As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian	-	-	-	-	-		
Individuals / Hindu Undivided Family	22	9772092	9772092	57.15	57.15	7468500	76.43
Sub Total	22	9772092	9772092	57.15	57.15	7468500	76.43
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	22	9772092	9772092	57.15	57.15	7468500	76.43
(B) Public Shareholding							
(1) Institutions							
Financial Institutions / Banks							
Foreign Institutional Investors	2	152738	152738	0.89	0.89		
Sub Total	2	152738	152738	0.89	0.89		
(2) Non-Institutions							
Bodies Corporate	228	1512003	1512003	8.84	8.84		
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lac	7626	1685911	1685908	9.86	9.86		
Individual shareholders holding nominal share capital in excess of Rs. 1 lac	28	2251573	2251573	13.17	13.17		
Any Others (Specify)	-	-	-	-	-		
Clearing Members	60	140648	140648	0.82	0.82		
Non Resident Indians	76	1584793	1584793	9.27	9.27		
Trust	1	242	242	0.00	0.00		
Sub Total	8019	7175170	7175167	41.96	41.96		
Total Public shareholding (B)	8021	7327908	7327905	42.85	42.85		
Total (A)+(B)	8043	17100000	17099997	100	100	7468500	76.43
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-		
Total (A)+(B)+(C)	8043	17100000	17099997	100	100	7468500	76.43

Financial Performance

The audited financial accounts of ECL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2009	FY 2008	FY2007
Equity Capital	1710.00	1710.00	1710.00
Reserves and surplus	15682.07	17963.62	16223.36
Total income	21790.70	22845.51	17973.15
Profit/(Loss) after tax	(2281.55)	2831.62	2827.31
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	(13.34)	16.56	23.62
Net Asset Value per share (Rs.)	101.71	115.05	104.87

Share Quotation:

ECL made its public offering on February 7, 2007. ECL is listed on Bombay Stock Exchange Limited & National Stock Exchange of India Limited.

The details of the share prices on the Bombay Stock Exchange Limited during last 6 months are as follows:

Stock Market Data

Highest and Lowest price of shares of ECL on the Bombay Stock Exchange Limited in the last six months:

Month	High (Rs.)	Date of High	Volume on date of High	Low (Rs.)	Date of Low	Volume on date of Low	Total Volume in the Month	Average Price in the Month*
February, 2009	30.05	February 02, 2009	25,306	23.55	February 27, 2009	956	1,11,054	26.20
March 2009	26.40	March 24, 2009	7,832	22.90	March 17, 2009	5803	1,63,917	24.15
April 2009	39.25	April 15, 2009	50,389	25.95	April 01, 2009	2,678	2,94,244	32.11
May 2009	54.55	May 25, 2009	40,458	32.10	May 11, 2009	4,031	41,4661	39.95
June 2009	51.55	June 05, 2009	25,936	37.85	June 30, 2009	2,660	2,20,943	44.93
July 2009	37.80	27 July	5,582	31.80	13 July	3,481	1,29,608	35.70

*Average calculated as mean of closing high and low prices.

(Source: Bombay Stock Exchange Limited, Mumbai official website: www.bseindia.com)

Closing share price on Bombay Stock Exchange Limited as on July 31, 2009 was Rs. 36.90

Market Capitalization on the Bombay Stock Exchange Limited as on July 31, 2009 was Rs. 6292.80 Lacs.

The details of the share prices on the National Stock Exchange Limited during last 6 months are as follows:



Highest and Lowest price of the shares of ECL on the National Stock Exchange Limited in the last six months:

Month	High (Rs.)	Date of High	Volume on date of High	Low (Rs.)	Date of Low	Volume on date of Low	Total Volume in the Month	Average Price in the Month*
February 2009	30.95	February 02,2009	231	23.150	February 27,2009	414	72897	26.05
March 2009	26.60	March 24,2009	24,186	22.85	March 02,2009	1557	84969	24.32
April 2009	39.35	April 15,2009	50590	24.05	April 06,2009	42471	246427	31.96
May 2009	54.70	May 25,2009	34311	32.05	May 06,2009	10158	270852	39.95
June 2009	51.80	June 05,2009	19399	38.25	June 30,2009	560	90004	45.35
July 2009	38.85	July 31, 2009	515	31.25	July 14, 2009	441	32590	35.86

*Average calculated as mean of closing high and low prices.

(Source: National Stock Exchange of India Limited, official website: www.nseindia.com)

Closing share price on National Stock Exchange Limited as on July 31, 2009 was Rs. 38.85.

Market Capitalization on the National Stock Exchange Limited as on July 31, 2009 was Rs. 6,310.00 Lacs.

Notes

- In the above data provided, High, Low and Average prices are of the daily closing prices.
- In case of two days with same closing, the date with higher volume has been considered.

Promise vis-à-vis performance

The details of the schedule of implementation and the actual implementation as on December 31, 2007 is as given below:

Sr. No.	Particulars	Expected Date of Completion	Actual Date of Completion	Reasons for Delay
1	Acquisition of Land	Completed	-	-
2	Building & Civil Works including Site Development	June-07	November-07	Refer Note (i)
3	Placement of Orders for Plant and Machinery	Completed	-	-
4	Supply of Plant & Machinery	May-07	October-07	Refer Note (ii)
5	Installation of Plant & Machinery	August-07	November-07	Refer Note (ii)
6	Commissioning and Trial Run	September-07	December-07	Refer Note (ii)
7	Commencement of Commercial	October-07	January-08	Refer Note (ii)

	Production			
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Notes:

- (i) The shortage of Steel, Cement and labour has delayed the construction.
- (ii) The main Plant and Machinery was supplied by SACMI, Italy. The Shipment of Machinery was delayed by supplier due to non availability of Vessel, holiday for three weeks in Supplier's home country

Investor grievance:

ECL, the listed company, one of our Promoter Group has constituted Investors Grievance Committee for the redressal of routine investor grievances which is redressed within seven working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, ECL seeks to redress these complaints as expeditiously as possible.

ECL has not received any investor complaints except as stated below:

Sr. No	Details of Investor Complaints	No. of Complaints
1.	Complaints pending as on 31/03/2007	Nil
2.	Complaints received from 01/04/2007 to 30/06/2009	155
3.	Complaints redressed during the period 01/04/2007 to 30/06/2009	155
4.	Complaints pending as on 30/06/2009	Nil

2. EURO-SOLO ENERGY SYSTEMS LIMITED. ("EESL")

EESL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated October 29, 2004. Its registration no. is U 31400 MH 2004 PLC 149319 and the registered office is situated at 44/A, Navketan Industrial Estate, opp. Onida, Mahakali Caves Road, Andheri (East), Mumbai-400093, Maharashtra. The Company Identification Number of EESL is U 31400MH2004PLC149319.

EESL is engaged inter alia in the business of manufacturing, producing, processing, purchase, sale, import, export and to act as a wholesaler, retailer, manufacturer dealer, broker, commission agents in all kinds of battery cells and battery.

Board of Directors

As on June 30, 2009 the Board of Directors of EESL comprises of the following:

Sr. No.	Directors
1.	Nikhil L. Chheda
2.	Shailesh L. Chheda
3.	Dhaval S. Shah
4.	Shantilal L. Shah
5.	Subhash L. Shah
6.	Laljibhai K. Shah
7.	Nilesh L. Chheda
8.	Pinank N. Shah

Shareholding Pattern

The shareholding pattern of EESL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held*	Percentage of Shareholding (%)
1.	Shailesh L. Chheda	29,33,800	8.77
2.	Nikhil L. Chheda	72,00,000	21.51
3.	Shantilal L. Shah	1,00,000	0.30
4.	Nenshi L. Shah	1,00,000	0.30

Sr. No.	Shareholders	No. of Shares Held*	Percentage of Shareholding (%)
5.	Dhaval S. Shah	6,77,650	2.02
6.	Lalji K. Shah	1,00,000	0.30
7.	Nilesh L. Chedda	10,21,500	3.05
8.	Manilal M. Gada	50,00,000	14.94
9.	Hemang B. Shah	52,86,220	15.80
10.	Reena H. Shah	28,89,500	8.63
11.	Yogesh C. Shah	6,57,880	1.97
12.	Disti Enterprises Private Limited.	51,77,650	15.47
13.	Lite Source Manufacturing Company	10,86,823	3.25
14.	Portege Corporation Investment Co.	12,34,892	3.69
	Total	3,34,65,915	100.00

*With effect from April 24, 2008 face value of the equity shares were revalued from Rs. 10 to Rs. 1.

Financial Performance

The audited financial accounts of ESESL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006*
Equity Capital	322.21	302.11	7.00
Reserves and surplus	(1060.36)	168.72	Nil
Total income	1398.66	877.72	Nil
Profit/(Loss) after tax	(1349.70)	(723.23)	Nil
Earnings/(Loss) per share (face value Rs. 10)	-	(66.80)	Nil
Earnings/(Loss) per share (face value Rs.10)	(44.79)	-	-
Net Asset Value per share (Rs.)	(26.97)	9.93	(137.83)

* Company was in the process of capitalization. No business was carried out till March 31, 2006.

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

3. EURO BOND INDUSTRIES PRIVATE LIMITED (“EBIPL”)

EBIPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated August 13, 2004. Its registration no is. U 27203 MH 2004 PTC 147987, and its registered office is situated at Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai- 400 093, Maharashtra. The Company Identification Number of EBIPL is U27203MH2004PTC147987.

Eurobond Industries Private Limited is engaged inter alia in the business of manufacturing and dealing in all kinds of aluminium composite panels, architectural fittings, ornaments and jewellery.

Board of Directors

As on June 30, 2009 the Board of Directors of EBIPL comprises of the following:

Sr. No.	Directors
1.	Mr.Nenshi L Shah

2.	Mr. Suresh D Gala
3.	Mr. Gaurav J. Singhvi
4.	Mr. Bharat D Gala
5.	Mr. Chintan S Gada
6.	Mr. Rahul Gada

Shareholding Pattern

The shareholding pattern of EBIPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Suresh Gala	3,77,750	31.70
2.	Hitesh Shah	5,000	0.42
3.	Dhiraj D Gala	3,63,750	30.51
4.	Chintan Gada	68,000	5.70
5.	Bharat Gala	50	Negligible
6.	Rahul Gada	3050	0.26
7.	Nenshi L. Shah	10,050	0.84
8.	Naina S Gala	1,11,500	9.35
9.	Prabha B Gala	1,11,500	9.35
10.	Rinkle R Gada	5,000	0.42
11.	Disti Multimedia & Communication Private Limited	5,000	0.42
12.	Pinank N. Shah	5,000	0.42
13.	Mr. Subhash L. Shah	5,000	0.42
14.	Shakuntala J. Singhvi	2,000	0.17
15.	Jay G. Singhvi	2,000	0.17
16.	Pratik G. Singhvi	2,000	0.16
17.	Gaurav J. Singhvi	2,000	0.17
18.	Jaya G. Singhvi	2,000	0.17
19.	Meena D Gala	1,11,500	9.35
	TOTAL	11,92,150	100.00

Financial Performance

The audited financial accounts of EBIPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	119.22	119.22	119.22
Reserves and surplus	3499.86	1744.88	685.07
Total income	5900.54	3310.22	698.14
Profit/(Loss) after tax	1754.98	1059.81	34.72
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	147.21	88.90	5.23
Net Asset Value per share (Rs.)	303.58	156.36	67.46

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

4. EURO DEVELOPERS PRIVATE LIMITED (“EDPL”)

EDPL was incorporated on April 30, 2004 as “Euro Developers Limited” under the Companies Act, 1956, bearing registration no. U 45200 MH 2004 PTC 146047. Subsequently on October 10, 2005 it was changed to “Euro Developers Private Limited”.



It's registered office is situated at B 119/120, Durian Estate, Goregaon Mulund Link Road, Goregaon (East), Mumbai 400 063, Maharashtra. The Company Identification Number of EDPL is U45200MH2004PTC146047.

EDPL is engaged inter alia in the business of construction and development of properties.

Board of Directors

As on June 30, 2009 the Board of Directors of EDPL comprises of the following:

Sr. No.	Directors
1.	Mr. Nenshi L. Shah
2.	Mr. Mahesh M. Doshi
3.	Mr. Bhagwanji M. Patel

Shareholding Pattern

The shareholding pattern of EDPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Mr. Nenshi L. Shah	2,500	3.82
2.	Mr. Mahesh M. Doshi	2,500	3.82
3.	Mr. Kanaiyalal R. Patel	700	1.07
4.	Mr. Dhaval S. Shah	500	0.76
5.	Mr. Hitesh S. Shah	500	0.76
6.	Mr. Chintan M. Doshi	1,000	1.53
7.	Mrs. Jyoti M. Doshi	2,500	3.82
8.	Mr. Ashok H. Bisani & Mrs. Pushpa A. Bisani	6,900	10.53
9.	Ms. Nikita Ashok Bisani & Ms. Ruchika A. Bisani	2,000	3.05
10.	Mr. Roshan Ramesh Bisani	1,000	1.53
11.	Mrs. Gunvantiben Nenshi Shah	1,000	1.53
12.	Mr. Shantibhai L. Shah & Mrs. Sonalben Shantilal Shah	2,000	3.05
13.	Mr. Laljibhai K. Shah & Mrs. Shantaben Laljibhai Shah & Subhash Laljibhai Shah & Daksha Subhash Shah	4,000	6.11
14.	Ratanshi Khimji Patel (HUF)	800	1.22
15.	Chandrakant R. Patel (HUF)	700	1.07
16.	Mr. Chandrakant Ratanshi Patel	900	1.37
17.	Mr. Vimalkumar Rathi & Mrs. Manorama Vimalkumar Rathi	100	0.15
18.	Mr. Sharad Vimalkumar Rathi & Mrs. Sonal Sharad Rathi	100	0.15
19.	Mahesh M. Doshi (HUF)	2,000	3.05
20.	Ms. Hetal M. Doshi	1,000	1.53
21.	Mr. Gaurishankar Shyamsunderlal Chandak & Geetadevi Chandak	2,000	3.05
22.	Mr. Shivkumar Gaurishankar Chandak Mrs. Ranjana S. Chandak & Mr. Raunak S. Chandak	3,000	4.58
23.	Ms. Sarla L. Chandak & Mr. Pavan Chandak	5,000	7.63
24.	Mrs. Nandini K. Patel	700	1.07
25.	Ms. Renuka C. Patel	700	1.07

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
26.	Ms. Bhakti H. Patel & Ms. Mitali H. Patel	1,400	2.14
27.	Mr. Hemag K. Khetani & Mr. Chintan K. Khetani	1,400	2.14
28.	Himmat Ratanshi Patel (HUF)	700	1.07
29.	Mr. Himmat R. Patel & Mrs. Damyanti H. Patel	1,400	2.14
30.	Kaniyalal R. Patel (HUF)	600	0.92
31.	Mrs. Mamta K. Gosaliya	1,000	1.53
32.	Mr. Valji M. Patel	1,000	1.53
33.	Mr. Jagdish K. Patel	1,000	1.53
34.	Mr. Jayesh V. Patel	1,000	1.53
35.	Mr. Khimji B. Patel	1,000	1.53
36.	Mr. Bhawanji M. Patel & Mrs. Manjula B. Patel	2,000	3.05
37.	Mr. Ranchod M. Patel	1,000	1.53
38.	Jayesh H. Gothi (HUF)	1,000	1.53
39.	Mr. Ramesh H. Patel	1,000	1.53
40.	Mr. Parbat M. Patel	1,000	1.53
41.	Ashok H. Bisani (HUF)	100	0.15
42.	Pravin H. Doshi & Munshi P Doshi	10	0.02
43.	Manorama Rathi & Sonal Rathi	2,400	3.65
44.	Sonal Rathi & Manorama Rathi	2,400	3.65
	TOTAL	65,510	100.00

Financial Performance

The audited financial accounts of EDPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	6.55	6.55	6.55
Reserves and surplus	25.07	(3.54)	(19.28)
Total income	482.39	189.50	6.01
Profit/(Loss) after tax	28.61	15.74	(14.13)
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	43.68	24.03	(21.58)
Net Asset Value per share (Rs.)	48.28	4.60	(19.43)

The company is not listed and has not made any public issue of its shares, Further, no actions has been taken against the company by Stock Exchanges or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

5. EURO FLOORING PRIVATE LIMITED (“EFPL”)

EFPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated November 9, 2005. It's Company Identification Number is U51430 MH 2005 PTC 157221. It's registered office is situated at 339/2, Anant Ramaiah Woolen Mill Factory Compound, Opp. Big Bazar, Bapuji Nagar, Mysore Road, Bangalore - 560026, Karnataka.

EFPL is engaged inter alia in the business of dealing in all kind of flooring materials made up of wood, stone, marble, granite etc.

Board of Directors

As on June 30, 2009 the Board of Directors of EFPL comprises of the following:

Sr. No.	Directors
1.	Ms. Mital Gala
2.	Ms. Richa Gala
3.	Mr. Nenshi L. Shah
4.	Mr. Subhash L. Shah

Shareholding Pattern

The shareholding pattern of EFPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Mr. Subhash L. Shah	900	9.00
2.	Mr. Hitesh S. Shah	800	8.00
3.	Mr. Nenshi L. Shah	890	8.9
4.	Mr. Dhaval S. Shah	800	8.00
5.	Mr. Pinank N. Shah	800	8.00
6.	Mr. Laljibhai Shah	800	8.00
7.	Mrs. Dimple Gala with Mrs. Javerben Gala and Mr. Krishabh Gala	10	0.10
8.	Mr. Krishabh Gala	900	9.00
9.	Ms. Mital Gala	900	9.00
10.	Ms. Dimple Gala	800	8.00
11.	Ms. Heena Vadhia	800	8.00
12.	Mukesh Gala (HUF)	800	8.00
13.	Ms. Richa Gala	800	8.00
	TOTAL	10,000	100

Financial Performance

The audited financial accounts of EFPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006*
Equity Capital	1.00	1.00	1.00
Reserves and surplus	(45.82)	(67.42)	(6.43)
Total income	1139.79	618.30	Nil
Profit/(Loss) after tax	21.60	(60.99)	(6.43)
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	215.96	(609.89)	(64.31)
Net Asset Value per share (Rs.)	(448.24)	(664.21)	(54.31)

* First year of incorporation

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

6. EURO PRATIK ISPAT PRIVATE LIMITED (“EPIPL”)

EPIPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated May 25, 2004 bearing registration no. U27100 MH 2004 PTC 146542. It's registered office is situated at 4, Ushaniketan, Mahant Road, Vile Parle (East), Mumbai – 400 057, Maharashtra. The Company Identification Number of EPIPL is U27100MH2004PTC146542.

Euro Pratik Ispat Private Limited is engaged inter alia in the business of setting up plants for manufacturing and processing and dealing of all types of ferrous and non-ferrous metals.

Board of Directors

As on June 30, 2009 the Board of Directors of EPIPL comprises of the following:

Sr. No.	Directors
1.	Nenshi L. Shah
2.	Suresh D. Gala
3.	Rahul J. Singhvi
4.	Gunvantiben N. Shah

Shareholding Pattern

The shareholding pattern of EPIPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1	Nenshi L. Shah	2,620	0.55
2	Disti Multimedia & Communication Private Limited.	81,250	17.06
3	Subhnen Finance & Investment Private Limited	1,84,810	38.81
4	Suresh D. Gala	62,500	13.12
5	Sonal S. Shah	10,000	2.10
6	Rahul J. Singhvi	4,500	0.94
7	Jaywanti G. Singhvi	1,960	0.41
8	Gaurav J. Singhvi	1,500	0.31
9	Nidhi G. Singhvi	1,000	0.21
10	Shakuntala J. Singhvi	1,000	0.21
11	Anilkant R. Hotha	5	Negligible
12	Kirit R. Shah	5	Negligible
13	Harshad Vadilal Shah	1	Negligible
14	Jagdish Vadilal Shah	1	Negligible
15	Harish Bhogilal Shah	1	Negligible
16	Ajit Bhogilal Shah	2	Negligible
17	Jaswant M. Singhvi	2,000	0.42
18	Pratik G. Singhvi	500	0.10
19	Mahendra C. Nishar	2,500	0.52
20	Shantaben L. Shah	45,000	9.45
21	Lalji K. Shah	10	Negligible
22	Dhiraj D. Gala	10	Negligible
23	Dhaval S. Shah	10	Negligible
24	Daksha S. Shah	10	Negligible
25	Gurukul Enterprises Private Limited.	75,000	15.75
	Total	4,76,195	100.00

Financial Performance

The audited financial accounts of EPIPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	47.62	47.62	47.62
Reserves and surplus	521.02	426.34	415.27
Total income	2567.64	1303.59	126.83
Profit/(Loss) after tax	94.68	11.07	(4.30)

Earnings/(Loss) per share (face value Rs. 10) (Rs.)	19.88	2.31	(0.90)
Net Asset Value per share (Rs.)	119.26	99.30	96.90

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

7. EURO MERCHANDISE (INDIA) LIMITED (“EMIL”)

EMIL was incorporated on April 13, 2004 as a private limited company with the registration no. U 51420 MH 2004 PLC 145654 as Euro Merchandise (India) Private Limited and subsequently on June 9, 2004 it became a public limited company as Euro Merchandise (India) Limited having its registered office at Ground Floor, Boston House, Suren Road, Andheri (East), Mumbai – 400 093, Maharashtra.

EMIL is engaged in the business of trading of wall and floor tiles, which include varieties like ceramic, glazed porcelain and rustic tiles. It is engaged in trading of tiles, which are as per the international standards.

Board of Directors

As on June 30, 2009 the Board of Directors of EMIL comprises of the following:

Sr. No.	Directors
1.	Mr. Nenshi L. Shah
2.	Mr. Talakshi L. Nandu
3.	Mr. Paresh K. Shah
4.	Mr. Nitesh P. Shah
5.	Mr. Pratik K Shah
6.	Mr. Amit G. Shah
7.	Mr. Atreya Lakhotia
8.	Mr. Ranchod Patel

Shareholding Pattern

The share holding pattern of EMIL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Euro Ceramics Limited	189,994	99.99
2.	Nenshi L. Shah as nominee of Euro Ceramics Limited	1	Negligible
3.	Talakshi L. Nandu as nominee of Euro Ceramics Limited	1	Negligible
4.	Kumar P. Shah as nominee of Euro Ceramics Limited	1	Negligible
5.	Paresh K. Shah as nominee of Euro Ceramics Limited	1	Negligible
6.	Gunvantiben N. Shah as nominee of Euro Ceramics Limited	1	Negligible
7.	Nitesh P. Shah as nominee of Euro Ceramics Limited	1	Negligible
	Total	190,000	100.00



Financial Performance

The audited financial accounts of EMIL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	19.00	19.00	19.00
Reserves and surplus	689.23	378.49	156.67
Total income	6128.37	3928.28	1,458.13
Profit/(Loss) after tax	310.74	221.82	49.15
Earnings/(Loss) per share (face value Rs. 10) (Rs.)*	163.55	116.75	42.66
Net Asset Value per share (Rs.)	372.75	209.21	92.46

*Computed on the basis of earnings including extraordinary items

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

8. EURO DECOR PRIVATE LIMITED (“EUDPL”)

EUDPL was incorporated as Subhnen Décor Private Limited under the Companies Act, 1956 vide Certificate of Incorporation dated June 30, 1997 bearing registration no. 11-109078. Subsequently the name of EUDPL was changed from Subhnen Décor Private Limited to Euro Décor Private Limited vide fresh certificate of incorporation dated May 09, 2008. It's registered office is situated at Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai- 400 093, Maharashtra. The Company Identification Number of SDPL is U20200MH1997PTC109078.

SDPL is engaged inter alia in the business of manufacturing, selling, exporting, importing and dealing with all kinds and size of pre-laminated board, MDF board, medium density fiber board, chip board, or particle board or any quality of board, laminated sheets including decorative and industrial laminates, plywood, wallpapers, furnishing and furniture.

With effect from April 01, 2006, Subhnen Veneers Private Limited (“SVPL”), one of our Promoter Group Company was amalgamated into Subhnen Décor Private Limited under the scheme of amalgamation as approved by the High Court of Bombay vide order dated March 07, 2008.

Details of Scheme of Amalgamation:

Pursuant to the scheme of amalgamation, all the assets and liabilities in the name of Subhnen Veneers Private Limited were transferred to Subhnen Décor Private Limited. Further vide the scheme of amalgamation, Subhnen Décor Private Limited allotted 1 fully paid up equity share of face value Rs. 10 each to every member of Subhnen Veneers Private Limited whose name appear in the register of members of Subhnen Veneers Private Limited against every 11 equity shares of face value Rs. 10 each held by the members in Subhnen Veneers Private Limited. Also each preference shareholder of Subhnen Veneers Private Limited were allotted 1 fully paid up equity share of face value Rs. 10 each of Subhnen Décor Private Limited for every 52 redeemable non cumulative preference share of Rs. 10 each held by the preference shareholders in Subhnen Veneers Private Limited.

Board of Directors

As on June 30, 2009 the Board of Directors of SDPL comprises of the following:

Sr. No.	Directors
1.	Mr. Hansraj K. Gala
2.	Mr. Subhash Laljibhai Shah
3.	Mr. Jitendra P. Nandu
4.	Mr. Dhiraj P. Nandu

Shareholding Pattern

The shareholding pattern of SDPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Nenshi L. Shah and Gunvantiben N. Shah	14,546	4.17
2.	Subhash Laljibhai Shah and Daksha S. Shah	19,546	5.60
3.	Nenshi L. Shah (HUF)	12,727	3.65
4.	Shantilal L. Shah and Sonalben S. Shah	16,546	4.74
5.	Shantilal L. Shah (HUF)	3,227	0.93
6.	Hitesh S. Shah and Sonalben S. Shah	14,818	4.25
7.	Laljibhai K. Shah and Shantaben L. Shah	24,546	7.04
8.	Laljibhai K. Shah (HUF)	10,055	2.88
9.	Hansraj K. Gala and Sushila H. Gala	600	0.17
10.	Sushila H. Gala and Hansraj K. Gala	500	0.14
11.	Jayantilal L. Nishar and Rekha J. Nishar	500	0.14
12.	Daksha S. Shah	21,079	6.04
13.	Sonalben Shantilal Shah	11,818	3.39
14.	Mrs. Rekha J. Nishar	500	0.14
15.	Kirti D. Shah	500	0.14
16.	Subhash L. Shah (HUF)	500	0.14
17.	Dhaval S. Shah	1,10,000	31.53
18.	Meghiben L. Shah	1,900	0.54
19.	Dhiraj P. Nandu and Jyoti D. Nandu	4564	1.31
20.	Kokila L. Shah	7,200	2.06
21.	Rinkal S. Shah	8,150	2.34
22.	Shantaben L. Shah	2,827	0.81
23.	Lakhamshi B Shah (HUF)	100	0.03
24.	Gunvantiben N. Shah	1,918	0.55
25.	Shantilal Dungarshi Maru	10	Negligible
26.	Jayant Gada, Prabha Gada and Swati L. Gada	16	Negligible
27.	Sejal N. Shah and Navin Kanji Shah	10	Negligible
28.	Padamshi Kanji Shah (HUF)	10	Negligible
29.	Sunil H Madhani and Vidula H. Madhani	10	Negligible
30.	Varsha P. Shah and Padamshi Kanji Shah	10	Negligible
31.	Nirmal Associates	10	Negligible
32.	Popatlal B. Nandu and Shantaben P. Nandu	7,250	2.08
33.	Jitendra P. Nandu (HUF)	10	Negligible
34.	Bhachu Rina Nandu	3,636	1.04
35.	Bhachu Rina Nandu (HUF)	3,636	1.04
36.	Dhiraj P. Nandu (HUF)	1,818	0.52
37.	Gomaben B. Nandu	3,636	1.04
38.	Jitendra P. Nandu	5,465	1.57
39.	Jyoti Dhiraj Nandu	4,555	1.31
40.	Popatlal B. Nandu (HUF)	1,818	0.52
41.	Shantaben P. Nandu	5,324	1.53
42.	Hetal Jitendra Nandu	9	Negligible
43.	Lyons Technologies Limited	22,923	6.57
	TOTAL	34,8,823	100.00

Financial Performance *

The audited financial accounts of EUDPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	34.88	24.19	24.19
Reserves and surplus	554.27	279.47	99.46
Total income	6048.96	4460.47	3361.48
Profit/(Loss) after tax	182.97	180.01	201.02
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	52.45	72.64	83.31
Net Asset Value per share (Rs.)	168.90	125.50	51.07

* - The financials provided above for the fiscal year ended 2008 have been given on a consolidated basis post the amalgamation of Subhnen Veneers Private Limited with Euro Decor Private Limited. Financials for the Fiscal year ending 2006 and Fiscal year ending 2007 are on a standalone basis.

The audited financial accounts of SVPL for the last two years are as follows *:

Particulars	FY2007	FY2006
Equity Capital	24.19	24.19
Reserves and surplus	279.47	99.46
Total income	4460.47	3361.48
Profit/(Loss) after tax	180.01	201.02
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	72.64	83.31
Net Asset Value per share (Rs.)	125.5	51.07

* All figures on a standalone basis before the amalgamation of SVPL with EUDPL.

The company is not listed and has not made any public issue of its shares. Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

9. SUBHNEN PLY PRIVATE LIMITED (“SPPL”)

SPPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated March 15, 1995 bearing registration no. 11-86503. Its registered office is situated at 209, Sangam Arcade, Vallabhbaai Road, Vila Parle (West), Mumbai- 400046, Maharashtra. The Company Identification Number of SPPL is U99999MH1995PTC086503.

SPPL is engaged inter alia in the business of manufacturing, selling, exporting, importing and dealing with all kinds and sizes of laminated sheets including decorative and industrial laminates, wood, plywood, boards, wallpapers, furnishings and furniture.

Board of Directors

As on June 30, 2009 the Board of Directors of SPPL comprises of the following:

Sr. No.	Directors
1.	Mr. Nenshi L. Shah
2.	Mrs. Gunvantiben N. Shah

Shareholding Pattern

The shareholding pattern of SPPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1	Mr. Nenshi L. Shah	25,000	8.25
2	Mr. Subhash L. Shah	50,000	16.50
3	Mr. Shantilal L. Shah	25,000	8.25
4	Mr. Laljibhai K. Shah	20,000	6.60

5	Mr. Hitesh S. Shah	20,100	6.63
6	Ladhabhai Shah (HUF)	100	0.03
7	Nenshi L. Shah (HUF)	500	0.17
8	Mrs. Gunvantiben N. Shah	45,000	14.85
9	Mrs. Sonalben S. Shah	45,000	14.85
10	Mrs. Shantaben L. Shah	45,000	14.85
11	Mrs. Daksha S, Shah	100	0.03
12	Shantilal L. Shah (HUF)	200	0.07
13	Laljibhai K. Shah (HUF)	1,010	0.33
14	Mrs. Sushila H. Gala	500	0.17
15	Subhash L. Shah (HUF)	400	0.14
16	Pinank N. Shah	25,000	8.25
17	Mr. Dhaval Shah and Mrs. Forum Shah	110	0.04
18	Rahul Hire Purchase Co.	10	Negligible
	Total	3,03,030	100.00

Financial Performance

The audited financial accounts of SPPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	30.30	30.30	30.30
Reserves and surplus	115.86	93.90	77.97
Total income	1185.78	804.83	1540.50
Profit/(Loss) after tax	21.96	15.93	7.95
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	7.25	5.43	2.62
Net Asset Value per share (Rs.)	48.24	40.99	35.73

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

10. TANGENT FURNITURE PRIVATE LIMITED (“TFPL”)

TFPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated November 13, 2002 bearing registration no. U36100MH2002PTC137849. It’s registered office is situated at “Tangent House” Chincholi Bunder Road, Off. Link Road, Malad (West), Mumbai – 400064, Maharashtra. The Company Identification Number of TFPL is U36100MH2002PTC137849.

TFPL is engaged inter alia in the business of trading, manufacture, deal, buy, sell, exchange, distribute, import, conduct research in or otherwise deal in all kinds of household office furniture’s, accessories, components types of furnitures whether imported or local.

Board of Directors

As on June 30, 2009 the Board of Directors of TFPL comprises of the following:

Sr. No.	Directors
1.	Mr. Shantilal L. Shah
2.	Mr. Shailesh L. Chheda
3.	Mr. Mahesh M. Doshi
4.	Mr. Devji T. Nishar
5.	Mr. Vimal K. Rathi

Shareholding Pattern

The shareholding pattern of TFPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1	Shantilal L. Shah	60,000	30.00
2	Chintan M. Doshi	27,000	13.50
3	Mahesh M. Doshi	5,000	2.50
4	Mahesh M. Doshi (HUF)	3,000	1.50
5	Vimal K. Rathi	9,600	4.80
6	Manorama Rathi & Sonal S. Rathi	100	0.05
7	Sonal S. Rathi & Manorama Rathi	100	0.05
8	Sharad Rathi & Sonal S. Rathi	100	0.05
9	VKSK Rathi (HUF)	100	0.05
10	Shailesh L. Chheda	28,000	14.00
11	Mithiben L. Chheda	12,000	6.00
12	Nitin Devji Nishar	40,000	20.00
13	Jyoti M. Doshi	15,000	7.50
	Total	200,000	100.00

Financial Performance

The audited financial accounts of TFPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	20.00	20.00	20.00
Reserves and surplus	131.90	77.72	45.05
Total income	3265.44	2524.55	1061.78
Profit/(Loss) after tax	53.94	32.67	14.71
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	26.97	16.34	7.36
Net Asset Value per share (Rs.)	75.95	48.86	32.52

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

11. GURUKUL ENTERPRISES PRIVATE LIMITED (“GEPL”)

GEPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated June 28, 2005 bearing registration no. U51909MH2005PTC154308. Subsequently vide fresh certificate of incorporation dated June 20, 2008 the name of GEPL was changed to Nenshi Shah Enterprises Private Limited. Further, from Nenshi Shah Enterprises Private Limited the name of the company was changed to Gurukul Enterprises Private Limited vide fresh certificate of incorporation dated May 13, 2009. It's registered office is situated at F. M. House No. 20, Vallabhkhair Road, Near Railway Cross Lane, Vile Parle (West), Mumbai 400056, Maharashtra. The Company Identification Number of GEPL is U 51909MH2005PTC154308

GEPL is engaged inter alia in the business of buying, selling, dealing, importing, exporting etc in all sorts of goods, articles, items, merchandise, chattels, commodities, etc.

Board of Directors

As on June 30, 2009 the Board of Directors of GEPL comprises of the following:

Sr. No.	Directors
1.	Mr. Hansraj K. Gala,
2.	Mrs. Manjari H. Shah
3.	Mr. Laljibhai K. Shah

Shareholding Pattern

The shareholding pattern of GEPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Mr. Nenshi L. Shah	29,000	7.42
2.	Mrs. Manjari H. Shah	36,565	9.36
3.	Mr. Laljibhai K. Shah	34,875	8.93
4.	Mr. Nimesh Gada	30,000	7.68
5.	Nenshi L. Shah, Gunvanti N. Shah & Sushila Hansraj Gala	35,000	8.96
6.	Shantilal L. Shah & Sonalben Shantilal Shah	35,000	8.96
7.	Subhash L. Shah, Daksha Subhash Shah & Shantilal L. Shah	15,000	3.84
8.	Nenshi L. Shah – (HUF)	35,000	8.96
9.	Romel J. Nishar	35,000	8.96
10.	Jayantilal Nishar	34,965	8.95
11.	Rekha J. Nishar	35,000	8.96
12.	Lyons Technologies Limited	35,000	8.96
13.	Ladhabhai S. Shah (HUF)	10	Negligible
14.	Shamji D. Nishar	50	0.01
15.	Santosh S. Jaykar	50	0.01
16.	Sushila H. Gala	10	Negligible
17.	Foram D. Shah	15	Negligible
18.	Gopal Rathi	5	Negligible
19.	Chetna Kamdar	5	Negligible
20.	Jawaharbhair Mehta (Partner of Lokhit Developers)	5	Negligible
21.	Vijaykumar S. Jain	5	Negligible
22.	Ajaykumar S. Jain	5	Negligible
23.	Atriya Lakhota (Partner of Ananya Impex)	5	Negligible
24.	Lalji K. Shah (HUF)	5	Negligible
25.	Freny J. Shah	5	Negligible
26.	Varsha N. Shah	5	Negligible
27.	Mukesh C. Shah	5	Negligible
28.	Dhaval S. Shah	5	Negligible
29.	Jayantibhai Majethia (Partner of Western Estate Corporation)	5	Negligible
30.	Meghiben L. Shah	5	Negligible
31.	Pravin K. Rita (HUF)	5	Negligible
32.	Rajesh H. Chheda (Partner of Just In Time)	5	Negligible
33.	Bharat Thakkar with Hansa Thakkar	10	Negligible
	Total	3,90,625	100.00

Financial Performance

The audited financial accounts of GEPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	39.06	39.06	20.00
Reserves and surplus	332.72	326.34	31.09
Total income	154.95	323.45	856.54
Profit/(Loss) after tax	6.38	9.31	31.09
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	1.63	2.38	15.54
Net Asset Value per share (Rs.)	95.17	93.54	25.54

The company is not listed and has not made any public issue of its shares, Further, no action has been taken against the company by any Stock Exchange or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

12. NLS ENTERPRISES PRIVATE LIMITED. ("NLS")

NLS was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated August 3, 2005 bearing registration no. U51909MH2005PTC155105. It's registered office is situated at 75, Old Nagardas Road, Near Chinai College, Andheri (E), Mumbai – 400 093 Maharashtra. The Company Identification Number of NLS is U 51909MH2005PTC155105

NLS is engaged inter alia in the business of buying, selling, dealing, importing, exporting etc in all sorts of goods, articles, items, merchandise, chattels, commodities, etc.

Board of Directors

As on June 30, 2009 the Board of Directors of NLS comprises of the following:

Sr. No.	Directors
1.	Mrs. Gunvantiben N. Shah
2.	Mr. Subhash L. Shah
3.	Mr. Dhaval S. Shah

Shareholding Pattern

The shareholding pattern of NLS as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1	Mrs. Gunvantiben N. Shah	3,000	0.92
2	Mr. Subhash L. Shah	3,000	0.92
3	Mr. Dhaval S. Shah	4,000	1.23
4	Sushila H. Gala	1,75,000	53.74
5	Jayantilal Nishar	62,500	19.19
6	Romeel Nishar	78,125	24.00
	TOTAL	3,25,625	100.00

Financial Performance

The audited financial accounts of NLS for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	32.56	32.56	18.50
Reserves and surplus	210.01	233.82	17.77
Total income	510.26	370.87	539.70
Profit/(Loss) after tax	(23.81)	5.12	17.77
Earnings/(Loss) per share (face	(7.31)	1.57	9.61

value Rs. 10) (Rs.)			
Net Asset Value per share (Rs.)	74.50	81.81	19.61

The company is not listed and has not made any public issue of its shares, Further, no actions has been taken against the company by Stock Exchanges or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

13. CANBARA CONSTRUCTIONS PRIVATE LIMITED (“CCPL”)

CCPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 1993 bearing registration no. 11-75678. It's registered office is situated at CTS No. 1406, A25/6, Tangent House, Chincholi Bandar Road, Malad (w), Mumbai – 400064, Maharashtra. The Company Identification Number of CCPL is U70100MH1993PTC075678.

CCPL is engaged inter alia in the business to build, buy, lease, hire, or otherwise acquire foreclose purchase on auction, sell, or let out any lands, buildings, etc.

Board of Directors

As on June 30, 2009 the Board of Directors of CCPL rises of the following:

Sr. No.	Directors
1.	Nenshi L. Shah
2.	Mahesh M. Doshi

Shareholding Pattern

The shareholding pattern of CCPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Daksha S. Shah	18,000	4.58
2.	Gunvantiben N. Shah	15,000	3.81
3.	Hitesh S. Shah	1,000	0.25
4.	Lalji K. Shah	18,500	4.70
5.	Nenshi L. Shah	29,440	7.47
6.	Rayshi L. Shah	10	Negligible
7.	Rekha J. Nishar	500	0.13
8.	Shantilal L. Shah	14,000	3.55
9.	Sonal S. Shah	1,000	0.25
10.	Subhash L. Shah	1,000	0.25
11.	Bharti N. Nisar	10,000	2.54
12.	Devji T. Nisar	27,300	6.93
13.	Kesarben D. Nisar	20,000	5.08
14.	Nitin D. Nisar	21,500	5.46
15.	Lakhamshi N. Chheda (HUF)	23,000	5.84
16.	Mithiben L. Chheda	14,000	3.55
17.	Nikhil & Jigna Chheda	24,000	6.09
18.	Nilesh Chheda	50	0.01
19.	Shailesh Chheda (HUF)	18,000	4.57
20.	Shailesh & Manjula Chheda	19,500	4.95
21.	Chintan M. Doshi	1,000	0.25
22.	Hetal Doshi	1,000	0.25
23.	Jyoti M. Doshi	10,000	2.54
24.	Mahesh M. Doshi (HUF)	33,500	8.50
25.	Mahesh M. Doshi	52,000	13.20
26.	Mamta K. Gosalia	1,000	0.25
27.	Rathi Udyawar Private Ltd.	19,700	5.00

	Total	3,94,000	100.00
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Financial Performance

The audited financial accounts of CCPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	39.40	39.40	39.40
Reserves and surplus	205.67	175.42	157.95
Total income	91.67	75.20	36.51
Profit/(Loss) after tax	30.25	17.48	2.68
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	7.68	4.44	0.03
Net Asset Value per share (Rs.)	62.20	54.52	50.09

The company is not listed and has not made any public issue of its shares, Further, no actions has been taken against the company by Stock Exchanges or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

14. PARAS POLYPLAST (MANUFACTURING) PRIVATE LIMITED (“PPMPL”)

PPMPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated January 02, 1997 bearing registration no. 11-104863. It's registered office is situated at at 19, Kamla Bhuvan, Sharma Ind. Estate, Walbhat Road, Goregaon (E), Mumbai – 400 063 Maharashtra. The Company Identification Number of PPMPL is U99999MH1997PTC104863.

PPMPL is engaged inter alia in the business of manufacturer, representatives, buyers, sellers, assemblers, fabricators, stitchers, laminators, processors, importers, exporters, agents, distributors, consignors, consignees, dealers of all classes, kinds, types & nature of plastics, plastic products & articles etc.

Board of Directors

As on as on June 30, 2009 the Board of Directors of PPMPL comprises of the following:

Sr. No.	Directors
1.	Mr. Rayshi L. Shah
2.	Mr. Maniben R. Shah

Shareholding Pattern

The shareholding pattern of PPMPL as on November 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Rayshi L. Shah	10,600	74.13
2.	Maniben R. Shah	100	0.70
3.	Aarti Trading Company	100	0.70
4.	Anil B. Doshi	100	0.70
5.	Anupama K. Zaveri	100	0.70
6.	Arvind K. Shah	100	0.70
7.	Asha P. Vora	100	0.70
8.	Ashish A. Shah	100	0.70
9.	Beena H. Mange	100	0.70
10.	Bhartiben H. Shah	100	0.70
11.	Chintan Y. Varia	100	0.70
12.	Dipika A. Doshi	100	0.70

13.	Hasmukh K. Gada (HUF)	100	0.70
14.	Hiralal C. Parikh	100	0.70
15.	Ipsit Shah	100	0.70
16.	Kantilal P. Shah	100	0.70
17.	Keshavlal M. Shah	100	0.70
18.	Kirit D. Vora (HUF)	100	0.70
19.	Kokila B. Varia	100	0.70
20.	Mahendra K. Shah (HUF)	100	0.70
21.	Mahesh A. Textiles	100	0.70
22.	Mehul H. Mange	100	0.70
23.	Mrudula M. Oza	100	0.70
24.	Narangiben C. Mehta	100	0.70
25.	Narottamdas C. Modi	100	0.70
26.	Niranjana U. Mehta	100	0.70
27.	Niranjana D. Shah	100	0.70
28.	Nitiksha P. Shah	100	0.70
29.	Paras Plastic	100	0.70
30.	Prafulla D. Shah	100	0.70
31.	Pratap A. Shah	100	0.70
32.	Rakesh V. Shah	100	0.70
33.	Rutu International	100	0.70
34.	Sandhya Vaishnav	100	0.70
35.	Saroj D. Shah	100	0.70
36.	Vanita B. Shah	100	0.70
37.	Vimla V. Shah	100	0.70
38.	Viren A. Gandhi	100	0.70
	Total	14,300	100.00

Financial Performance

The audited financial accounts of PPMPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY 2008	FY2007	FY2006
Equity Capital	1.43	1.43	1.43
Reserves and surplus	29.78	22.44	16.57
Total income	14.88	17.14	17.73
Profit/(Loss) after tax	7.34	7.93	7.87
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	51.33	55.43	55.05
Net Asset Value per share (Rs.)	218.28	166.95	123.18

The company is not listed and has not made any public issue of its shares, Further, no actions has been taken against the company by Stock Exchanges or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

15. EURO GLASS LIMITED (“EGL”)

EGL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated October 31, 2007. It's registration no. is U 26100 MH 2007 PLC 175536 and it's registered office is situated at Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai- 400 093, Maharashtra. The Company Identification Number of EGL is U26100MH2007PLC175536.

EGL is engaged inter alia in the business as manufacturers, buyers, sellers, whole sellers, distributors, retailers, importers, exporters, agents, brokers, designers, fabricators, processors, suppliers, and generally to deal in and to treat, refine, melt, blow, manipulate, prepare, finish, polish, mix, grade, operate, develop, and modify all shapes, sizes, varieties, dimensions, decorations, specifications and application of glasses and mirrors.

Board of Directors

As on June 30, 2009 the Board of Directors of EGL as on comprises of the following:

Sr. No.	Directors
1.	Mr. Nenshi L. Shah
2.	Mr. Talakshi L. Nandu
3.	Mr. Kumar P. Shah
4.	Mr. Paresh K. Shah
5.	Mr. Pratik K. Shah
6.	Mr. Mehek H. Shah
7.	Mr. Jitendra Shah
8.	Mr. Uttamchand Jain
9.	Mr. Vijay Kamdar

Shareholding Pattern

The shareholding pattern of EGL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Nenshi L. Shah	1,60,000	3.12
2.	Kumar P. Shah	1,60,000	3.12
3.	Talakshi L. Nandu	1,60,000	3.12
4.	Paresh K. Shah	1,55,000	3.02
5.	Pratik K. Shah	5,000	0.10
6.	Viral T. Nandu	5,000	0.10
7.	Mahek B. Shah	5,000	0.10
8.	Madhavji Budhia	2,50,000	4.87
9.	Kanji K. Jasani	2,50,000	4.87
10.	Haren H. Joshi	62,500	1.22
11.	Parul R. Joshi joint with Rupesh K. Shah	31,250	0.61
12.	Euro Ceramics Limited.	15,00,000	29.23
13.	Furia Clay Private Limited.	5,00,000	9.74
14.	Ramji D. Vakharia	4,00,800	7.81
15.	Hirji K. Seyani joint with Khimji B. Seyani	11,92,435	23.24
16.	Hirji V. Vaghjiani	2,94,398	5.74
	Total	51,31,383	100.00

Financial Performance:

The audited financial accounts of EGL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY2008*
Equity Capital	5.00
Reserves and surplus	NIL
Total income	NIL
Profit/(Loss) after tax	NIL
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	NIL
Net Asset Value per share (Rs.)	(23.34)

* First year of incorporation and company was in the process of capitalization.



The company is not listed and has not made any public issue of its shares, Further, no actions has been taken against the company by Stock Exchanges or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

16. EURO ALUMINIUM INDUSTRIES LIMITED (“EAIL”)

EAIL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated October 3, 2007 bearing registration no. U 27320 MH 2007 PLC174684. It's registered office is situated at Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai- 400 093, Maharashtra. The Company Identification Number of EAIL is U27320MH2007PLC174684.

EAIL is engaged inter alia in the business to manufacture, produce, treat, fabricate, process, refine, assemble, alter, convert, compound, cure, crush, distribute, display, exchange, explore, extrude, extract, excavate, design, develop, research, export, import, handle, jobwork, modify, market, operate, machine, prepare, finish, anodise, purchase, sell, resale, project, etc. of products of boxite, alumina, aluminium, aluminium alloys, brass, copper, steel, forged steel, or any other ferrous or non ferrous metals, or any other manmade synthetic or natural material or combination thereof.

Board of Directors

As on June 30, 2009 the Board of Directors of EAIL comprises of the following:

Sr. No.	Directors
1.	Mr. Nenshi L. Shah
2.	Mr. Talakshi L. Nandu
3.	Mr. Kumar P. Shah
4.	Mr. Paresh K. Shah

Shareholding Pattern

The shareholding pattern of EAIL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Nenshi L. Shah	10,000	14.29
2.	Talakshi L. Nandu	10,000	14.29
3.	Kumar P. Shah	10,000	14.29
4.	Paresh K. Shah	10,000	14.29
5.	Pratik K. Shah	10,000	14.28
6.	Viral T. Nandu	10,000	14.28
7.	Pinank N. Shah	10,000	14.28
	Total	70,000	100.00

Financial Performance:

The audited financial accounts of EAIL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY2008*
Equity Capital	7.00
Reserves and surplus	NIL
Total income	NIL
Profit/(Loss) after tax	NIL
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	NIL
Net Asset Value per share (Rs.)	7.32

* First year of incorporation and company was in the process of capitalization.



The company is not listed and has not made any public issue of its shares, Further, no actions has been taken against the company by Stock Exchanges or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

17. EURO SOLAR POWER PRIVATE LIMITED (“ESPL”)

ESPL was incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated January 09, 2008 bearing registration no. U 40106 MH 2008 PTC 177607. It's registered office is situated at Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai- 400 093, Maharashtra. The Company Identification Number of EAIL is U 40106 MH 2008 PTC 177607.

ESPL is engaged inter alia in the business to generate electrical power by conventional, non-conventional methods including coal, gas, lignite, oil, bio-mass, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves and to promote, own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, control, take on, hire / lease solar energy power plants, power plants, co-generation power plants, energy conservation projects, power houses, transmission and distribution system for generation, distribution, transmission and supply of electrical energy and buy, sell, supply, exchange, market, function as a license and deal in electrical power, energy to appropriate authorities, licenses, specific industrial use and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere anywhere in India and to establish captive power plants on co-operative basis for a group of industrial and other consumers and supply power of the participants in the co-operative effort either directly or through the transmission lines by entering into appropriate agreements.

Board of Directors

As on June 30, 2009 the Board of Directors of ESPL comprises of the following:

Sr. No.	Directors
5.	Nenshi L. Shah
6.	Talakshi L. Nandu
7.	Kumar P. Shah
8.	Paresh K. Shah

Shareholding Pattern

The shareholding pattern of ESPL as on June 30, 2009 is as follows:

Sr. No.	Shareholders	No. of Shares Held	Percentage of Shareholding (%)
1.	Nenshi L. Shah	2,500	25.00
2.	Talakshi L. Nandu	2,500	25.00
3.	Kumar P. Shah	2,500	25.00
4.	Paresh K. Shah	2,500	25.00
	Total	10,000	100.00

Financial Performance:

The audited financial accounts of ESPL for the last three years are as follows:

(Rs. in Lacs, except per share data)

Particulars	FY2008*
Equity Capital	1.00
Reserves and surplus	NIL
Total income	NIL
Profit/(Loss) after tax	NIL
Earnings/(Loss) per share (face value Rs. 10) (Rs.)	NIL
Net Asset Value per share (Rs.)	(7.41)

* First year of incorporation and company was in the process of capitalization.



The company is not listed and has not made any public issue of its shares, Further, no actions has been taken against the company by Stock Exchanges or SEBI. The company does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

PARTNERSHIP FIRMS

1. M/S. EURO MINERALS CORPORATION

M/s. Euro Minerals Corporation is a registered partnership firm, which is formed vide Partnership Deed dated May 27, 2005. Its office is situated at 4, Usha Niketan, Ground Floor, Mahant Road, Vile Parle (East), Mumbai – 400 057, Maharashtra.

M/s. Euro Mineral Corporation is engaged inter alia in the business of prospecting, extracting, dealing, manufacturing in all kinds of ores and minerals and to carry on business as importers and dealers in plywood, veneer, MDF, timber and timber products.

Partners of M/s. Euro Minerals Corporation

Partners	Stake
Mr. Gaurav J. Singhvi	11%
Mrs. Jaywanti G. Singhvi	14%
Mr. Nenshi L. Shah	25%
Mr. Laljibhai K. Shah	25%
Mr. Dhiraj D. Gala	25%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008**	2007**	2006**
Partners Capital*	(80.52)	(55.73)	35.40
Total income	1361.33	2505.08	15.40
Net Profit after tax	77.11	59.50	(15.74)

*Including Current Account;

**Audited.

2. EURO AGRO

M/s. Euro Agro is a registered partnership firm, which is formed vide Partnership Deed dated July 27, 2006. Its office is situated at Survey No.510, Bhachau Dudhai Road, Bhachau (Kutch), Gujarat - 370140.

M/s. Euro Agro is engaged inter alia in the business of Agriculture and selling of Agriculture product.

Partners of Euro Agro

Partners	Stake
Nenshi L. Shah	5%
Talakshi L. Nandu	5%
Kumar P. Shah	5%
Paresh K. Shah	5%
Shantilal L. Shah	5%
Laljibhai K. Shah	5%
Subhash L. Shah	5%
Hitesh S. Shah	5%
Dhaval S. Shah	5%
Nitesh P. Shah	5%

Partners	Stake
Rahul S. Gada	5%
Hansraj K. Gala	5%
Jayantilal L. Nishar	5%
Nimesh D. Gada	5%
Nilesh L. Chheda	5%
Nikhil L. Chheda	5%
Pinak N. Shah	5%
Viral T. Nandu	5%
Pratik K. Shah	5%
Amish K. Shah	5%
Total	100%

Financial Performance

*The Partnership firm was established on July 27, 2006. The partners have not contributed towards the capital of Euro Agro and there is no business / operations since the firm got established. Therefore the financial performance is not available as on date.

3. EURO PRATIK SALES CORPORATION (“EPSC”)

EPSC is a registered partnership firm, which is formed vide Partnership Deed dated 15th March, 2005. It’s office is situated at shop no. 12, Usha Niketan, 1st Floor, Mahant Road, Vile Parle – East, Mumbai – 400 057, Maharashtra.

EPSC is engaged inter alia in the business as importers and dealers in plywood, veneer, MDF, timber and timber products.

Partners of EPSC

Partners	Stake
Mr. Suresh D. Gala	25%
Mr. Dhaval S. Shah	25%
Mrs. Daksha S. Shah	25%
Mr. Pratik G. Singhvi	25%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008**	2007**	2006**
Partners Capital*	111.89	66.04	44.76
Total income	465.11	212.72	149.19
Net Profit after tax	5.32	16.81	1.44

*Including Current Account;

**Audited.

4. M/S. JAINY GLASS & VENEERS

M/s. Jainy Glass & Veneers is a registered partnership firm, which is formed vide Partnership Deed dated June 15, 1999, and also a supplementary partnership deed was executed on November 25, 2002 by which rate of interest was modified. M/s. Jainy Glass & Veneers having its office at shop no. 5/6/7, Chandan Bala Terrace, 26, Mukund Nagar, Gultekdi, Pune – 411 037, Maharashtra.

M/s. Jainy Glass & Veneers is engaged inter alia in the business of wholesale trading in all types of glass and veneers.

Partners of M/s. Jainy Glass & Veneers

Partners	Stake
Gunvantiben N. Shah	60%
Wadilal M. Shah	40%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008**	2007**	2006**
Partners Capital*	43.60	40.90	43.77
Total income	171.66	143.70	142.16
Net Profit after tax	3.07	2.32	4.53

*Including Current Account

** Audited

5. M/S. KANCH GHAR

M/s. Kanch Ghar is a registered partnership firm, which is formed vide partnership deed dated January 01, 1999 and subsequently by a deed dated April 1, 1999 Mr. Nenshi L. Shah and Mr. Subhash L. Shah have retired from the partnership firm and new partners Mr. Shantilal L. Shah (representing as Karta of Ladhahbhai Shah (HUF) and Smt. Sonalben Shantilal Shah were added. Its office is situated at shop no. 1, Abhishek, Vallabhkhair Road, Vile Parle (West), Mumbai – 400 056, Maharashtra.

M/s. Kanch Ghar is engaged inter alia in the business of dealing in glass and glass products of all kinds and also of dealing in non-ferrous metals etc.

M/s. Kanch Ghar has effected the change in the partner's w.e.f. April 1, 2006, the details of the partners and their profit sharing ratios are as under:

Partners of M/s. Kanch Ghar

Partners	Stake
Mrs. Sonalben S. Shah	40%
Mr. Shantilal L. Shah	10%
Mr. Hitesh S. Shah	10%
Smt. Forum D. Shah	40%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008**	2007**	2006**
Partners Capital*	48.33	151.88	137.34
Total income	5555.21	4760.59	3203.03
Net Profit after tax	65.43	42.59	49.16

*Including Current Account

** Audited

6. M/s. LAXMI PLY AGENCY

M/s. Laxmi Ply Agency is a registered partnership firm, which is formed vide Partnership Deed dated April 9, 1987. The Partnership Deed was modified on April 1, 1989, by which Ms. Sonalben Shantilal Shah was admitted as a partner, subsequently by Partnership Deed dated January 09, 2006 Ms. Sonalben Shantilal Shah was retired and Mr. Shantilal L. Shah and Mr. Subhash Laljibhai Shah were admitted as partners and subsequently by Partnership Deed dated 12th April, 2007 Mr.



Shantilal L. Shah and Mr. Subhash Laljibhai Shah have retired from partnership. It's office is situated at Shop no. 6, Abhishek, Vallabhbai Road, Vile Parle (West) Mumbai 400 056. Maharashtra.

M/s. Laxmi Ply Agency is engaged inter alia in the business of dealing in plywood and laminates.

Partners of M/s. Laxmi Ply Agency

Partners	Stake
Mr. Nenshi L. Shah	25%
Mr. Laljibhai K. Shah	25%
Mr. Hitesh S. Shah(as Karta of Hitesh S. Shah (HUF))	25%
Mr. Subhash Laljibhai Shah(as Karta of Subhash L. Shah (HUF))	25%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008**	2007**	2006**
Partners Capital*	30.59	13.06	56.96
Total income	828.97	982.50	232.91
Net Profit after tax	35.47	42.54	21.00

*Including Current Account;

**Audited;

7. NATIONAL PLY & LAMINATES

M/s. National Ply & Laminates is a registered partnership firm, which is formed vide Partnership Deed dated January 01, 1999. Subsequently by partnership deed dated April 1, 1999; Mr. Nenshi L. Shah and Mr. Subhash L. Shah were retired and Mr. Manilal M. Shah (Alias Mr. Manilal M. Gada) and Mrs. Shantaben L. Shah were admitted as partners. It's office is situated at shop no. 101, New Timber Market, Bhawani Peth, Pune –411 042, Pune, Maharashtra.

M/s. National Ply & Laminates is engaged inter alia in the business of dealing in plywood & laminates.

Partners of M/s. National Ply & Laminates

Partners	Stake
Mr. Manilal M. Shah (Alias Manilal M. Gada)	30%
Mrs. Shantaben L. Shah	70%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008*	2007*	2006*
Partners Capital	89.55	100.42	75.88
Total income	931.76	1002.46	718.34
Net Profit after tax	14.25	12.08	5.70

* Audited

8. NEELAM METALS

M/s. Neelam Metals is a registered partnership firm, which is formed vide Partnership Deed dated June 1, 1996. Subsequently by Partnership Deed dated August 30, 2004; Mr. Hitesh S. Shah was retired and Mr. Shantilal L. Shah was admitted as partner. It's office is situated at shop no.4 & 5, Bhagirathi Apartments, 321, Shukrawar Peth, Pune – 411 028, Maharashtra.

M/s. Neelams Metal is engaged inter alia in the business of Resale of Aluminium, fabrication, grill, extrudation and allied goods.

Partners of M/s. Neelam Metals

Partners	Stake
Mr. Shantilal L. Shah	60%
Mr. Vinod M. Gada	40%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008**	2007**	2006**
Partners Capital*	108.94	85.55	80.22
Total income	3466.80	2893.62	1899.45
Net Profit after tax	30.02	10.07	8.50

*Includes current account;

**Audited

9. AAR PEE REPROTECHNIC

Aar Pee Reprotechnic is a registered partnership firm, which is formed vide Partnership Deed dated April 27, 1994. It's office is situated at shop 19, Kamla Bhuvan, Sharma Ind. Estate, Walbhat Road, Goregaon (E), Mumbai – 400 063 Maharashtra.

Aar Pee Reprotechnic is engaged inter alia in the business of reproduction, lithography, offset printing, plate making for graphic Arts and as dealers and manufacturers of rubber rollers.

Partners of Aar Pee Reprotechnic

Partners	Stake
Maniben R. Shah	50%
Praveen M. Shah	50%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008*	2007*	2006*
Partners Capital	12.90	9.37	23.39
Total income	6.00	6.00	6.00
Net Profit after tax	3.52	3.54	3.49

*Unaudited

10. M/S. RANGOLI

M/s. Rangoli is a registered partnership firm, formed vide Partnership Deed dated April 1, 2001. Subsequently by Partnership Deed dated October 10, 2003, Mr. Harshit D. Shah was admitted as partner It's office is situated at 385, N. C. Kelkar Road, Dadar, Mumbai – 400 028, Maharashtra.

M/s. Rangoli is engaged inter alia in the business of dealing in buying and selling of sarees dress materials and other allied articles.

Partners of M/s. Rangoli

Partners	Stake
Mr. Dinesh L. Shah (HUF)	25%
Mrs. Bhartai D. Shah	25%

Partners	Stake
Mr. Harshit D. Shah	50%
Total	100%

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008**	2007**	2006**
Partners Capital*	69.42	73.07	45.82
Total income	163.07	144.76	140.98
Net Profit after tax	0.32	(2.84)	2.81

*Including Current Account

** Audited

PROPRIETARY CONCERNS

1. NEELAM PLY & LAMINATES

Neelam Ply & Laminates is a proprietary concern of Mr. Shantilal L. Shah. It's office is situated at shop at 6, Abhishek, Vallabhbbhai Road, Vile Parle – West, Mumbai – 400 056, Maharashtra.

Neelam Ply & Laminates is engaged inter alia in the business of dealing in plywood and laminates.

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008*	2007*	2006*
Proprietor's Capital	31.92	14.46	51.37
Total income	830.82	741.10	787.72
Net Profit after tax	21.90	20.20	37.95

*Audited

2. PARAS PLASTIC

Paras Plastic is a proprietary concern of Mr. Rayshi L. Shah. It's office is situated at shop at 19, Kamla Bhuvan, Sharma Ind. Estate, Walbhat Road, Goregaon (E), Mumbai – 400 063 Maharashtra.

Paras Plastic is engaged inter alia in the business of Manufacture & Export of plastic items.

Financial Performance:

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008*	2007*	2006*
Proprietor's Capital	1205.17	1101.76	1075.07
Total income	838.29	647.29	477.30
Net Profit after tax	83.80	33.93	21.24

*Audited

3. RANGOLI ANNEXE

Rangoli Annexe is the proprietary concern of Mr. Suresh L. Shah. It's office is situated at 385, N.C.Kelkar Road, Dadar (w), Mumbai – 400 028, Maharashtra.

Rangoli Annexe is engaged inter alia in the business of retail marketing of sarees and dress materials.

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008*	2007*	2006*
Proprietor's Capital	1.50	18.45	20.29
Total income	181.62	165.75	171.87
Net Profit after tax	2.35	3.01	5.14

*Audited

CHARITABLE TRUST

1. LADHABHAI SANGANBHAI GALA CHARITABLE TRUST

Ladhabhai Sanganbhai Charitable Trust, is a trust formed vide trust deed dated April 24, 1995 under the Bombay Public Charitable Trust Act, 1950 bearing registration no. E. 15856 (Mumbai) dated August 14, 1995. It's office is situated at Shop No. 6, Abhishek Building, A- Wing, Vallabhbhai Patel Road, Vile Parle (West), Mumbai – 400 056

Trustees

Sr. No.	Trustees
1.	Mr. Nenshi L. Shah.
2.	Mr. Shantilal L. Shah.
3.	Mrs. Sonalben Shantilal Shah.
4.	Mrs. Gunvantiben Nenshi Shah.

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31		
	2008*	2007*	2006*
Trust Corpus	0.04	0.04	0.04
Total income	473.19	418.75	401.77
Excess of Income over Expenditure	(50.24)	20.58	17.84

*Audited

2. EURO FOUNDATION TRUST

Euro Foundation, is a trust, which is formed vide trust deed dated February 24, 2007 under the Bombay Public Charitable Trust Act, 1950 bearing registration no. E. 2138 (Kutch). It's office is situated at Survey No. 510, Bhachau Dudhai Road, Bhachau – Kutch, Gujarat - 370140

The Trustees

Sr. No.	Trustees
1.	Mr. Nenshi L. Shah
2.	Mr. Shantilal L. Shah
3.	Mr. Lalji K. Shah
4.	Mr. Popatlal B. Nandu
5.	Mr. Hansraj K. Gala
6.	Mr. Jayantilal L. Nishar
7.	Mr. Mahesh M. Doshi
8.	Mr. Gunvantbhai M. Singhvi
9.	Mr. Suresh D. Gala
10.	Mr. Nilesch L. Chheda
11.	Mr. Talakshi L. Nandu
12.	Mr. Paresh K. Shah
13.	Mr. Bhartiben K. Gada

14.	Mr. Rayshi Shah
15.	Mr. Suresh L. Nandu
16.	Mr. Manilal M. Gada
17.	Mr. Suresh K. Gada

Financial Performance

(Rs. in Lacs)

Particulars	For the Financial Year ended March 31
	2008*
Trust Corpus	103.70
Total income	226.44
Excess of Income over Expenditure	35.15

*The financial performance of Trust for 2006-07 is unavailable as it was established on February 24, 2007.

Further, none of the above companies are sick Companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 or under winding up.

Common Pursuits

None of our Promoters Group entities are engaged in similar businesses as our Company

Disassociation Details:

None of our Promoters have disassociated themselves from any of the companies/partnership firms during preceding three years except as follows:

1. Mr. Nenshi L. Shah, our Promoter has disassociated from M/s. Flower Home, a partnership firm with effect from April 1, 2006 due to dissolution of partnership firm by a deed of dissolution dated April 1, 2006.
2. Mr. Nenshi L. Shah, our promoter has disassociated from M/s. Arihant Investments, a partnership firm with effect from March 31, 2008 due to dissolution of partnership firm by a deed of dissolution dated March 31, 2008.

Related Party Transactions

There are no related party transactions with any of the related parties except as mentioned under the heading titled “Related Party Disclosures” beginning on page 143 under the chapter titled ‘Financial Statements’ beginning on page 126 of this Red Herring Prospectus.

There have been no sales or purchases between entities in the Promoters Group of our Company exceeding in value in the aggregate 10% of the total sales or purchases of the Company.

Our Promoters, Promoters Group entities or our Subsidiary have not been restrained or prohibited by SEBI or any other regulatory authority from accessing the capital markets for any reason.

None of the above companies promoted by our Promoters have been struck off from the records of the Registrar of Companies.

Except as mentioned in this section, none of the above companies have made any defaults in meeting any statutory/bank/institutional dues/obligations. No proceedings have been initiated for economic offences against these companies.

There are no pending litigations, defaults, etc against above given companies, its Promoters and/or its Directors except as given under section titled “Outstanding Litigations & Material Developments” beginning on page 198 of this Red Herring Prospectus.



MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

You should read the following discussion and analysis of our Company's financial condition and results of operations together with our restated financial statements included in this Red Herring Prospectus. You should also read the section titled 'Risk Factors' beginning on page xii of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion relates to our Company and is based on our Company's restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards referred to in Section 211 (3C) of the Companies Act and the other applicable provisions of the Companies Act. The following discussion is also based on internally prepared statistical information and on publicly available information. Our Company's fiscal year ends on March 31, so all references to a particular fiscal year of the Company are to the 12-month period ended on March 31. Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the section titled 'Definitions and Abbreviations' of this Red Herring Prospectus.

OVERVIEW

Existing Business - CDRs and DVDRs

Euro Multivision limited was incorporated on April 29, 2004 and has set up a plant for the manufacture of Compact Disc Recordables (CDRs) and Digital Versatile Disc Recordables (DVDRs). Our company has commenced commercial production on April 04, 2005 with five manufacturing lines having an installed capacity of 720 lac units of CDRs and 72 lac units of DVDRs a year. After successfully operating five lines in the first year of its commercial operation, the company expanded the capacity by adding another five (5) manufacturing lines in the second half of financial year 2006-07 taking the total to ten (10) manufacturing lines with a total installed capacity of CDRs to 1800 lac units a year. These lines are interchangeable and are convertible to manufacture DVDR as and when the requirement arises. Also these lines are compatible for manufacturing of pre recorded CDs and DVDs. In the same financial year, the DVDR manufacturing line was converted into CDR manufacturing line. The CDR production is fully stabilized and is operating on full capacity.

CDRs and DVDRs manufactured undergo the latest and most stringent online and offline quality checks so as to produce a product which matches the high end of the Orange Book II specifications (*informal name for Philips and Sony's Recordable CD Standard published in 1990*). Our manufacturing facilities are fully automated with the least human intervention, which ensures international quality standards with optimum utilization of installed capacity. The major parts of the said manufacturing facilities are procured from VDL ODMS B.V, Netherlands, which is one of the leading and renowned suppliers of Optical Disc Manufacturing Equipments Technology.

Our discs are available in various memory capacities like CDR-R 700MB/80 MIN, CDR-R 800MB/90 MIN, MINI CDR-R 210MB/24 MIN, DVD+R / DVD-R / DVD-RW / DVD+RW 4.7 GB, CD-RW 700MB/80 MIN, Mini DVD-R / Mini DVD-RW 1.4GB, Pre-recorded CD's and DVD's. Each of these categories of discs are available in different packing sizes, colors, shades, suiting to the requirements of various categories of customers. These discs are used for storing data and information catering to the needs of various users.

CDRs contribute a substantial portion to our total sales. For the year ended March 31, 2009, this segment contributed about 100% of our total sales.

Since, one of the major manufacturing cost components is power and fuel, our Company had entered into an arrangement with Euro Ceramics Limited in 2006-2007, whereby both have jointly installed 10 MW lignite based Power Plant. Our company has contributed to 20% of its costs and accordingly entitled to 20% of power generated by the said Plant. The Power Plant installed is lignite based 10 MW Captive Power Plant, which provides cost effective and uninterrupted power supply. The Captive Power Plant commenced generation of power from March, 2006. The abundant availability of lignite (raw material) in Kutch District, Gujarat is advantageous for the Captive Power Plant. The current cost of power generation is about Rs.5.50 per unit which is at par compared to per unit average actual cost of Gujarat Electricity Board (GEB). The operating expenses of running the Power Plant is incurred / contributed by our company on a monthly basis based on the actual units of power consumed.

Our sales and profit after tax (PAT) for the period ended March 31, 2009 are Rs. 7321.67 lacs and Rs.183.74 Lacs respectively



Proposed Business -Photo Voltaic Cells

Today, PV systems have an important use in areas remote from an electricity grid where they provide power for water pumping, lighting, vaccine refrigeration, electrified livestock fencing, telecommunications and many other applications. With the global demand to reduce carbon dioxide emissions, PV technology is also gaining popularity as a mainstream form of electricity generation. Some tens of thousands of systems are currently in use yet this number is insignificant compared to the vast potential that exists for PV as an energy source.

To tap this abundant business opportunity, we propose to make an entry into the Photovoltaic business by manufacturing solar cells used for generation of electrical energy. This new field of business is synergistic with Company's existing businesses and we will leverage on our core competencies in the areas of precision high technology, mass manufacturing, and project management. As one of the early entrants in this space, EML is well-positioned to leverage this growing business opportunity. EML is targeting one segment in the PV value chain that is most attractive from a synergy standpoint, since it leverages the company's manufacturing competencies.

For this, we propose to build a Photovoltaic solar cell manufacturing unit with a capacity of 40MW per year at a total cost of Rs.16756 Lacs at Taluka Bhachau, Dist- Kutch, Gujarat. We expect to start the commercial operations by the month of January, 2010.

We propose to set up this photovoltaic plant in a Special Economic Zone (SEZ). Our Company has already acquired 28.75 acres of land for setting up the SEZ adjacent to the existing manufacturing unit at Bhachau, District- Kutch, Gujarat. We had made applications dated November 20, 2007 and November 30, 2007 to the State Government of Gujarat and the Central Government respectively, for seeking approval for the proposed SEZ. On the basis of recommendation of the Special Economic Zone Development Authority, the state Government had recommended the proposal to Government of India on 1st July 2008. On 2nd August 2008 the Board of Approvals, New Delhi formally also approved the company's application for setting up the special economic zone. Later, a formal approval letter dated 30th October, 2008, from Government of India, Ministry of Commerce & Industry, Department of Commerce (SEZ Section) was received by the company. Accordingly, the SEZ was notified and published in the Official Gazette dated April 23, 2009.

Significant Developments after the Date of the Last Financial Statement

Except as stated herein below, the Directors of our Company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus, which materially and adversely affect or is likely to affect the business or profitability of our Company, or the value of our assets, or our ability to pay our liabilities within the next twelve months:

- Our Company has received its SEZ Notification and is published in the Gazette of India through a notification dated April 23, 2009.
- The Company commenced its Civil Construction activity with respect to its 40MW Photovoltaic Cell manufacturing Plant from 1st May, 2009

Key Factors Affecting our Results of Operations

Our results of operations could potentially be affected by the following factors:

General economic and business conditions in India: We derive a substantial portion of our revenues from the Indian market. We shall therefore be affected by general economic and business conditions in the country, particularly in the commercial and entertainment sector.

Government Policy including taxes and duties: A part of our operations are dependent on import of certain raw materials and export of CDRs / DVDRs, and any changes in taxes and duties pertaining to these products will impact their respective supply and/or demand, and subsequent cost or revenues related with these products.

Demand: The demand for our products is mainly from the commercial and entertainment sector (Malls, Offices, Photography, IT Industry, Corporate Houses etc). We have expanded our customer base in domestic market. The prospects and earnings growth of customers and industries, which we serve, will have an impact on our sales.



Competition: Selling prices of our products may be affected if competition intensifies. Further, as a result of increased capacity of CDRs and DVDRs and diversification into Solar PV Cells Products, adoption of aggressive pricing strategies by our competitors in order to gain market share or new competitors entering the markets, may adversely affect our operations and financial results.

Raw Materials Prices: Raw materials like polycarbonate constitute a major portion of our total expenses. The prices of polycarbonate could fluctuate due to uncertain prices world over. In the recent past, there have been wide fluctuations in the prices of polycarbonate both at domestic and international levels. Further, increase in currency difference between US dollars and Indian Rupees have impacted the Raw material prices for manufacturing of CDR's / DVDR's significantly. Any adverse variation in the prices or availability of raw materials, which is dependent upon the market conditions, may affect us. The management reviews the raw material market and closely monitors the same which has helped the Company to make forward booking of raw material whenever the Company anticipates raw material price to move upward in near future. With the use of effective raw material procurement and storage policy, we should be able to mitigate price fluctuations and availability of raw materials.

Our ability to achieve operational efficiency and low cost of production: Our cost of production is dependent on the efficiency of the operations of our unit, which can improve specific consumption of energy, raw materials and manpower, each of which is a significant factor influencing the cost of production, and thereby affecting our operational and financial performance.

Changes in consumer preferences: The industry segment we cater to is highly sensitive in terms of usage and overall personal preferences. Changes in trends and taste of consumers may adversely affect our operations. However, we are committed to update and upgrade our products in line with the latest trends.

Fluctuations in exchange rate and interest rates: Since our sales revenues from proposed Photovoltaic cell division and costs of imported raw materials and capital equipment shall be in foreign currency, the fluctuation in exchange rate of foreign currency like US Dollar and Euro will affect our operating results to the extent that these costs are not passed on to our customer or supplier by adjustment in our prices.

Ability to attract, recruit and retain Key personnel: The business we are/will be doing, is highly specialized in nature due to the technical know-how required and the available, especially skilled, technical and marketing, talent pool is limited. Further, our products are customized as per customer preferences. It takes substantial time and resource to train human resource talent to understand consumer behavior and their preferences. The Company's success on a large scale depends upon its Directors and key managerial personnel and its ability to attract and retain them. Our future performance will depend upon the continued services of, Directors and key managerial personnel. Qualified & experienced people are in demand, and in the light of paucity of talented manpower, salary expectations are growing faster than revenue growth & hence retaining key personnel and recruiting fresh talent will be the challenges the company will have to face.

OUR SIGNIFICANT ACCOUNTING POLICIES

Our Financial statements are prepared on historical cost basis and going concern basis in accordance with Generally Accepted Accounting Principles, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. Certain of our accounting policies are particularly important to the portrayal of our financial position and further details please refer to the heading titled 'Significant Accounting Policies' in Annexure III to the section titled 'Financial Statements' on page 126 of this Red Herring Prospectus.

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
INCOME					
SALES	-	4128.13	5651.33	9092.46	7321.67
% Growth			36.90%	60.89%	-19.48%
Other Income	-	33.17	12.61	4.55	19.06
Increase/ (Decrease) in %			-61.98%	-63.92%	318.90%
Total Income	-	4161.30	5663.94	9097.01	7340.73
Increase/ (Decrease) in inventory		315.15	229.19	(61.17)	16.70
Increase/ (Decrease) in %			(27.28%)	(126.69%)	(127.30%)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
Total	-	4476.45	5893.13	9035.84	7357.43
Material Costs	-	2429.61	2914.16	4882.36	4069.37
Increase/ (Decrease) in %			19.94%	67.54%	(16.65%)
As %age to Total Income		58.39%	51.45%	53.67%	55.44%
Manufacturing Expenses	37.40	518.05	247.70	423.59	623.60
Increase/ (Decrease) in %		1285.16%	(52.19%)	71.01%	47.22%
As %age to Total Income		12.45%	4.37%	4.66%	8.50%
Administrative Expenses	97.25	159.22	213.26	292.49	253.97
Increase/ (Decrease) in %		63.71%	33.95%	37.15%	(13.17%)
As %age to Total Income		3.83%	3.77%	3.22%	3.46%
Employees/Personnel Cost	32.18	205.20	206.67	272.50	330.88
Increase/ (Decrease) in %		537.66%	0.72%	31.85%	21.42%
As %age to Total Income		4.93%	3.65%	3.00%	4.51%
Advertising and Selling Expenses	0.18	401.07	28.07	52.74	22.47
Increase/ (Decrease) in %		222716.67%	(93.00%)	87.89%	(57.39%)
As %age to Total Income		9.64%	0.50%	0.58%	0.31%
Total Expenses	-	3713.15	3609.86	5923.68	5300.29
Increase/ (Decrease) in %			(2.78%)	64.10%	(10.52%)
As %age to Total Income		89.23%	63.73%	65.12%	72.2%
Profit before Interest, Depreciation and Tax	-	763.30	2283.27	3112.16	2057.14
Increase/ (Decrease) in %			199.13%	36.30%	(33.90%)
As %age to Total Income		18.34%	40.31%	34.21%	28.02%
Depreciation	-	351.07	706.48	1092.65	1156.20
Increase/ (Decrease) in %			101.24%	54.66%	5.82%
As %age to Total Income		8.44%	12.47%	12.01%	15.75%
Financial Expenses	211.38	536.72	556.59	765.98	595.23
Increase/ (Decrease) in %		153.91%	3.70%	37.63%	(22.29%)
As %age to Total Income		12.90%	9.83%	8.42%	8.11%
Net Profit Before Tax	-	(124.49)	1020.20	1253.53	305.71
Increase/ (Decrease) in %			-	22.87%	(75.61%)
As %age to Total Income		(2.99%)	18.01%	13.78%	4.16%
Net Profit After Tax	-	(128.69)	640.74	974.80	183.74
Increase/ (Decrease) in %			-	52.14%	(81.15%)
As %age to Total Income		(3.09%)	11.31%	10.72%	2.50%

- The Commercial Production Commenced in April 2005.
- Financial Expenses of 211.38Lacs incurred during the pre construction period in Fiscal 2005 were Transferred to Pre-operative expenses pending allocation

The break-up of Domestic and Export Sales:

Particulars	FOR THE YEAR ENDED MARCH 31,									
	2005		2006		2007		2008		2009	
	Sales	%	Sales (Rs. in Lacs)	%	Sales (Rs. in Lacs)	%	Sales (Rs. in Lacs)	%	Sales (Rs. in Lacs)	%
Domestic	-	-	3278.32	79%	5623.02	99%	8642.88	95%	7235.58	99%
Export	-	-	849.8	21%	28.31	1%	449.58	5%	86.10	1%
Total	-	-	4128.12	100%	5651.33	100%	9092.46	100%	7321.67	100%



Fiscal year ended March 31, 2009 compared with the fiscal year ended March 31, 2008

Total Income

Total income decreased by Rs. 1756.28 Lacs, or 19.31 %, from Rs.9097.01 Lacs in the fiscal year ended March 31, 2008 to Rs. 7340.73 Lacs in the fiscal year ended March 31, 2009. This fall is due to the fact that the sales have decreased from 9092.46 Lacs to 7321.67 Lacs attributing to a percentage decrease of 36.90 %.

Sales

Total sales have decreased by Rs. 1770.79 Lacs, or 19.48%, from Rs. 9092.46 Lacs in the fiscal year ended March 31, 2008 to Rs. 7321.67 Lacs in the fiscal year ended March 31, 2009.

This higher percentage of decrease is mainly attributable to make over of our Company to volume based sales and precisely because of the following

- a) Overall slow down in the economy globally.
- b) Pricing Pressure in sales.

Other Income

Other income Increased by Rs.14.51 Lacs or 318.90%, from Rs. 4.55 Lacs in the fiscal year ended March 31, 2008 to Rs. 19.06 Lacs in the fiscal year ended March 31, 2009. The rise in other income as compared to fiscal year ended March 31, 2008, was mainly due to refund of sales tax /VAT.

Expenditure

Expenditure decreased by Rs. 623.39 Lacs, or 10.52%, from Rs. 5923.68 Lacs in the fiscal year ended March 31, 2008 to Rs. 5300.29 Lacs in the fiscal year ended March 31, 2009.

Overall expenditure has decreased mainly because of reduction in the material costs on account of reduction in production due to overall slowdown in the global economy.

Total expenditure as a percentage of total income has increased from 65.12% to 72.20% in fiscal year ended March 31 2009.

Material Consumption

Material consumption decreased by Rs.812.99 Lacs or 16.65% from Rs.4882.36 Lacs to in the fiscal year ended March 31, 2008 to Rs. 4069.37Lacs in the fiscal year ended March 31, 2009. This decrease in material consumption is mainly attributable to the reduced production due to overall slowdown in the economy.

Material costs as percentage of Sales has increased from 53.67% in fiscal year ended on March 31, 2008 to 55.44% in fiscal year ended on March 31, 2009. This increase in the material costs was on account of heavy rise in foreign exchange in US dollars as compared to Indian Rupee. This has led to increase in the Material costs as our major raw material is imported. At the same time our Company unable to pass on this burden to customers due to pricing pressure on Sales.

Manufacturing Expenses

These expenses were increased by Rs. 200.01Lacs or 47.22%, from Rs. 423.59Lacs in the fiscal year ended March 31, 2008 to Rs. 623.60 Lacs in the fiscal year ended March 31, 2009.

Manufacturing expenses were increased mainly due to increase in Power and fuel costs. This was due to unavailability of required lignite for our captive power plant. Hence, our company was required to use coal for power generation which has increased the power and fuel costs. Further the power plant went under maintenance which has increased the power costs on account of usage of high speed diesel and light diesel oil for power generation through DG sets.

Manufacturing Costs as percentage of Sales have increased from 4.66% in fiscal year ended on March 31, 2008 to 8.50% in fiscal year ended on March 31, 2009.



Administrative Expenses

These expenses were decreased by Rs. 38.52 Lacs or 13.17%, from Rs. 292.49Lacs in the fiscal year ended March 31, 2008 to Rs. 253.97 Lacs in the fiscal year ended March 31, 2009. The costs have been reduced due to planned overall cost reduction activity undertaken by our company.

Administrative Costs as percentage of Sales have increased from 3.22% in fiscal year ended on March 31, 2008 to 3.46% in fiscal year ended on March 31, 2009

Employees Cost

These expenses were increased by Rs. 58.38 Lacs or 21.42%, from Rs. 272.5 Lacs in the fiscal year ended March 31, 2008 to Rs. 330.88 Lacs in the fiscal year ended March 31, 2009. The employee costs have increased on account of increase in marketing personnel to achieve sales targets.

Employees Costs as percentage of Sales has increased from 3.00% in fiscal year ended on March 31, 2008 to 4.51% in fiscal year ended on March 31, 2009.

Advertising & Selling Expenses

These expenses were reduced by Rs. 30.27 Lacs or 57.39%, from Rs. 52.74 Lacs in the fiscal year ended March 31, 2008 to Rs. 22.47 Lacs in the fiscal year ended March 31, 2009.

Our Company has reduced the overall advertisement and sales promotion expenses during the year as a part of overall cost reduction.

Advertisement & Selling expenses as percentage of Sales has reduced from 0.58% in fiscal year ended on March 31, 2008 to 0.31% in fiscal year ended on March 31, 2009

Net Profit after Tax and Extraordinary items

Net profit has decreased by 812.99 Lacs from Rs. 974.80 Lacs in the fiscal year ended March 31, 2008 to Rs.183.74 Lacs in the fiscal year ended March 31, 2009.

The main factors that has affected towards decrease in Net profit were:

- (a) The decrease in sales by 19.48%, from Rs. 9092.46 Lacs in the fiscal year ended March 31, 2008 to Rs. 7321.67 Lacs in the fiscal year ended March 31, 2009.
- (b) Lower realization in terms of selling rates.
- (c) Increased raw material costs on account of hike in raw material price and effect of increase in exchange rate of US dollars compared to Indian Rupees. Increase in Power and Fuel costs.

Fiscal year ended March 31, 2008 compared with the fiscal year ended March 31, 2007

Total Income

Total income increased by Rs. 3433.07 Lacs, or 60.61%, from Rs.5663.94 Lacs in the fiscal year ended March 31, 2007 to Rs. 9097.01 Lacs in the fiscal year ended March 31, 2008. This rise is due to the fact that the sales have increased from 5651.33 Lacs to 9092.46 Lacs attributing to a percentage increase of 60.89%.

Sales

Total sales have increased by Rs. 3441.13 Lacs, or 60.89%, from Rs. 5651.33Lacs in the fiscal year ended March 31, 2007 to Rs. 9092.46 Lacs in the fiscal year ended March 31, 2008.

This higher percentage of increase is mainly attributable to make over of our Company to volume based sales and precisely because of the following

- a) High realization on account of anti dumping duty levied by Government of India.



- b) Increased Capacity of manufacturing due to expansion in January 2007.
- c) Increase in production due to improved production efficiency.
- d) Increase in demand for CDR's and DVDR's

Other Income

Other income decreased by Rs.8.06 Lacs or 63.92%, from Rs. 12.61Lacs in the fiscal year ended March 31, 2007 to Rs. 4.55 Lacs in the fiscal year ended March 31, 2008. The other income earned in the fiscal year ended March 31, 2007, was mainly from Insurance claims received during the Fiscal year 2007 which was not there in Fiscal year ended March 31, 2008.

Expenditure

Expenditure increased by Rs. 2313.82Lacs, or 64.10%, from Rs. 3609.86 Lacs in the fiscal year ended March 31, 2007 to Rs. 5923.68 Lacs in the fiscal year ended March 31, 2008.

Overall expenditure has increased due to increase in the production due to 100% increase in the installed capacity from January 2007.

Total expenditure as a percentage of total income has increased from 63.73% to 65.12% in fiscal year ended March 31 2008.

Material Consumption

Material consumption increased by Rs.1968.20 Lacs or 67.54% from Rs.2914.16 Lacs in the fiscal year ended March 31, 2007 to Rs. 4882.36Lacs in the fiscal year ended March 31, 2008. This increase in material consumption is mainly attributable to the increased production due to expanded production facility from five lines to another five manufacturing lines of CDRs. The new five lines commenced commercial production from January 2007.

Material costs as percentage of Sales has increased from 51.45% in fiscal year ended on March 31, 2007 to 53.67% in fiscal year ended on March 31, 2008.

Manufacturing Expenses

These expenses were increased by Rs. 175.89 Lacs or 71.01%, from Rs. 247.70 Lacs in the fiscal year ended March 31, 2007 to Rs. 423.59 Lacs in the fiscal year ended March 31, 2008.

This increase in manufacturing expenses is mainly attributable to the increased production due to expanded production facility from five lines to another five manufacturing lines of CDRs. The new five lines commenced commercial production from January 2007.

Manufacturing Costs as percentage of Sales have increased from 4.37% in fiscal year ended on March 31, 2007 to 4.66% in fiscal year ended on March 31, 2008.

Administrative Expenses

These expenses were increased by Rs. 79.23 Lacs or 37.15%, from Rs. 213.26Lacs in the fiscal year ended March 31, 2007 to Rs. 292.49 Lacs in the fiscal year ended March 31, 2008.

Administrative Costs as percentage of Sales have decreased from 3.77% in fiscal year ended on March 31, 2007 to 3.22% in fiscal year ended on March 31, 2008

Employees Cost

These expenses were increased by Rs. 65.83 Lacs or 31.85%, from Rs. 206.67 Lacs in the fiscal year ended March 31, 2007 to Rs. 272.50 Lacs in the fiscal year ended March 31, 2008.



The Production Capacity was expanded by 100% from January 2007. However the Employee costs have not increased to that extent rather there was only marginal increase which is again insignificant. Further the production facility being fully automated requires least human intervention. Our Company has successfully controlled the employee's costs at the same level.

Employees Costs as percentage of Sales has decreased from 3.65% in fiscal year ended on March 31, 2007 to 3.00% in fiscal year ended on March 31, 2008.

Advertising & Selling Expenses

These expenses were increased by Rs. 24.67Lacs or 87.89%, from Rs. 28.07 Lacs in the fiscal year ended March 31, 2007 to Rs. 52.74 Lacs in the fiscal year ended March 31, 2008.

The advertisement and sales promotion expenses were increased in view of the fact that our overall production has increased due to expansion in production capacity. Hence there was need to give push for brand awareness which was possible only through increased advertisement and sales promotion programmes.

Advertisement & Selling expenses as percentage of Sales has increased from 0.50% in fiscal year ended on March 31, 2007 to 0.58% in fiscal year ended on March 31, 2008

Net Profit after Tax and Extraordinary items

Net profit has increased by 334.06 Lacs from Rs. 640.74 Lacs in the fiscal year ended March 31, 2007 to Rs.974.80 Lacs in the fiscal year ended March 31, 2008.

The main factors that has affected towards increase in Net profit were:

- a) The increase in sales by 60.89%, from Rs. 5651.33Lacs in the fiscal year ended March 31, 2007 to Rs. 9092.46 Lacs in the fiscal year ended March 31, 2008
- b) Higher realization in terms of selling rates.
- c) Manufacturing capacity doubled in January 2007 due to expansion.
- d) Increase in demand for CDRs and DVDRs.
- e) Huge savings in Power and Fuel costs due to Captive Power Plant.
- f) The Certification ISO 9001:2000 for Quality Management System (QMS) improved its image and has indirectly contributed to its productivity.

Fiscal year ended March 31, 2007 compared with the fiscal year ended March 31, 2006

Total Income

Total income increased by Rs. 1502.64 Lacs, or 36.11%, from Rs. 4161.30 Lacs in the fiscal year ended March 31, 2006 to Rs. 5663.94 Lacs in the fiscal year ended March 31, 2007. This rise is due to the fact that the sales have increased from 4128.13 Lacs to 5651.33 Lacs attributing to a percentage increase of 36.90 %.

Sales

Total sales have increased by Rs. 1523.20 Lacs, or 36.90%, from Rs. 4128.13 Lacs in the fiscal year ended March 31, 2006 to Rs. 5651.33 Lacs in the fiscal year ended March 31, 2007.

This higher percentage of increase is mainly attributable to make over of the Company to volume based sales and precisely because of the following

- a) High realization on account of anti dumping duty levied by Government of India.
- b) Increased Capacity of manufacturing due to expansion in January 2007.
- c) Increase in production due to improved production efficiency.
- d) Increase in demand for CDR's and DVDR's



Other Income

Other income Decreased by Rs. 20.56 Lacs or 61.98%, from Rs. 33.17 Lacs in the fiscal year ended March 31, 2006 to Rs. 12.61 Lacs in the fiscal year ended March 31, 2007. The other income earned in the fiscal year ended March 31, 2006, was mainly from profit on sale of fixed assets. However the other income earned in the fiscal year ended March 31, 2007 was mainly on account of fluctuations in foreign currency, insurance claims received.

Expenditure

Expenditure decreased by Rs. 103.29 Lacs, or 2.78%, from Rs. 3713.15 Lacs in the fiscal year ended March 31, 2006 to Rs. 3609.86 Lacs in the fiscal year ended March 31, 2007.

Overall expenditure has decreased mainly because of the savings in power and fuel costs and reduction in advertising, selling and distribution expenses.

Total expenditure as a percentage of total income has reduced from 89.23% to 63.73% in fiscal year ended March 31 2007.

Material Consumption

Material consumption increased by Rs.484.55 Lacs or 19.94% from Rs.2429.61 Lacs to in the fiscal year ended March 31, 2006 to Rs. 2914.16 Lacs in the fiscal year ended March 31, 2007. This increase in material consumption is mainly attributable to the increased production due to expanded production facility from five lines to another five manufacturing lines of CDRs. The new five lines commenced commercial production from January 2007.

Material costs as percentage of Sales has reduced from 58.39% in fiscal year ended on March 31, 2006 to 51.45% in fiscal year ended on March 31, 2007

Manufacturing Expenses

These expenses were decreased by Rs. 270.35 Lacs or 52.19%, from Rs. 518.05 Lacs in the fiscal year ended March 31, 2006 to Rs. 247.70 Lacs in the fiscal year ended March 31, 2007.

With the stability of operations and power supply from Captive Power Plant our Company was able to reduce the cost of power and fuel drastically from Rs.505.81 Lacs in fiscal year ended on March 31, 2006 to Rs.223.03 Lacs in in fiscal year ended on March 31, 2007. Further Captive Power plant has also contributed to increase in production efficiency.

Manufacturing Costs as percentage of Sales has reduced from 12.45% in fiscal year ended on March 31, 2006 to 4.37% in fiscal year ended on March 31, 2007

Administrative Expenses

These expenses were increased by Rs. 54.05 Lacs or 33.95%, from Rs. 159.21 Lacs in the fiscal year ended March 31, 2006 to Rs. 213.26 Lacs in the fiscal year ended March 31, 2007.

Administrative Costs as percentage of Sales has reduced from 3.83% in fiscal year ended on March 31, 2006 to 3.77% in fiscal year ended on March 31, 2007

Employees Cost

These expenses were increased by Rs. 1.47 Lacs or 0.72%, from Rs. 205.20 Lacs in the fiscal year ended March 31, 2006 to Rs. 206.67 Lacs in the fiscal year ended March 31, 2007.

The Production Capacity was expanded by 100% from January 2007. However the Employee costs have not increased to that extent rather there was only marginal increase which is again insignificant. Further the production facility being fully automated requires least human intervention. Our Company has successfully controlled the employee's costs at the same level.



Employees Costs as percentage of Sales has reduced from 4.93% in fiscal year ended on March 31, 2006 to 3.65% in fiscal year ended on March 31, 2007

Advertising & Selling Expenses

These expenses were drastically reduced by Rs. 373.00 Lacs or 93.00%, from Rs. 401.07 Lacs in the fiscal year ended March 31, 2006 to Rs. 28.07 Lacs in the fiscal year ended March 31, 2007.

The company had spent heavily in 2005-2006 towards brand awareness and brand building campaign. This has given fruits in terms of increased sales and need for expansion of production facility. Consequently overwhelming response to the branded product was responsible for expansion to the tune of 100% within very short time. Today our company is the second largest manufacturer of optical storage media in India. The management reviews periodically, sales promotion and advertisement policy and tries to maximize the benefit out of it with optimum allocation of funds to the sales promotion and advertisement budget.

Advertisement & Selling expenses as percentage of Sales has reduced from 9.64% in fiscal year ended on March 31, 2006 to 0.50% in fiscal year ended on March 31, 2007

Net Profit after Tax and Extraordinary items

Net profit has been increased by 769.43 Lacs from Rs. (128.69) Lacs in the fiscal year ended March 31, 2006 to Rs.640.74 Lacs in the fiscal year ended March 31, 2007.

The main factors that has affected towards increase in Net profit were:

- (d) The increase in sales by 36.90% compared to the fiscal year ended March 31, 2006 increased the total income.
- (e) Higher realization in terms of selling rates.
- (f) Manufacturing capacity doubled in January 2007 due to expansion.
- (g) Increase in demand for CDRs and DVDRs.
- (h) Huge savings in Power and Fuel costs due to Captive Power Plant.
- (i) Heavy reduction in Advertising, selling and distribution expenses.
- (j) The Certification ISO 9001:2000 for Quality Management System (QMS) improved its image and has indirectly contributed to its productivity.

Fiscal year ended March 31, 2006 compared with the fiscal year ended March 31, 2005

The company had started commercial production from April 4, 2005. Hence, there were no production / sales of any products of the Company in fiscal Year ended on March 31, 2005. The Plant was under installation in the fiscal year ended on 31st March 2005. All the expenses incurred during the said period of fiscal year ended on March 31, 2005 were capitalized on commencement of commercial production on April 4 2005.

Cash Flows

(Rs in Lacs)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	
Net cash from operating activities	(44.68)	(39.27)	2336.06	2763.89	323.09	
Cash flow from Investing activities	(5020.20)	(535.62)	(5112.13)	(1824.13)	(9764.63)	
Cash flow from financing activity	5376.52	386.87	2905.08	(220.79)	9273.37	
Cash & Cash equivalent at the end of the year/period	311.64	(188.02)	252.63	971.59	803.42	



Cash Flows from Operating Activities

Our Company's net cash from operating activities in the fiscal year ended March 31, 2009 was Rs. 323.09 Lacs although our Company's profit before tax for such period was Rs. 305.72 Lacs. The difference was mainly attributable to increase in trade Receivables of Rs. 484.64 Lacs and increase in other current assets by Rs 2094.58 Lacs.

Our Company's net cash from operating activities in the period ended March 31, 2008 was Rs. 2763.89 Lacs although our Company's profit before tax for such period was Rs. 1253.53Lacs. The difference was mainly attributable to an increase in trade Receivables of Rs. 160.72 Lacs and increase in other current assets by Rs. 506.59 Lacs.

Our Company's net cash from operating activities in the fiscal year ended March 31, 2007 was Rs. 2336.06Lacs, although our Company's profit before tax for such period was Rs. 1020.20 Lacs. The difference was mainly attributable to increase in inventories and other current assets by Rs.521.89 and 121.38 Lacs respectively.

Our Company's net cash from operating activities in the fiscal year ended March 31, 2006 was Rs. (39.27) Lacs, although our Company's profit before tax for such period was Rs. (124.49) Lacs. The difference was mainly attributable to an increase in trade receivable, Inventories, and other current assets by Rs 826.88 Lacs, 146.57 Lacs and Rs 28.29 Lacs respectively.

Our Company's net cash from operating activities in the fiscal year ended March 31, 2005 was Rs. (44.68) Lacs,

Cash Flows from Investment Activities

Our Company's net cash from investing activities was Rs. (9764.63) Lacs, Rs (1824.13) Lacs, Rs. (5112.13) Lacs, Rs. 535.62) Lacs, (5020.20) Lacs in fiscal year ended 2009, 2008, 2007, 2006 and 2005 respectively.

Our Company's net cash from investing activities is mainly due to purchase of fixed assets;

Cash Flows from Financing Activities

Our Company's net cash from financing activities was Rs9273.37Lacs, Rs. (220.79) Lacs, Rs. 2905.08 Lacs, Rs.386.87Lacs, Rs. 5376.52 Lacs, during fiscal year ended 2009, 2008, 2007, 2006, and 2005 respectively.

The net cash provided by financing activities in the fiscal 2009 includes Rs. 9868.60 Lacs due to increase in proceeds from long term borrowings.

The net cash provided by financing activities in the fiscal 2008 includes Rs. 151.29 Lacs due to increase in proceeds from long term borrowings.

The net cash provided by financing activities in the fiscal 2007 includes Rs. 3485.60 Lacs due to increase in proceeds from long term borrowings.

The net cash provided by financing activities in Fiscal 2006 is a result of increase in proceeds from long term borrowings by Rs.923.59 Lacs.

The net cash provided by financing activities in Fiscal 2005 is a result of increase in proceeds from long term borrowings by Rs.4420.60 Lacs.

Indebtedness

As of March, 31, 2009, our Company had secured indebtedness of Rs.14651.27 Lacs. For a description of the restrictive covenants of such indebtedness, please refer to the section titled '*Risk Factors*' beginning on page xii of this Red Herring Prospectus.

Contingent Liabilities

As of March 31, 2009 our company had contingent liabilities amounting to Rs. 577.88 Lacs comprising:



(i) Counter Guarantees given for obtaining Bank Guarantees from various Banks amounting to Rs.500.76 Lacs (The Company has imported various Capital Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, through various licenses, at concessional rates of Custom Duty on an undertaking to fulfill quantified exports within a period of eight years from the date of the respective licenses. The Custom Duty so saved amounts to Rs. 2538.56 lacs and the corresponding Export obligation as on 30th June , 2009 to be fulfilled is Rs.18933.48 lacs. If the said export is not made within the stipulated time period; the Company is required to pay the said saved Custom Duty together with Interest @ 15% p.a. Total Bank Guarantee of Rs.500.76 Lacs as on March 31, 2009, were issued against the said EPCG Licences.)

(ii) The Company falls under 1st Schedule to Central Excise Tariff Act, 1985 (5 of 1985). The unit was set up after 31-07-2001 and hence been eligible for Excise Refund benefit envisaged in Notification No:39/2001-CE dated 31-07-2001 as amended. Hence the Company applied to Central Excise Department for Excise Refund and the Department approved the same. The Company commenced commercial production of its first phase on 04-04-2005 with five manufacturing lines and doubled its capacity in January 2007 by adding five more manufacturing lines. The Company was duly in receipt of Excise Refund on the first five lines till the financial year 2007-2008, however from financial year 2008-2009 the Excise Department rejected the Excise Refund claim even for the first five lines. Currently Company is under the appeal with tribunal regarding Excise Refund, however the same is not sanctioned till Balance Sheet date and pending with the authority. Thus during the year the Company has recognized Excise Refund amount of Rs.63,41,853 which is proportionate to first five lines as income and shown as receivable in the Balance Sheet and thus if the Company loses the claim of Refund in the litigation income recognized during the year will not be materialized.

(iii)

Name of the statute	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	13,28,911	F.Y. 2006-2007	Commissioner of Income Tax (Appeals).
Income Tax Act, 1961	40,732	F.Y. 2004-2005	Commissioner of Income Tax (Appeals).
Total	13,69,643		

Planned Capital Expenditures

Our Manufacturing facility has commenced operations on April 04, 2005 with a capital outlay of Rs. 5588.14 Lacs in Fiscal 2006. The Capital Expenditure in Fiscal 2007 was Rs. 5103.24 Lacs. The capital expenditure in fiscal 2007 is on account expansion from five lines of manufacturing to ten lines.

We intend to diversify by venturing into manufacturing of Solar Photovoltaic Cells. We anticipate that we will incur capital expenditure of approximately Rs.16756 Lacs for the said project. For more information on our proposed capital expenditure, see “Objects of the Issue” beginning on page 24 of this Red Herring Prospectus. In addition to the net proceeds of this Issue and our internally generated cash flow, we may need other sources of financing to meet our capital expenditure and working capital requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets.

RELATED PARTY TRANSACTIONS

There are no related party transactions with any of the related parties except as mentioned under the heading titled “Related Party Disclosures” on page 143 under the chapter titled ‘Financial Statements’ beginning on page 126 of this Red Herring Prospectus.

FINANCIAL MARKET RISKS

We are exposed to financial market risks from changes in 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 period ended 31th March, 2009 since the interest rates could fluctuate in the



near future. Though all our loans are currently linked with applicable rates of respective Banks, any rise in interest rates would result in higher interest bearing debts.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, fuel cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

OTHER INDUSTRY AND COMPANY SPECIFIC INFORMATION

INFORMATION REQUIRED AS PER SUB -CLAUSE (E) (5) OF CLAUSE (IX) OF PART A OF SCHEDULE VIII OF SEBI (ICDR) REGULATIONS, 2009

Unusual or infrequent events or transactions

There have been no unusual or infrequent events or transactions.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Government's policies with regard to import duties on raw material as well as finished products of the company will have a major bearing on the companies involved in the Optical storage industry. Accordingly, any major changes in the policies of the Government could have an impact on the profitability of our Company.

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 heading "Risk Factors" beginning on page xii in this 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.

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

Except as otherwise stated in this Red Herring Prospectus, in our opinion there are no such known changes in relationship between costs and revenues.

Status of any publicly announced new products or business segment.

Our Company has not publicly announced any new products or segments except Photovoltaic Cells, details of which have been disclosed in this Red Herring Prospectus.

The extent to which the business is seasonal

Our Company's business is not seasonal.

Any significant dependence on a single or few suppliers or customers

Currently, we procure our raw materials from few suppliers, with no significant dependence on any one supplier. Our top ten suppliers contributed approximately 90.79% of our purchases during period ended March, 2009. Similarly, our products are sold either through direct marketing or through a network of distributors across India. Hence, there is no significant dependence on any single distributor. Our top ten customers contributed approximately 82.00% of our sales during period ended March, 2009

Competitive Conditions

For details of competitive conditions, please refer to the heading titled "Our Competition" beginning on page 87 of this Red Herring Prospectus.



SWOT ANALYSIS

STRENGTHS

- ***Experienced Management***

We are a part of the “Euro Group” which was started in 1995. Our Company which was incorporated on April 29, 2004 has seen its Sales & Income from operation grow at a CAGR of 48.4% from 4128.13 Lacs as on March 31, 2006 to 9092.46 Lacs as on March 31, 2008. We have entered into CDR/DVDR business on April 29, 2004. However, the presence and the cumulative experience of all promoters for over 8 decades has helped our Company to manage the business efficiently. Even though the Photovoltaic business is a new business for our Company, our Promoters have experience in various business such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminium Section, Aluminium Composite Panels (Bond), businesses etc which has helped us grow since our inception.

- ***Strong Brand Visibility***

Our products are sold under the brand name “EUROVISION” which is a part of the EURO group. Euro group has a presence across products such as Vitrified & Ceramic Tiles, Agglomerated Marble, Aluminum Section, Aluminum Composite Panels (Bond), Hardware & Sanitary ware Fittings, Plywood, Veneers, Laminates, Mica, Canfor, Imported Furniture, Sponge Iron, CDR, DVDR, Glass Articles, Dry Battery Cell and Wooden Flooring.

- ***Cordial Relationship between management and labour***

We enjoy cordial relations with our employees and there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our organization since the incorporation of our Company.

- ***Strong Dealer Network***

Our Promoters have an understanding of the trade segment of the market. Through this understanding, we have been able to establish a strong dealer network across India, enabling our products to reach the small consumers easily. Our sales are through the distribution network that has been developed over a period of last three years. Presently we have 16 distributors with over 515 district dealers and more than 150000 retailers spread across the country for marketing and distributing our products.

- ***Location advantage***

The strategic location of the plant is helpful as the Plant is located in Kutch region which is well connected with two ports of India namely Kandla and Mundra Ports. Because of the natural protection provided by its location, these ports are able to handle cargo throughout the year in all weather conditions, including during severe weather conditions of the monsoon season characterised by heavy rains, winds and waves, with minimal costs, delays and damages that often impact other more exposed ports. Our plant is connected by rail and road to the transportation network of India, particularly the inland regions of western and northern India.

For CDR/DVDR business

- ***We are ranked second among all the Optical storage media devices manufacturers in the country***

In our country there are a few optical storage media manufacturers like Moser Baer India Limited, Jupitar Innovations Limited, Optek Disc Manufacturing Company Limited, and Lizer Technologies Limited etc. with Moser Baer being the largest manufacturer. In 2009, according to the Optical Disk Manufacturers Welfare Association, we are the second largest player (with an installed capacity of 1800 Lac units per annum, ranked second with Moser Baer being ranked first with an installed capacity of more than 10000 lac units per annum) in the country in terms of installed manufacturing capacities.

- ***Our Quality Certification***

Our CDRs/ DVDRs manufacturing unit has received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications. Since our company is dedicated towards the quality of products, processes and inputs, we get repetitive orders from our customers, as we are capable of meeting our quality standards thereby enabling us to maintain our brand image in the market.

- ***Fully Automated Plant***

Our manufacturing facility is fully automated with least human intervention, which ensures international quality standards with optimum utilization of installed capacities. The said facility is compatible for switch over of manufacturing process from CDR to DVDR and vice versa. The manufacturing facility has inbuilt quality testing at two stages which ensures both in-line and off-line quality checks..



- ***Optimum utilization of manufacturing facilities***

Our manufacturing facility is, currently operating at 100% capacity. Our company regularly emphasizes to utilize its manufacturing facility at optimum level to meet increasing demand in the CDR /DVDR segment, which helps in maintaining cost competitiveness and manufacturing efficiencies.

- ***Captive Power plant***

Power is an important factor in every manufacturing facility. Considering the power requirements of our existing manufacturing facilities we have our own captive power plant that has been jointly commissioned with our group Company Euro Ceramics Limited. The complete present requirement of power is met by the Power Plant which uses abundantly available lignite as a fuel to generate power. Captive power plant gives us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. Uninterrupted power supply helps to avoid any delays in manufacturing process thereby ensuring complete utilization of our capacities

- ***Convertibility from CDR to DVDR***

Our CDR/DVDR manufacturing lines can easily be interchanged from CDR to DVDR and vice versa. Hence any change in customer preference from CDR to DVDR and vice versa can be easily addressed without any loss of time.

For Photovoltaic business

EML has tied up for the supply of machinery for the proposed manufacturing unit

We have entered into an agreement with OTB Solar, Netherlands based company for the supply of the machinery for the proposed unit and we have already received the delivery of the consignments of Imported Plant and Machinery in the months of November and December 2008 which has been kept at custom bonded warehouse at Gandhidham, Gujarat. This will put us in an advantageous position as far as the commissioning of the photovoltaic cell manufacturing unit.

- ***Manufacturing unit will be set up as SEZ***

We will be setting up the photovoltaic cell manufacturing unit in a SEZ. This project will be eligible for all SEZ policy concessions and advantages. This will result in cost reduction and thereby enhancing our margins and market share.

- ***Early mover advantage***

We will be one of the companies who will enter the growing Photovoltaic Business at an early stage considering the global requirement for renewable energy & present status (For further details please refer the chapter titled “Industry Overview” beginning on page 49 of this Red Herring Prospectus), company would be able to pre-empt competition and capture demand by establishing a strong brand name. This would enable us to build up sales volume and ride down the experience curve ahead of our competitors.

WEAKNESSES

For Photovoltaic business

- ***No tie-ups for the raw material supply***

Silicon Wafer which is a key raw material for a solar cell manufacturing business, Company currently has no tie up with any of the suppliers to supply the same. This may delay the project or adversely affect the profitability of the Company.

- ***Execution risks***

Company is new to photovoltaic industry, although there are similarities in the manufacturing process of optical media, nevertheless, it could face challenges in project execution, resulting in delays.

OPPORTUNITIES

For CDR/DVDR business

- ***Increasing domestic demand for optical storage media***

With increasing penetration of personal computers in our country and increasing demand in entertainment industry, the demand for optical storage media is going to further increase thereby creating ample opportunities for our products.



As per industry estimates, the current annual demand for CDR-R in India is over 800-million units, of which Indian manufacturers account for 50%. While 20-25% of this demand is driven by IT applications, the balance is accounted for by music and films. (Business Standard 25-09-2007)

Research data shows that India has over 26-million DVDR/VCDR users, which is growing at over 25%, comprising about a fourth of all TV ownership in the country. (Source: Economic Times 10-10-2007)

- ***Antidumping Duty on CD-Rs***

The directorate of anti-dumping & allied duties, a quasi-judicial body attached to the Commerce ministry, is planning to expand the scope of anti-dumping duty on imported optical discs by making it applicable to imports from five more countries, namely, Malaysia, Republic of Korea, Thailand, United Arab Emirates and Vietnam. The move is expected to block imports of all optical discs to India.

For Photovoltaic business

- ***Growth of the Industry***

With the gradual depletion of fossil fuel resources, it has become imperative to generate power through the renewable energy sources and solar energy is one of the best forms of renewable energy. Further, generation of power using solar power has come into operation long time ago and its viability is becoming more palpable because of the growth it has witnessed in the recent years.

The solar PV industry has grown at around 15 per cent CAGR over the past 15 years. The market estimates that the world solar photovoltaic market installations reached a record high of 1550 MW in 2005, representing an annual growth of 42 per cent. This has further increased to 2200 MW in 2006. (PV News, July 2007; PV Energy Systems)

- ***Encouragement by the Government***

The Ministry of New and Renewable Energy (www.mnes.nic.in), earlier known as the Ministry of Non-conventional Energy Sources - have initiated innovative schemes to accelerate utilization and exploitation of the solar energy. Number of incentives like subsidy, soft loan, 80 percent accelerated depreciation, concessional duty on import of raw materials and certain products, excise duty exemption on certain devices/systems etc. are being provided for the production and use of solar energy systems. (For further details please refer to the chapter titled Industry Overview on page 49 of this Red Herring Prospectus)

THREATS

For CDR/DVDR business

- ***Rise in polycarbonate prices is a key risk.***

Increase in prices of Polycarbonate which is a major raw material for our CDR/DVDR business could affect our profitability adversely.

- ***Faster-than-expected penetration of high speed broad-band***

Faster-than-expected penetration of high speed broad-band may cause a rapid shift of the content distribution market to internet from optical media.

- ***Slow down in the global optical media market***

Any unexpected slow down in the global optical media market will put our margins and cash flows from optical media under pressure, thereby diluting the company's equity value.

For Photovoltaic business

- ***Silicon shortage***

Lack of silicon may limit growth of the solar industry. This is an immediate concern.

- ***Interest rate risk***

Rise in interest rates may make financing solar installation projects less feasible.



- ***Geopolitical and country-specific risk***

The solar PV industry is largely concentrated in a few countries. Geopolitical events could have materially adverse effect on the industry.

- ***Policy changes***

A change in policies at the government level, cutting/taking away capital expenditure subsidies on Investments in Photovoltaics is another key risk.

SECTION VI – LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

There are no outstanding litigations against our Company, our Subsidiary, our Directors, our Promoters and our Promoters Group 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 and arrears on cumulative preference shares issued by our Company, 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 awarded 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 our Promoters Group, except the following:

Litigations relating to our Company and contingent liabilities of our Company

Contingent Liability as on March 31, 2009, which are not provided for are as follows:

Sr.No.	Particulars	Amount (Rs. in Lacs)
1	Bank Guarantee Issued by the Bank on behalf of the Company	500.76*
2	Excise Refund Recognized as income	63.42**
3	Disputed Income Tax Assessment dues	13.70***

* The Company has imported various Capital Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, through various licenses, at concessional rates of Custom Duty on an undertaking to fulfill quantified exports within a period of eight years from the date of the respective licenses. The Custom Duty so saved amounts to Rs.2538.56 Lacs and the corresponding Export obligation as on 31st March, 2009 to be fulfilled is Rs.18933.48 Lacs. If the said export is not made within the stipulated time period; the Company is required to pay the said saved Custom Duty together with Interest @ 15% p.a. Bank Guarantee of Rs.500.76 Lacs as on March 31, 2009, were issued against the said EPCG Licenses.

** The Company falls under 1st Schedule to Central Excise Tariff Act, 1985 (5 of 1985). The unit was set up after 31-07-2001 and hence been eligible for Excise Refund benefit envisaged in Notification No:39/2001-CE dated 31-07-2001 as amended. Hence the Company applied to Central Excise Department for Excise Refund and the Department approved the same. The Company commenced commercial production of its first phase on 04-04-2005 with five manufacturing lines and doubled its capacity in January 2007 by adding five more manufacturing lines. The Company was duly in receipt of Excise Refund on the first five lines till the financial year 2007-2008, however from financial year 2008-2009 the Excise Department rejected the Excise Refund claim even for the first five lines. Currently Company is under the appeal with tribunal regarding Excise Refund, however the same is not sanctioned till Balance Sheet date and pending with the authority. Thus during the year the Company has recognized Excise Refund amount of Rs.63,41,853 which is proportionate to first five lines as income and shown as receivable in the Balance Sheet and thus if the Company loses the claim of Refund in the litigation income recognized during the year will not be materialized.

Name of the statute	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	13,28,911	F.Y. 2006-2007	Commissioner of Income Tax (Appeals).
Income Tax Act, 1961	40,732	F.Y. 2004-2005	Commissioner of Income Tax (Appeals).
Total	13,69,643		



OUTSTANDING LITIGATION AGAINST/BY OUR COMPANY (INCLUDING SHOW CAUSE NOTICES AND OTHER PROCEEDINGS WITH GOVERNMENT DEPARTMENTS PERTAINING TO A DISPUTE)

I. LITIGATIONS AGAINST OUR COMPANY

a. Cases under the Trademark Act, 1999.

1. Opposition No.BOM-225061 filed by Anchor Electronics and Electricals against Trademark Application no. 1293464 filed by our Company.

Anchor Electronics & Electricals has filed an opposition against our Company dated May 13, 2006 opposing the registration of trademark "EURO" in class 09 advertised in Trade Mark Journal No 1335 Regular dated October 01, 2005 on page no. 336-337 alleging it to be deceptively, visually and phonetically similar to the trademark "EURO" advertised in Journal no. 1304 vide Application no.1004238 in class 09 . Our Company has filed a Counter Statement dated October 13, 2006. The matter is pending before the Trade Mark Registry, Mumbai.

II. LITIGATIONS BY OUR COMPANY

a. Cases under Income Tax Act, 1961

1. Assessment Year 2005-2006

For Assessment Year 2005-2006, our Company has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax,Central Circle -17&28, Mumbai, dated December 31, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia on the following grounds:

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in considering interest income as income from other sources without appreciating that the investments were made due to business necessity, and not merely for earning interest from surplus funds.
3. that the Deputy Commissioner of Income Tax erred in not allowing the deduction of the interest paid on the funds borrowed from interest income earned.
4. that the Deputy Commissioner of Income Tax grossly erred in initiating penalty proceedings u/s 271 (1) (c) of the Income Tax Act, 1961 .

Further vide letter bearing number DCIT/C.C.17 & 28/ Recovery/ 2008-09/26 dated February 5, 2009, the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, demanded payment of Rs. 40,732/- on or before February 17, 2009. Our Company, replied vide letter dated February 13, 2009 requesting the Deputy Commissioner of Income Tax to keep the demand in abeyance till the appeal filed before the Commissioner of Income -Tax (Appeals) is decided.

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

2. Assessment Year 2007-2008

For Assessment Year 2007-2008, our Company has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax,Central Circle -17&28, Mumbai, dated December 31, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following



1. that the Deputy Commissioner of Income Tax grossly erred in initiating penalty proceedings u/s 271 (1) (c) of the Income Tax Act, 1961 .
2. that Deputy Commissioner of Income Tax erred in levying interest u/s 234B of the Income tax Act, 1961 in respect of addition of provision for deferred tax to book profits u/s 115 JB of the Income tax Act, 1961.
3. the Deputy Commissioner of Income Tax erred in not allowing the provision of fringe benefit tax from the book profits u/s 115JB of the income Tax Axt, 1961.
4. that the Deputy Commissioner of Income Tax grossly erred in initiating penalty proceedings u/s 271 (1) (c) of the Income Tax Act, 1961 .

Further vide letter bearing number DCIT/C.C.17 & 28/ Recovery/ 2008-09/26 dated February 5, 2009, the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, demanding payment of Rs. 46,45,385/- on or before February 17, 2009. Our Company, replied vide letter dated February 13, 2009 requesting the Deputy Commissioner of Income Tax to keep the demand in abeyance till the appeal filed before the Commissioner of Income -Tax (Appeals) is decided. Our Company paid an amount of Rs. 33,16,474/- towards tax payable as per return of income for the assessment year 2007-2008 vide challan no. 02472 dated March 16, 2009.

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

b. Cases under Central Excise Act, 1944

1. **Seven Appeals filed against the Order-in Appeal no. 265 to 271 / 2008/COMMR(A) / RAJ dated September 22, 2008, passed by the Commissioner (Appeals) Central Excise, Rajkot for the months of April 2007, May 2007, September 2007, November 2007, December 2007, January 2008 and February 2008.**

Our company has filed seven appeals under section 35 B of the Central Excise Act, 1944 against the Order-in Appeal no. 265 to 271 / 2008/COMMR(A) / RAJ dated September 22, 2008, passed by the Commissioner (Appeals) Central Excise, Rajkot (hereinafter referred to as the Appellate Authority) with reference to appeal filed against refund orders including Refund order no. 321/2007-08 dated March 12, 2008 inter alia on the ground that the Appellate Authority remanded the case for denovo consideration on merits to the Lower Authority and directed the Lower Authority to carry out detailed verification in respect of the value of additional plant and machinery installed, date of installation and actual quantity manufactured from the new plant and machinery for each period involved and thereafter determine actual amount of refund liable to be refunded to our Company.

The said appeal is pending before the Customs, Excise and Gold (Control) Appellate Tribunal, Appeal.

2. **Appeal filed against the Order-in Appeal no. 297/ 2008/COMMR(A) / RAJ dated October 17, 2008, passed by the Commissioner (Appeals) Central Excise, Rajkot for the month of May 2008.**

Our company has filed an appeal under section 35 B of the Central Excise Act, 1944 against the Order-in Appeal no. 297/2008/COMMR(A) / RAJ dated October 17, 2008, passed by the Commissioner (Appeals) Central Excise, Rajkot (hereinafter referred to as the Appellate Authority) with reference to appeal filed against refund orders including Refund order no. 136/2007-08 dated August 14, 2008 inter alia on the ground that the Appellate Authority remanded the case for denovo consideration on merits to the Lower Authority and directed the Lower Authority to carry out detailed verification in respect of the value of additional plant and machinery installed, date of installation and actual quantity manufactured from the new plant and machinery for each period involved and thereafter determine actual amount of refund liable to be refunded to our Company.

The said appeal is pending before the Customs, Excise and Gold (Control) Appellate Tribunal, Appeal.

3. **Two Appeals filed against the Order-in Appeal no. 286 to 287 / 2008/COMMR(A) / RAJ dated February 27, 2009, passed by the Commissioner (Appeals) Central Excise, Rajkot for the months of June 2008 and July 2008.**

Our company has filed two appeals under section 35 B of the Central Excise Act, 1944 against the Order-in Appeal no. 286 to 287/2008/COMMR(A)/RAJ dated February 27, 2009, passed by the Commissioner (Appeals) Central Excise, Rajkot (hereinafter referred to as the Appellate Authority) with reference to appeals filed against refund orders including Refund order no 135/2007-2008 dated August 07, 2008 and Refund order no. 150/2008-09 dated September 10, 2008 inter alia on



the ground that the Appellate Authority remanded the matter back to the jurisdictional Assistant Commissioner with a direction to determine the production of our Company during the month of June 2008 and July 2008 with the old plant and machinery installed prior to December 31, 2005 and grant the actual refund after arriving at the actual production and clearance instead of applying any formula such as 50% with the old plant and machinery and 50% with the new plant and machinery.

The said appeal is pending before the Customs, Excise and Gold (Control) Appellate Tribunal, Appeal.

LITIGATIONS RELATING TO OUR DIRECTORS (INCLUDING SHOW CAUSE NOTICES AND OTHER PROCEEDINGS WITH GOVERNMENT DEPARTMENTS PERTAINING TO A DISPUTE)

I. LITIGATIONS AGAINST OUR DIRECTORS

There are no cases filed against our Directors.

II. LITIGATIONS BY OUR DIRECTORS

a. Cases under Income Tax Act, 1961

1. Assessment Year 2003-2004

For Assessment Year 2003-2004, Mr. Hitesh Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 31, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia on the following grounds:

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax grossly erred in carrying out addition u/s 68 in respect of gift received by Mr. Hitesh Shah without appreciating that the donor was a very close friend of family of Mr. Hitesh Shah.
3. that Deputy Commissioner of Income Tax grossly erred in discarding the various documentary evidence and explanations given during the course of assessment proceedings to prove the genuineness of the gift received.
4. that Deputy Commissioner of Income Tax grossly erred in considering only the income of the donor pertaining only to the current period without appreciating that the gift had been made out of current and accumulated income.
5. that the Deputy Commissioner of Income Tax grossly erred in carrying out the addition despite no incriminating evidence being found during the course of search proceedings.
6. that the Deputy Commissioner of Income Tax grossly erred in initiating penalty proceedings u/s 271 (1) (c) on the ground of addition u/s 68 with regard to gift received.

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

Apart from the appeal as mentioned above and as stated herein under point title “LITIGATIONS RELATING TO OUR PROMOTERS” II below by Mr. Nenshi Shah and point titled “LITIGATIONS RELATING TO OUR GROUP COMPANIES / VENTURES OF PROMOTERS” II (C) by Mr. Hitesh Shah , there are no ourtstanding litigations filed by Directors of our Company.

LITIGATIONS RELATING TO OUR PROMOTERS (INCLUDING SHOW CAUSE NOTICES AND OTHER PROCEEDINGS WITH GOVERNMENT DEPARTMENTS PERTAINING TO A DISPUTE)

I. LITIGATIONS AGAINST OUR PROMOTERS

There are no cases filed against our Promoters.

II. LITIGATIONS BY OUR PROMOTERS

i. Mr. Nenshi Shah

a. Cases under Income Tax Act, 1961

1. Assessment Year 2007-2008

For Assessment Year 2007-2008, Mr. Nenshi Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 30, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following:

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in adding notional income from house property
3. that the Deputy Commissioner of Income Tax grossly erred in estimating the annual value of the property at the rate of 1% of the cost per month without considering the computation methods specified in S. 23(1).

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

2. Assessment Year 2006-2007

For Assessment Year 2006-2007, Mr. Nenshi Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 30, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in adding notional income from house property
3. that the Deputy Commissioner of Income Tax grossly erred in estimating the annual value of the property at the rate of 1% of the cost per month without considering the computation methods specified in S. 23(1).

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

3. Assessment Year 2005-2006

For Assessment Year 2005-2006, Mr. Nenshi Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 30, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in adding notional income from house property
3. that the Deputy Commissioner of Income Tax grossly erred in estimating the annual value of the property at the rate of 1% of the cost per month without considering the computation methods specified in S. 23(1).

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,



4. Assessment Year 2004-2005

For Assessment Year 2004-2005, Mr. Nenshi Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 30, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in adding notional income from house property
3. that the Deputy Commissioner of Income Tax grossly erred in estimating the annual value of the property at the rate of 1% of the cost per month without considering the computation methods specified in S. 23(1).

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

5. Assessment Year 2003-2004

For Assessment Year 2003-2004, Mr. Nenshi Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 30, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in carrying out addition u/s 68 in respect of gift received by Mr. Nenshi Shah without appreciating that the donor was a very close friend of Mr. Nenshi Shah.
3. that Deputy Commissioner of Income Tax grossly erred in discarding the various documentary evidence and explanations given during the course of assessment proceedings to prove the genuineness of the gift received.
4. that Deputy Commissioner of Income Tax grossly erred in considering only the income of the donor pertaining only to the current period without appreciating that the gift had been made out of current and accumulated income.
5. that the Deputy Commissioner of Income Tax grossly erred in carrying out the addition despite no incriminating evidence being found during the course of search proceedings.
6. that the Deputy Commissioner of Income Tax erred in adding notional income from house property
7. that the Deputy Commissioner of Income Tax grossly erred in estimating the annual value of the property at the rate of 1% of the cost per month without considering the computation methods specified in S. 23(1).
8. that the Deputy Commissioner of Income Tax grossly erred in taxing the long term capital gain on sale of listed securities at the rate of 20% instead of 10%.
9. that the Deputy Commissioner of Income Tax grossly erred in initiating penalty proceedings u/s 271 (1) (c) on the ground of addition u/s 68 with regard to gift received.

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

6. Assessment Year 2002-2003

For Assessment Year 2002-2003, Mr. Nenshi Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 30, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle - 17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following



1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in adding notional income from house property
3. that the Deputy Commissioner of Income Tax grossly erred in estimating the annual value of the property at the rate of 1% of the cost per month without considering the computation methods specified in S. 23(1).

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

7. Assessment Year 2001-2002

For Assessment Year 2001-2002, Mr. Nenshi Shah has preferred an appeal before the Commissioner of Income -Tax (Appeals), Central – IV, Mumbai, against the order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, dated December 30, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Central Circle -17&28, Mumbai, pursuant to search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006, interalia alleging the following

1. that the order passed by the Deputy Commissioner of Income Tax is bad in law and on facts.
2. that the Deputy Commissioner of Income Tax erred in adding notional income from house property
3. that the Deputy Commissioner of Income Tax grossly erred in estimating the annual value of the property at the rate of 1% of the cost per month without considering the computation methods specified in S. 23(1).

The said appeal is pending before the Commissioner of Income -Tax (Appeals) Central – IV, Mumbai,

LITIGATIONS RELATING TO OUR GROUP COMPANIES / VENTURES OF PROMOTERS (INCLUDING SHOW CAUSE NOTICES AND OTHER PROCEEDINGS WITH GOVERNMENT DEPARTMENTS PERTAINING TO A DISPUTE)

I. LITIGATIONS AGAINST OUR GROUP COMPANIES / VENTURES OF PROMOTERS

A. EURO MERCHANDISE (INDIA) LIMITED (EMIL).

a. Cases under the Customs Act, 1962

1. Show Cause Notice F. No. SIIB/47/2006 dated September 06, 2006 had been issued to Euro Merchandise (India) Limited by the Joint Commissioner of Customs, Special Intelligence and Investigation Branch, Chennai.

Show Cause Notice F. No. SIIB/47/2006 dated September 06, 2006 had been issued to Euro Merchandise (India) Limited by the Joint Commissioner of Customs, Special Intelligence and Investigation Branch, Chennai. The said notice alleges that import of 7488 Sq. meters of ceramics tiles vide Bill of Entry No. 968069 dated February 22, 2006 attracts anti dumping duty at the rate USD 8.28 per sq. meter of tiles imported amounting to Rs. 27,55,928/- instead of a custom duty of Rs. 3,23,643/- on assessable value of Rs. 13,31,912/-. The said allegation is made on the basis of interpretation of different classification. EMIL filed it's reply on September 21, 2006 denying the allegation made. EMIL received an addendum dated October 06, 2006 to the above show cause notice from the Joint Commissioner of Customs, special Intelligence and Investigation Branch, Custom House, Chennai. As per the addendum, a re-test of the samples of ceramic tiles was carried out at Central Revenues Control Laboratory, New Delhi ("CRCL") and that the report of CRCL confirmed the findings of the test report of the Custom House Laboratory, Chennai. EMIL by its reply dated October 16, 2006 denied the correctness of report of the CRCL and requested for a re-test by an independent laboratory. The company by its reply dated January 03, 2007 to the re-test report and the test memo sent to CRCL, New Delhi, stated that they are neither liable to pay anti-dumping duty nor are the goods liable to confiscation and that the above-mentioned show cause notice should dropped. The Joint Commissioner of Customs, Special Intelligence and Investigation Branch, Chennai, by order dated April 11, 2007 held that EMIL imported two grades of tiles and mis declared the Vitrified tiles as ceramic tiles to evade payment of appropriate anti-dumping duty and further declared that the assessing value be classified under CTH 69079010 as against the declared classification under CTH 69081090. Confiscation of imported tiles of grade YD5506 was also ordered. Further a penalty of Rs 13,000/- was also imposed. EMIL has filed an appeal before the Commissioner of Customs (Appeals), Chennai dated July 13, 2007 seeking stay against operation of the impugned order. The Commissioner of Customs (Appeal) vide order dated June 24, 2009 dismissed the aforesaid appeal and held that the penalty imposed by the Joint Commissioner of Customs, Special Intelligence and Investigation Branch, Chennai is fair.



The matter is still pending.

2. Summons dated June 20, 2007 issued by the Appraiser of Customs, Special Investigation & Intelligence Branch (Import), Jawaharlal Nehru Custom House, Nhava Sheva.

Summons dated June 20, 2007 were issued to EMIL under Section 108 of the Customs Act, 1962 bearing No. M D/126/2007 issued by the Appraiser of Customs, Special Investigation & Intelligence Branch (Import), Jawaharlal Nehru Custom House, Nhava Sheva, to EMIL, to tender evidence and/or produce documents regarding an enquiry in connection with the Import of Ceramic Tiles, on June 28, 2007. EMIL's representatives attended the summons and handed over the relevant documents. EMIL has by letter dated July 09, 2007 expressed its inability in working out the duty on the RSP/MRP as arrived by the Directorate of Revenue Intelligence. EMIL is awaiting further proceedings, if any, in this regard.

3. Letter dated June 27, 2007 issued by The Commissioner of Customs, Kutch Commissionerate, Kandla.

The office of The Commissioner of Customs, Kutch Commissionerate, Kandla vide its letter dated June 27, 2007 has requested EMIL to make available copies of Bill of Entry alongwith relevant documents for finalization of provisional assessment in respect of Ceramic Tiles imported. EMIL vide its letter dated July 12, 2007 replied to the above letter stating:

- a. The investigation is pending for adjudication and hence the finalization of the assessments should be kept in abeyance.
- b. The documents referred to in Annexure I has not been submitted along with the letter dated June 27, 2007.
- c. The copies of bills of entry have been requested.
- d. EMIL has requested 30 days time to file reply, after receipt of the documents.

The office of The Commissioner of Customs, Kutch Commissionerate, Kandla vide its letter dated July 24, 2007 forwarded the copy of the Annexure-I and requested that the submissions be made within fifteen days of the receipt of the letter. Further, the office of The Commissioner of Customs, Kutch Commissionerate, Kandla vide its letter dated September 18, 2007 informed EMIL that no reply has been received from EMIL and has requested to submit a reply in 15 days from receipt of the letter failing which the case will be decided ex-parte. Thereafter, vide letter dated October 12, 2007, the office of The Commissioner of Customs, Kutch Commissionerate, Kandla informed EMIL that still no reply has been received from them and again requested EMIL to submit a reply on or before October 23, 2007 failing which the case will be decided ex-parte. Further the office of The Commissioner of Customs, kandla vide its letter dated April 23, 2008 informed EMIL that personal hearing in the above matter has been fixed on April 28, 2008. EMIL replied vide letter dated May 3, 2008 requesting the personal hearing to be fixed in the third week of May 2008. Further the office of The Commissioner of Customs, kandla vide its letter dated May 7, 2008 informed EMIL that personal hearing in the above matter has been refixed on May 26, 2008. EMIL vide letter dated May 24, 2008 replied to the letter fo the office of The Commissioner of Customs, kandla dated May 7, 2008 stating inter alia that EMIL is not liable to pay the differential duty demanded in respect of bills of entry which have been finally assessed, without following the due procedure of law .

The matter is still pending.

B. SUBHNEN VENEERS PRIVATE LIMITED (now known as EURO DÉCOR PRIVATE LIMITED)

a. Cases under Income Tax Act, 1961

1. Assessment Year 2006-07

The return of fringe benefit tax of Subhnen Veneers Private Limited for assessment year 2006-07 filed on November 29, 2006 declaring total value of fringe benefits at Rs. 5,23,996/- was selected for scrutiny and notice u/s 115 WE(2) was sent to Subhnen Veneers Private Limited. The Deputy Commissioner of Income-Tax, Range 8 (3), Mumbai vide Assessment Order issued a demand notice of Rs. 2,54,766/-. Further, Subhnen Veneers Private Limited paid an amount of Rs. 1,78,900 towards the demand notice issued.



C. SUBHNEN DECOR PRIVATE LIMITED [now known as EURO DÉCOR PRIVATE LIMITED]

b. Cases under the Income Tax Act, 1961

2. Assessment Year 2005-06

The return of income of Subhnen Decor Private Limited for assessment year 2005-06 filed on October 30, 2005 declaring total income of Rs. Nil was selected for scrutiny and notices u/s 143(2) and 142 (1) were sent to Subhnen Decor Private Limited. The Income – Tax Officer 9 (3) – 2, Mumbai vide Assessment Order dated December 31, 2007 issued a demand notice of Rs. 11,96,19,339/-.

Further an appeal was filed by Subhnen Decor Private Limited inter alia on the grounds namely (i) that the assessing officer erred in adding Rs. 26,94,02,073/- under the head “Under invoicing of Sales” merely on the basis of the Excise Show cause notice and without allowing cross examination and without giving independent finding with supporting evidences. The addition being arbitrary and without proper finding and in violation of rules of natural justice is bad in law and needs to be totally deleted (ii) that the Assessing Officer erred in rejecting the submission of Subhnen Decor Private Limited to add only net profit/gross profit of the alleged suppressed sales (iii) that on the facts and circumstances of the case and in law the Assessing officer erred in entertaining the claim to allow deduction u/s 80IB(4) and (iv) that on the facts and circumstances of the case and in law the Commissioner of Income Tax (Appeals) is requested to entertain the claim for deduction u/s 80IB(4) for the first time.

The Commissioner of Income Tax (Appeals), Central – 1, Mumbai has by order dated April 21, 2008 dismissed the first ground of appeal, given part relief on the second ground of appeal, and allowed the third and fourth grounds of appeal.

Further an appeal was filed by the Income – tax Officer – 9(3) (2) inter alia on the grounds namely (1) that on the facts and circumstances of the case and in law the Commissioner of Income Tax (Appeals) erred in restricting the addition made on account of under invoicing of sales to Rs. 8,92,51,779/- (2) that on the facts and circumstances of the case and in law the Commissioner of Income Tax (Appeals) erred in allowing the deduction u/s 80IB(4) and (3) that the order of the Commissioner of Income Tax (Appeals) be set aside and that of the Income Tax Officer be restored, The matter is still pending before the Income Tax Appellate Tribunal, Mumbai.

D. EURO CERAMICS LIMITED

a. Cases under Income Tax Act, 1961

1. Assessment Year 2006-07

The return of income was filed on December 29, 2006 declaring total income of Rs. 6,00,22,790/-, pursuant to Notice u/s 153A dated November 30, 2006. The return of income was selected for scrutiny and notice u/s 143(2)/142(1) was sent to Euro ceramics limited. Euro ceramics limited was subject to a search and seizure action carried out by the DDIT(Inv) Unit – III(1), Mumbai on August 3, 2006. The Deputy Commissioner of Income Tax vide Assessment Order December 31, 2008 issued a demand notice of Rs. 4,50, 865/-.

Further Deputy Commissioner of Income Tax vide letter dated February 11, 2009 has reduced the demand to Rs. 70,776/-

The matter is still pending before the assessing officer.

II. LITIGATIONS BY OUR GROUP COMPANIES / VENTURES OF PROMOTERS

A. EURO CERAMICS LIMITED (“ECL”)

a. Case under section 138 of the Negotiable Instruments Act 1881

1. Criminal complaint no. 2438/SS/05 filed by Euro Ceramics Limited against M/s Sri Shirdi Sai Ceramics under Section 138 of the Negotiable Instruments Act, 1881.



Euro Ceramics Limited filed a criminal complaint bearing number 2438/SS/05 u/s 138 of the Negotiable Instruments Act, 1881 against M/s. Sri Shirdi Sai Ceramics in the Metropolitan Magistrate's 44th Court at Andheri, Mumbai in respect of dishonour of cheque amounting to Rs.1,70,000/- issued in favour of ECL. The case is currently pending before the Metropolitan Magistrate's 44th Court at Andheri, Mumbai.

b. Case under the Maharashtra Regional & Town Planning Act, 1966

1. Notice dated October 30, 2002 issued by Assistant Municipal Commissioner, Brihanmumbai Mahanagarpalika, K/West Ward.

Euro Ceramics Limited, through Mr. Kumar P. Shah, Promoter-Director of ECL has received a notice dated October 30, 2002 from the Office of Assistant Municipal Commissioner, Brihanmumbai Mahanagarpalika, K/West Ward in respect of premises No. 208, 2nd Floor, Sangam Arcade Building, CTS No. 1236, F.P. No. 11, T.P.S. III, Vallabhabhai Road, Vile Parle (West), Mumbai- 400 056 for alleged unauthorized commercial use of a residential premises in contravention of the provisions of the Maharashtra Regional & Town Planning Act, 1966 ("MRTP"). ECL along with other residents of the building who had received similar notices, submitted proposal for the necessary approval of Executive Engineer, Building Proposals K/West Ward for change of user from residential to commercial, which was refused vide order dated March 28, 2003. An appeal has been filed by, Mr. Kumar P. Shah before the Urban Development Minister, Maharashtra, along with other inhabitants of the building, against the aforesaid notice dated October 30, 2002 and order dated March 28, 2003 before the Urban Development Minister, Maharashtra and is currently pending. The Assistant Municipal Commissioner, M.C.G.M., K-West Ward Office, Andheri (West), Mumbai has also filed a complaint before the Senior Inspector of Police, Juhu Police Station, Mumbai against the building residents including ECL through their Promoter Director Mr. Kumar P. Shah. The building residents have submitted a joint reply vide letter dated February 15, 2005 to the Senior Inspector of Police, Juhu Police Station, Mumbai. The appeal is pending before the Urban Development Minister, Maharashtra.

B. SUBHNEN VENEERS PRIVATE LIMITED (now known as EURO DÉCOR PRIVATE LIMITED)

a. Cases under Kerala General Sales Tax Act 1963 ("KGST")

1. Financial Year 1999-2000

For the Financial Year 1999-2000, Subhnen Veneers Private Limited has preferred an appeal before the Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam against the order dated November 18, 2003 issued by the Additional Sales Tax Officer, Commercial Taxes, Ernakulam. The appeal has been preferred against the aforesaid order challenging the assessment of sales tax as Rs.1,26,792/- and interest thereon being Rs.1,19,336/-. During the pendency of the appeal, the Naib Tahsildar, Recovery of Government Dues, Mumbai initiated the collection proceedings for the Assessment Year 1999 – 2000 under KGST and for the Financial Year 2000-2001 under Central Sales Tax Act. In order to stay the recovery proceedings, Subhnen Veneers Private Limited filed a writ petition WP(C) No. 25173 of 2004 in the High Court of Kerala. The High Court of Kerala by its judgment dated August 23, 2004 directed all recovery proceedings to be stopped and directed Subhnen Veneers Private Limited to deposit one third of the arrears of tax under the KGST for the Assessment Year 1999-2000 and 25% of the tax dues under the Central Sales Tax Act for the Financial Year 2000-2001 within one month of the judgement and only then shall the appeals be taken up by the Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam. Both dues have been deposited by the Subhnen Veneers Private Limited. The appeal is pending before the Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam.

b. Cases under Central Sales Tax Act, 1963

1. Financial Year 2000-01

For the Financial Year 2000-01, Subhnen Veneers Private Limited has preferred an appeal before the Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam against the order dated December 19, 2003 issued by the Additional Sales Tax Officer, Commercial Taxes, Ernakulam.

The appeal has been preferred against the aforesaid order challenging the assessment of sales tax as Rs. 2,17,242/- and interest thereon being Rs. 1,36,862. During the pendency of the appeal, the Naib Tahsildar, Recovery of Government Dues, Mumbai initiated the collection proceedings for the Assessment Year 1999 – 2000 under the Kerala General Sales Tax Act 1963 ("KGST"). In order to stay the recovery proceedings, Subhnen Veneers Private Limited filed a writ petition WP(C) No. 25173 of 2004 in the High Court of Kerala. The High Court of Kerala by its judgment dated August 23, 2004 directed all recovery proceedings to be stopped and directed Subhnen Veneers Private Limited to deposit one third of the arrears of tax under the KGST for the Financial Year 1999-2000 and 25% of the tax dues under the CST for the Financial Year 2000-



2001 within one month of the judgement and only then shall the appeals be taken up by the Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam. Both dues have been deposited by the Subhnen Veneers Private Limited. The matter is pending before the Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam.

c. Cases under Central Excise Act, 1944

1. Appeal against Joint Commissioner order dated December 19, 2008 pursuant to Show Cause Notice dated May 09, 2007 was issued to M/s Subhnen Veneers Private Limited by the Additional Directorate General Central Excise Intelligence.

Subhnen Veneers Private Limited has preferred an appeal before the Commissioner of Central Excise & Customs (Appeals), Vapi, against the order of the Joint Commissioner, Central Excise & Customs, Vapi, dated December 19, 2008 ("Order") passed pursuant to Show Cause Notice dated May 09, 2007 was issued to M/s Subhnen Veneers Private Limited by the Additional Directorate General Central Excise Intelligence.

This appeal has been preferred against the aforesaid order of the Joint Commissioner, Central Excise & Customs, Vapi, pursuant to search action carried out by the office of the Directorate General, Central Excise Office, Bangalore Zonal Unit on May 26, 2005 and on subsequent dates, inter alia alleging the following

1. that no tangible evidence/ no flow back of cash/ no incriminating documents or assets found by the Adjudicator.
2. that reliance on irrelevant and non existing material by the Adjudicator.
3. that non corroboration of invoices and price lists.
4. that non consideration of defence evidences and submissions by the Adjudicator.
5. that biased/selective investigating approach of the Adjudicator.
6. that the Order is based on assumptions and presumptions.
7. that there is no confession by directors or authorised signatory in their statements.
8. that the adjudicators finding are factually incorrect.
9. that the Director's retraction is not an afterthought but a thoroughly followed procedural aspect as far as business activities of Subhnen Veneers Private Limited are concerned.
10. that the Principles of natural justice are not followed.
11. that the Order is verbatim the same as regards the findings and reliance on various decisions, as in Order dated November 25, 2008 bearing number 26/MP/Vapi/2008 passed by Commissioner, Vapi.
12. That the Order is a Non speaking Order and it has not dealt with case laws and other submitted arguments.

The Customs Excise And Service Tax, Appellate Tribunal, Ahmadabad, vide order dated August 27 2009 disposed off the appeal and set aside the Order remanding the matter to the Commissioner for fresh adjudication.

The said matter is pending before the Commissioner for fresh adjudication.

d. Cases under Income Tax Act, 1961

1. Assessment Year 2006-2007

For Assessment Year 2006-2007, Subhnen Veneers Private Limited has preferred an appeal before the Commissioner of Income -Tax (Appeals) against the order of the Deputy Commissioner of Income Tax, Range 8(3), Mumbai, dated December 31, 2008.

This appeal has been preferred against the aforesaid order of the Deputy Commissioner of Income Tax, Range 8(3), Mumbai, pursuant to search action carried out by the office of the Directorate General, Central Excise Office, Bangalore Zonal Unit on May 26, 2005 and on subsequent dates, inter alia alleging the following

1. that the Assessing Officer erred in adding Rs 30,09,235/- on account of under invoicing of sales.
2. that the Assessing Officer erred in adding alleged total sales amount of Rs 30,09,235/- instead of only net profit/gross profit on the alleged suppressed sales.
3. that the Assessing Officer erred in disallowing Rs. 82,431/- on account of employee's contribution to PF
4. that the Assessing Officer erred in excluding interest income of Rs. 84,124/- while computing the deduction u/s 80IB of the Income Tax Act 1961.

5. that the Assessing Officer erred in calculating deduction at the rate of 30% on Rs. 10,15,006/- instead of on Rs. 1,33,44,183/- being the business income of the undertaking.

The said appeal is pending before the Commissioner of Income -Tax (Appeals).

C. M/S. KANCH GHAR

a. Cases Negotiable Instrument Act, 1881.

1. Criminal Complaint no. 771/SS/06 filed by M/s. Kanch Ghar against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai

Criminal Complaint no. 771/SS/06 dated September 28, 2006 filed by M/s. Kanch Ghar under section 138 of Negotiable Instruments Act, 1881 against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai in respect of dishonour of two cheques amounting to Rs. 25,000 and Rs. 50,000 each issued in favour of M/s. Kanch Ghar. The case is currently pending before the Metropolitan Magistrates 44th Court, at Andheri, Mumbai.

2. Criminal Complaint no. 768/SS/06 28/9/06 filed by M/s. Kanch Ghar under against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai

Criminal Complaint no. 768/SS/06 28/9/06 dated September 28, 2006 filed by M/s. Kanch Ghar under section 138 of Negotiable Instruments Act, 1881 against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai in respect of dishonour of three cheques amounting to Rs. 25,000 each issued in favour of M/s. Kanch Ghar. The case is currently pending before the Metropolitan Magistrates 44th Court, at Andheri, Mumbai.

3. Criminal Complaint no. 770/SS/06 filed by M/s. Kanch Ghar against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai.

Criminal Complaint no. 770/SS/06 dated September 28, 2006 filed by M/s. Kanch Ghar under section 138 of Negotiable Instruments Act, 1881 against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai. in respect of dishonour of three cheques amounting to Rs. 25,000 each issued in favour of M/s. Kanch Ghar. The case is currently pending before the Metropolitan Magistrates 44th Court, at Andheri, Mumbai.

4. Criminal Complaint no. 769/SS/06 filed by M/s. Kanch Ghar against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai

Criminal Complaint no. 769/SS/06 dated September 28, 2006 filed by M/s. Kanch Ghar under section 138 of Negotiable Instruments Act, 1881 against M/s Hari Om Glass and Mr. Gullu Gurunani in the Metropolitan Magistrates 44th Court, at Andheri, Mumbai in respect of dishonour of three cheques amounting to Rs. 25,000 each issued in favour of M/s. Kanch Ghar. The case is currently pending before the Metropolitan Magistrates 44th Court, at Andheri, Mumbai.

D. EURO SOLO ENERGY SYSTEMS LIMITED

a. Income Tax Cases

1. Assessment Year 2006-2007

For Assessment Year 2006 - 2007, Euro Solo Energy Systems Limited has preferred an appeal before the Commissioner of Income -Tax (Appeals), – X, Mumbai, against the order of the Income Tax Officer, Mumbai, dated November 20, 2008.

This appeal has been preferred against the aforesaid order of the Income Tax officer, Mumbai, inter alia alleging the following

1. that the order passed by the Assistant Commissioner of Income Tax is bad in law and on facts.
2. that the Assistant Commissioner of Income Tax grossly erred in considering interest income as income from other sources without appreciating that the investments were made due to business necessity, and not merely for earning interest income from surplus funds.
3. that the Assistant Commissioner of Income Tax erred in not reducing the interest income from the expenses incurred during pre construction period, as the interest income earned was earned on fixed deposit kept for margin money required for the purpose of import of machineries under EPCG scheme.



4. that the Assistant Commissioner of Income Tax erred in disallowing depreciation claimed, as no business activities had commenced during the year.
5. that Assistant Commissioner of Income Tax erred in not considering the fact that Euro Solo Energy Systems Limited had already set up the business and commenced business activities during the year.
6. that the initiation of penalty proceedings is bad in law as there are no specific findings or observations for initiation of the concealment penalty proceedings.

The said appeal is pending before the Commissioner of Income -Tax (Appeals)– X, Mumbai,

E. EURO MERCHANDISE (INDIA) LIMITED (EMIL)

a. Cases under the Customs Act, 1962

1. **Appeal filed against order of the Commissioner of Customs, Kandla passed pursuant to issue of Summons No. DRI/MZU/D/ENQ-19/2005-06 dated March 01, 2006 was served to Euro Merchandise (India) Limited issued under section 108 of the Customs Act, 1962.**

EMIL has preferred an appeal before the Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad, against the order of the office of the Commissioner of Customs, Kandla, dated March 31, 2008 (“Order”).

This appeal has been preferred against the aforesaid order of the office of the Commissioner of Customs, Kandla, pursuant to Summons No. DRI/MZU/D/ENQ-19/2005-06 dated March 01, 2006 and search action carried out by the office of the Directorate General, Central Excise Office, Bangalore Zonal Unit on May 26, 2005 and on subsequent dates, inter alia alleging the following

1. that sales made to builders etc are not in pre – packed commodities so the need to affix MRP on the packages of the same does not arise and hence the value for the payment of CVD cannot be based on MRP.
2. that MRP cannot be re-determined by the department and consequently, demand of CVD based on the re-determined MRP is not sustainable in law
3. that the Commissioner’s finding to impose penalty and confiscation of goods is erroneous and should be set aside.
4. that reliance by Commissioner on the Hon’ble Tribunal’s judgment in the matter of Planet Sports Pvt. Ltd. vs. CC, 2005 (180) ELT 206 (Tri.-Del) and Media Industries Ltd. vs. CC, 2006 (199) ELT 345 (Tri.-Del) is untenable and should be set aside
5. that invocation of extended period of limitation is not sustainable in the present case.

The said appeal is pending before the Customs, Excise & Service Tax Appellate Tribunal, Ahmedabad,

F. SHUBHNEN DECOR PRIVATE LIMITED (*now known as EURO DECOR PRIVATE LIMITED*)

a. Cases under Income Tax

1. Assessment Year 2005-06

The return of income of Subhnen Decor Private Limited for assessment year 2005-06 filed on October 30, 2005 declaring total income of Rs. Nil was selected for scrutiny and notices u/s 143(2) and 142 (1) were sent to Subhnen Decor Private Limited. The Income – Tax Officer 9 (3) – 2, Mumbai vide Assessment Order dated December 31, 2007 issued a demand notice of Rs. 11,96,19,339/-.

Further an appeal was filed by Subhnen Decor Private Limited inter alia on the grounds namely (i) that the assessing officer erred in adding Rs. 26,94,02,073/- under the head “Under invoicing of Sales” merely on the basis of the Excise Show cause notice and without allowing cross examination and without giving independent finding with supporting evidences. The addition being arbitrary and without proper finding and in violation of rules of natural justice is bad in law and needs to be totally deleted (ii) that the Assessing Officer erred in rejecting the submission of Subhnen Decor Private Limited to add only net profit/gross profit of the alleged suppressed sales (iii) that on the facts and circumstances of the case and in law the Assessing officer erred in entertaining the claim to allow deduction u/s 80IB(4) and (iv) that on the facts and circumstances of the case and in law the Commissioner of Income Tax (Appeals) is requested to entertain the claim for deduction u/s 80IB(4) for the first time.



The Commissioner of Income Tax (Appeals), Central – 1, Mumbai has by order dated April 21, 2008 dismissed the first ground of appeal, given part relief on the second ground of appeal, and allowed the third and fourth grounds of appeal.

Further an appeal was filed by Subhnen Decor Private Limited inter alia on the following grounds (1) that on the facts and circumstances of the case and in law the Commissioner of Income Tax (Appeals) erred in confirming the addition Rs. 8,92,51,779/- under the head 'under invoicing of sales'; (2) that on the facts and circumstances of the case and in law the Commissioner of Income Tax (Appeals) erred in relying on the statements that are retracted and also on the statements on which no cross examination was allowed by the central excise department; (3) CIT(A) erred in holding that Subhnen Decor Private Limited has been undervaluing the invoice bills to the extent of 35% and that too not on invoice value but on alleged total sales/.The matter is still pending before the Income Tax Appellate Tribunal, Mumbai.

b. Cases under Central Excise Act, 1944

1. Appeal against the order of the Commissioner of Central Excise, Vapi Commissionerate, dated November 25, 2008 pursuant to the Show Cause Notice dated May 09, 2007 was issued to Euro Décor Private Limited (erstwhile Subhnen Decor Private Limited) by the Additional Directorate General Central Excise Intelligence.

Subhnen Decor Private Limited has preferred an appeal before the Customs Excise And Service Tax, Appellate Tribunal, Ahmedabad, against the order of the Commissioner of Central Excise, Vapi Commissionerate, dated November 25, 2008 ("Order") pursuant to the Show Cause Notice dated May 09, 2007 was issued to Euro Décor Private Limited (erstwhile Subhnen Decor Private Limited) by the Additional Directorate General Central Excise Intelligence.

This appeal has been preferred against the aforesaid order of the Joint Commissioner, Central Excise & Customs, Vapi, pursuant to the show cause notice dated May 09, 2007 search action carried out by the office of the Directorate General, Central Excise Office, Bangalore Zonal Unit on May 26, 2005 and on subsequent dates, inter alia alleging the following

1. that non- corroborative and wrong comparison of evidences by the Department.
2. that no tangible evidence/ no flow back of cash/ no incriminating documents or assets found the Adjudicator.
3. that fabrication of evidences/ suppression of evidences to prove the case by the Department.
4. that biased/ selective investigating approach of the Commissioner
5. that alleged price lists used as the incriminating document by the Commissioner
6. that reliance on irrelevant documents and statement of third party by the Commissioner
7. that the Order is based on assumptions and presumptions.
8. that there is no confession by directors or authorised signatory in their statements.
9. that the Director's retraction is not an afterthought but a thoroughly followed procedural aspect as far as business activities of Subhnen Veneers Private Limited are concerned.
10. that statistical facts are ignored by the Commissioner.
11. that non consideration of Cum-Duty benefits while determining the differential duty demanded by the Commissioner.
12. that the Principles of natural justice are not followed.
13. that the Order is a Non speaking Order and it has not dealt with case laws and other submitted arguments.

The said appeal is pending before the Customs Excise And Service Tax, Appellate Tribunal, Ahmedabad, Vapi.

Litigations relating to our subsidiary

Our Company has no subsidiary.

Past cases in which penalties have been imposed

Penalties imposed on our Company

The past cases in which penalties have been imposed on our Company in the last five years are as follows:



Amount of Penalty imposed (Rs.)	Brief particulars regarding penalty	Remarks (paid/ payable and reasons thereof)
7,000	Compounding fees paid by us for compounding of offence(s) under the Standards of Weights and Measures Act, 1976 against summons dated September 19, 2005 in reference to Case no. 33069, issued by Government of Karnataka, Department of Legal Metrology.	Paid
40,000	Compounding fees paid by us under section 33/51 of the Standards of Weights and Measures (Enforcement) Act, 1985 for compounding of offence(s) under the Standards of Weights and Measures Act, 1976 and the Rules made there under pursuant to Order dated October 12, 2006 passed by the Controller of Legal Metrology, Mumbai.	Paid
5,000	Compounding fees paid by us for compounding of offence(s) for violation of section 39 and 63 read with section 6(1) of the Standards of Weights & Measures Act, 1985 and Packaged Commodities Rules 1977 pursuant to order dated June 01, 2006 passed by the Assistant Controller of Legal Metrology, Aurangabad.	Paid

Penalties imposed on our Group Concerns

The past cases in which penalties have been imposed on our Group Concerns in the last five years are as follows:

Amount of Penalty imposed (Rs.)	Brief particulars regarding penalty	Remarks (paid/ payable and reasons thereof)
20,000	Compounding fees paid by Euro Ceramics Limited under section 33/51 of the Standards of Weights and Measures (Enforcement) Act, 1985 for compounding of offence(s) under the Standards of Weights and Measures Act, 1976 and the Rules made there under pursuant to Order dated May 03, 2006 passed by the Deputy Collector of Legal Metrology.	Paid
10,000	Compounding fees paid by Euro Merchandise (India) Limited under section 33/51 of the Standards of Weights and Measures (Enforcement) Act, 1985 for compounding of offence(s) under the Standards of Weights and Measures Act, 1976 and the Rules made there under.	Paid

Penalties imposed on our Subsidiary

Our Company has no subsidiaries.

Amounts Owed To Small Scale Undertakings

As on March 31, 2009, there are no Small Scale Undertakings to whom our Company owes a sum exceeding Rs. 1 Lac, which is outstanding for more than 30 days.

Amounts Owed To Other Creditors

As on March 31, 2009, there are six creditors to whom our Company owes a sum exceeding Rs. 1 Lac, which is outstanding for more than 30 days.

Material Developments since the Last Balance Sheet Date

Except as stated under sub heading “Significant Developments after the date of the last Financial Statements” beginning on page 182 under the chapter titled “Management’s Discussion and Analysis of Financial Statements and Results of Operations as reflected in the Financial Statements” beginning on page 181 of this Red Herring Prospectus, no material developments have taken place after March 31, 2009, the date of the latest balance sheet, that would materially or adversely affect the performance or prospects of our Company. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.



GOVERNMENT/ STATUTORY APPROVALS

In view of the material approvals listed below, we can undertake this Issue and our current business activities and no further material approvals are required from any Government authority or the RBI to continue such activities. We have not applied for any license/approvals in relation to the Objects of the Issue, except as mentioned herein. We have received the following Government approvals that are material to our business:

ISSUE RELATED LICENSES

1. In-principle approval from Bombay Stock Exchange Limited vide letter no.DCS/IPO/BP/IPO-IP/1850/ 2007-08 dated February 14, 2008.
2. In-principle approval from National Stock Exchange of India Limited vide letter no. NSE/LIST/69532-6 dated March 25, 2008.
3. SEBI Observation Letter No. CFD/DIL/ISSUES/PB/AC/157181/2009 dated March 16, 2009 issued by the Securities and Exchange Board of India for the Issue.

GENERAL

1. Certificate of Incorporation bearing CIN No. U32300MH2004PLC145995 dated April 29, 2004 issued by Assistant Registrar of Companies (RoC), Maharashtra at Mumbai.
2. Certificate for commencement of business bearing Co.No.11-145995 dated June 08, 2004 issued by Assistant Registrar of Companies (RoC), Maharashtra at Mumbai.
3. Registration no. KE015482/ Commercial II dated October 15, 2004 issued by the Inspector, Bombay Shops and Establishment Act 1948 in the name of our Company as a Commercial Establishment valid till December 31, 2010.
4. Permanent Account Number of our Company is AABCE3143N.
5. Tax Deduction Account Number of our Company is MUME05023E.
6. Code no. GJ/RJT/42286for employees' provident fund registration under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 dated June 09, 2005 issued by Regional Provident Fund Commissioner, Sub Regional Office, Rajkot.
7. Certificate of Importer-Exporter Code (IEC) bearing No.0304014184 dated May 27, 2004 issued to our Company by the Ministry of Commerce, Government of India.

UNIT AT BHACHAU, KUTCH

1. Licence no. 018723 bearing registration no. 32308/314/A2(M)(i) dated April 01, 2005 issued by Chief Factory Inspector, Gujarat State to our Company for installation of factory, valid till December 31, 2009.
2. Industrial Entrepreneur Memorandum Acknowledgement No. 154/IIM/PROD/2005 dated June 14, 2005 (provisional No. 2038/SIA/IMO/2004 dated June 14, 2005) issued by the, Government of India, Ministry of Commerce & Industry, Department of Industrial Policy and Promotion in the name of our Company approving manufacture of Compact Disc Recordable & Digital Video Disc Recordable (CDR & DVDR).
3. Industrial Entrepreneur Memorandum Acknowledgement No. 532/IIM/PROD/2006 dated May 23, 2006 (provisional No.665/SIA/IMO/2006 dated February 10,, 2006) issued by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy and Promotion in the name of our Company, approving manufacture of Compact Disc Recordable (CD-R), Digital Versatile Disc Recordable (DVD+R), Digital Versatile Disc Recordable (DVD-R), Compact Disc Re-Writable (CD-RW), Digital Versatile Disc Re-Writable (DVD-RW), Digital Versatile Disc Re+Writable (DVD+RW), Mini Digital Versatile Disc Recordable (Mini DVD-R), Mini Digital Versatile Disc Re+Writable (Mini DVD-RW), Mini Compact Disc Recordable (Mini CD-R), Pre-Recorded Digital Versatile Disc Audio, Video and DVD ROMS of Manufacture, Pre-Recorded Compact Disc Audio, Video and CD ROMS of Manufacture.



4. Industrial Entrepreneur Memorandum Acknowledgement no. 5418/SIA/IMO/2006 dated October 05, 2006 issued by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy and Promotion, in the name of our Company approving manufacture of Compact Disc Recordable.
5. Industrial Entrepreneur Memorandum Acknowledgement No. 93/SIA/IMO/2007 dated January 08, 2007 issued by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy and Promotion in the name of our Company approving manufacture of Gold Jewellery Studdings Meddalians, Bangles and Studded and Plain Jewellery of Gold.
6. Industrial Entrepreneur Memorandum Acknowledgement No.2493/SIA/IMO/2007 dated August 31, 2007 issued by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy and Promotion issued in the name of our Company approving manufacture of Packaging Products of Plastic (Except Household) & Moulded Industrial Accessories of Plastics (Including Electrical Insulating fittings of Plastics).
7. License No. P/HQ/GJ/15/4776(P169965) dated June 19, 2006 granted in Form XV under the Petroleum Rules, 2002 issued by the Government of India, Ministry of Commerce & Industry, Petroleum and Explosives Safety Organization (PESO) in the name of our company valid till December 31, 2011.
8. Certificate bearing No. A/Kutch/Ex.Gs/24-10-05/25066 exempting our Company from payment of electricity duty for 1x300KVA capacity under clause (vii) of sub-section (2) of section (3) of the Bombay Electricity Duty Act, 1958 dated April 09, 2005 issued by Collector of Electricity Duty, Gandhinagar valid till April 08, 2010.
9. Registration No. A/DGS/DGR/KTC/000017-07-2006/24989 dated November 20, 2006 issued by Collector of Electricity Duty, Gandhinagar in the name of our Company for installing four D. G. Sets having registration numbers as 12-0024-002-00419, 12-0024-003-00420, 12-0024-004-00421 and 12-0024-005-00422.
10. License No. A/Ex.Gs/Kutch/26-07-06/25476 exempting our Company from payment of electricity duty for four D. G. Sets having registration numbers as 12-0024-002-00419, 12-0024-003-00420, 12-0024-004-00421 and 12-0024-005-00422 with 4x500 KVA capacity under clause (vii) of sub-section (2) of section (3) of the Bombay Electricity Duty Act, 1958 dated November 28, 2006 issued by Collector of Electricity Duty, Gandhinagar valid till April 08, 2010.
11. Registration No. CEI/INS/Plan-3/Bhuj/17/27397/2006-07/ dated November 30, 2006 issued by Office of the Chief Electrical Inspector, Gandhinagar in the name of our Company for supply of power of 1x2500 KVA 11/0.433 KV Transformer with Associated equipments & 11 KV overhead line to cater power from 1x10 MW Co-ownership Captive generating Plant (CGP), by our Promoter Group Entity namely Euro Ceramics Limited.
12. License No. CEI/INS/PLAN-3/Bhuj/176/11651/2005-06 dated May 08, 2006 issued by Chief Electrical Inspector, Gandhinagar for initial inspection of 10 MW Captive Power Plant to be operated in isolation of grid supply for own use only, and 2250 KVA Distribution Transformer to be operated with associated equipments at M/s. Euro Ceramics Limited at village Bhachau, Dudhai Road, Bhachau, Kutch.
13. Professional Tax Registration No. PR0103000017 dated June 09, 2005 issued by Assistant Professional Tax Commissioner, Gandhidham - Kutch under section 5(1) of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 for our unit located at Bhachau.
14. Professional Tax Registration No. PT/R/1/1/29/24849 dated April 27, 2005 issued by Sales Tax Officer, Mumbai under section 5(1) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for our Company's registered office.
15. Professional Tax Registration No. PT/E/1/1/29/18/7916 dated April 30, 2005 issued by Professional Tax officer, Mumbai under sub section 2 or sub section (2A) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for our Company's registered office.
16. Central Excise Registration No. AABCE3143NXM001 dated July 09, 2004 issued by Assistant Commissioner of Central Excise Division, Bhuj – Kutch under Rule 9 of the Central Excise Rules, 2002 for our unit at Bhachau.



17. Certificate No. V/30-14/CCO/Kutch/2004 for Central Excise dated May 17, 2005 issued by Chief Commissioner, Central Excise and Customs Ahmedabad Zone, exempting our Company under the terms of Para 3(ii) of Notification No. 39/2001-CE dated July 31, 2001 amended by Notification No. 55/2004-CE dated November 9, 2004 for our unit at Bhachau.
18. Certificate No. V/30-14/CCO/Kutch/2004 for Central Excise dated May 17, 2005 issued by Chief Commissioner Central Excise and Customs Ahmedabad Zone exempting our Company under the terms of Para 3(iv) of Notification No. 39/2001-CE dated July 31, 2001 for our unit at Bhachau.
19. Our Company's TIN (Tax Payers Identification Number) under the Central Sales Tax (Registration and Turnover) Rules, 1957 is 24510300287.
20. Our Company's TIN (Tax Payers Identification Number) under the Gujarat Sales Tax Act, 1969 is 24010300287.
21. Final Eligibility Certificate No. IC/INC/ST/Kutch/T.5/23 dated September 21, 2007 issued by Industries Commissioner, Gujarat state in the name of our Company for Sales Tax Exemption (Remission of Tax) under Economics Development of Kutch District.
22. License No. IP 105-SC dated July 06, 2007 issued by TQCSI under safety management system complying with the requirements of OHSAS 18001:1999 for Manufacture & Supply (Domestic and Export) of CDRs & DVDRs to our Company valid till May 05, 2010.
23. License No. IP 105-EC dated July 06, 2007 issued by TQCSI under an environmental management system complying with the requirements of ISO 14001:2004 for Manufacture & Supply (Domestic and Export) of CDRs & DVDRs to our Company valid till May 05, 2010.
24. License No. IP 105-EC-SC dated August 25, 2008 issued by TQCSI International Pty Ltd under a safety management system complying with the requirements of ISO 18001:2007 for Manufacture & Supply (Domestic and Export) of CDRs & DVDRs to our Company valid till May 05, 2010.
25. Certificate Registration No. 44 100 094156 – E3 dated June 02, 2009 issued by TUV NORD CERT Gmbh, under a management system in line with the standard for DIN EN ISO 9001:2008 for Manufacture & Supply of Compact Disc Recordable (CD R) and Digital Versatile Disc Recordable (DVD R) to our Company valid till June 01, 2012.
26. Registration no. AR/GIM/GTA-636/2004-05 dated March 31, 2005 issued by Central Excise & Customs Commissionerate, Service Tax Division – Rajkot, Office of the Superintendent of Service Tax, Gandhidham, Department of Revenue, Ministry of Finance, Government of India, under Section 69 of the Finance Act, 1994, complying conditions prescribed in the Service Tax Rules, 1994 to our unit at Bhachau for payment of Service Tax on services of Goods Transport Agency.
27. License No. PC/CCA-KUTCH-296/24770 dated August 30, 2005 issued by Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar as a consent and authorization under section 25 of Water (Prevention and Control of Pollution) Act 1974, Section 21 of Air (Prevention and Control of Pollution) Act 1981, Rule 3(c) & 5(5) of the Hazardous Waste (Management and Handling) Rules 1989 and Environment (Protection) Act 1986 for our unit at Bhachau.
28. Registration no. FT-146/26071 dated August 18, 2004 issued by Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar as a No Objection Certificate in the name of our Company for setting up an Industrial plant at Survey No.508 and 509, Bhachau Dudhai Road, Bhachau, Dist – Kutch for manufacturing of Compact Disc Recordable(CDRs) and Digital Video Disc Recordable(DVDRs).
29. Registration no. GWSSB/ADB/Industries connection/1268 dated September 30, 2004 issued by Chief Engineer & Project Director, Gujarat Water Supply and Sewerage Board, Gandhinagar in the name of our Company for allocation of water to our unit at Bhachau from the Water transmission line of Bhachau - Amardi section of Bhachau Regional Water Supply Scheme.



30. Registration no. ESC No. 02:E&CSEPC:DEL:REG:4690:MUMBAI:2004-05 March 14, 2007 issued by Assistant Director, Electronics and Computer Software Export Promotion Council in the name of our Company for registration cum membership Certificate (RCMC) under Electronics and Computer Software Export Promotion Council (Sponsored by Government of India) valid till March 31, 2010.

31. SP-Solvent License no.18/2008 dated December 03, 2008 issued by District Magistrate, Kutch to our Company for use of Light Diesel Oil valid till December 31, 2013.

32. EPCG LICENCES

Sr. No	License No.	Date	Duty Saved as per License (Rs.)	Export Obligation as per Utilisation (Rs.)	Import Items	Export Period
1.	0330006692	September 24,2004	13,18,73,235	91,28,14,654	Machineries & Equipments	8 Years
2.	0330008741	May 27,2005	12,57,850	1,00,62,800	Machinery	8 Years
3.	0330008971	June 22,2005	4,52,000	36,16,000	UPS System	8 Years
4.	0330010648	December 27,2005	1,71,202	13,69,619	Over-wrapping Machine	8 Years
5.	0330012625	July 20,2006	48,22,426	3,85,79,408	Machinery	8 Years
6.	0330013848	November 07,2006	17,46,532	1,39,72,256	Printer	8 Years
7.	0330014052	November 23,2006	48,36,796	3,86,94,368	CD-R Analyzer and Sprue Recycler	8 Years
8.	0330014150	November 29,2006	10,86,96,177	86,95,69,418	Complete CD-R Replicating Systems	8 Years
	TOTAL		25,38,56,218	1,88,86,78,523 *		

*As on June 30, 2009.

Approvals for Object of the Issue

- Letter of recommendation dated July 01, 2008 bearing no. SEZ/102008/1022/G issued by Under Secretary to Government of Gujarat, Industries and Mines Department to the Ministry of Commerce & Industry, Government of India in favour of our Company for setting up sector specific SEZ for Non – conventional energy including solar energy equipments.
- Letter of approval bearing No. F.1/258/2007 – SEZ dated October 30, 2008 issued by Government of India, Ministry of Commerce & Industry, Department of Commerce (SEZ Section) for development, operation and maintenance of sector specific Special Economic Zone for Non – conventional energy including solar energy equipments/cell at Survey No. 492, 504, 505(1), 505(2), 506 Village Shikara, Taluka Bhachau, District Kutch, Gujarat.
- License No. PC/CCA-Kutch-607/GPCB ID - 33394/6437 dated March 26, 2009 issued by Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar as a consent to establish (NOC) under Water (Prevention and Control of Pollution) Act 1974, Section 21 of Air (Prevention and Control of Pollution) Act 1981, Hazardous Waste (Management and Handling) Rules 1989 and Environment (Protection) Act 1986 for setting up SEZ for non conventional energy inclusive of solar energy equipment/ cell manufacturing units namely Solar Photovoltaic Cells (Unit 1&2), Poly Silicon Plant and Solar Module Plant at Bhachau valid till December 18, 2013.
- Order No: A-3-Bkhp-65(k)- Case No. 144/2008-09 dated April 27, 2009 issued by the Collectorate – Kachchh, Revenue Branch, Bhuj permitting non – agricultural usage for land bearing Survey No. 492,504, 505/1, 505/2 ad 506 situated at Shikara, Taluka Bhachau under Section 65(k) of Land Revenue Law.



5. Certificate No: A-3-Land-N.A.- 65(B) – C. No. 144/2008-09 dated April 27, 2009 issued by Resident Dy. Collector, Kachchh – Bhuj to our Company for use of land bearing survey number 492, 504, 505/1, 505/2 and 506 situated at Village – Shikara, Taluka – Bhachau, District – Kachchh for bonafide Industrial purpose.
6. Letter of Approval No. KASEZ/P&C/6/71/09-10/2717 dated June 9, 2009 from the Joint Development Commissioner, Kandla Special Economic Zone extending all the facilities and entitlements admissible to a unit in a Special Economic Zone subject to the provisions of the Special Economic Zones Act, 2005 and the rules and orders made thereunder for the establishment of a unit in SEZ developed by Euro Multivision limited for undertaking authorized operations, namely, manufacturing of Solar Photovoltaic cells.
7. Eligibility certificate no. KASEZ/P&C/4/137/06/2978 dated June 17, 2009 issued by Joint Development Commissioner, Kandla Special Economic Zone certifying interalia that Euro Multivision Limited (Solar Photovoltaic Cells Division) has been granted approval for setting up a unit in processing area of SEZ at Village Shikara, taluka – Bhachau for manufacture of Solar Photovoltaic cells vide Letter of Approval No. KASEZ/P&C/6/71/09-10/2717 dated June 9, 2009
8. Letter of Approval No. KASEZ/P&C/5/104/09-10/2119 dated June 9, 2009 from the Joint Development Commissioner, Kandla Special Economic Zone conveying approval given by the Approval Committee permitting duty free import/ procurement of goods in terms of Rule 10 and 12 (2) of SEZ Rules, 2006 for default authorized operations within the notified SEZ area.
9. Notification dated April 23, 2009 issued by Government of India Ministry of Commerce and Industry (Department of Commerce) notifying village Shikara, Taluka Bhachau, District Kutch in the state of Gujarat, comprising of survey nos. 492, 504, 501/1, 505/2 and 506 as a Special Economic Zone.
10. Industrial Entrepreneur Memorandum Acknowledgement No.3413/SIA/IMO/2007 dated November 30, 2007 issued by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy and Promotion, in the name of our Company approving manufacture of items based on solar energy like solar cells and other related items.
11. Registration no. 132/2009 dated July 28, 2009 issued by Registration officer and Assistant Labour Commissioner, Gandhidham (Kachchh) to the contractor named B. T. Patel & Co. under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 and Gujarat Rules, for engaging a maximum of 100 contract labourers in Solar Photovoltaic Unit/SEZ of our Company valid upto July 3, 2010.

We have applied for the following licenses:

1. Application dated May 21, 2009, made by our Company to Industries Commissioner, Gandhinagar for issuance of Eligibility Certificate for benefits of State Taxes under Gujarat SEZ Act 2004.
2. Application dated May 11, 2009 made by our Company to Gujrat Pollution Control Board, Gandhinagar for obtaining No Objection Certificate for setting up of Solar photovoltaic Cell Division.
3. Application dated October 03, 2008 made by our Company to Chief General Manager, Gujarat Water Infrastructure Limited, Gandhinagar for use of 4,00,000 litres of water of Narmada every day for the Industrial SEZ.

We will apply for the following licenses in due course:-

Sr. No.	Approval / Consent	Authority
1.	Factory License	Assistant Director, Office of the Industrial Safety and Health
2.	Service Tax Registration	Central Excise Department, Gujarat
3.	Certificate for installation of sub-station for power distribution	Chief Electrical Inspector
4.	Registration for Employees Provident Fund	Regional Provident Fund Commissioner, Sub Regional Office, Rajkot



SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for This Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on July 23, 2007, authorised this Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.

Our shareholders have authorised this Issue by a special resolution adopted under to Section 81 (1A) of the Companies Act, passed at the Annual General Meeting held on September 26, 2007.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer section titled “Government/Statutory Approvals” beginning on page 213 of this Red Herring Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, other companies promoted by our Promoters and companies with which our Directors are associated as directors 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.

Further, our Promoters or their relatives have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

ELIGIBILITY FOR THIS ISSUE

The Company is not eligible for the Issue in accordance with clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009 as some of the conditions enumerated in the said clause are not complied with. The conditions prescribed under clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009 are as follows:

- The Company has net tangible assets of at least Rs. 3 crores in each of the preceding three full years (of twelve months each) of which not more than 50% is held in monetary assets under sub-clause (a) of clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.
- The Company has a track record of distributable profits in accordance with Section 205 of Companies Act, 1956 for at least three of the immediately preceding five years under sub-clause (b) of clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.
- The Company has a net worth of at least Rs. 1 crore in each of the three preceding full years (of twelve months each) under sub-clause (c) of clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.
- In case the company has changed its name within the last one year, at least 50% of the revenue for the preceding 1 full year is earned by the company from the activity indicated by the new name under sub-clause (e) of clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.
- The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of issue size does not exceed five times the pre-Issue net worth of the Company as per the audited balance sheet of the preceding financial year under sub-clause (d) of clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.

The net tangible assets, monetary assets, net profits (as restated) and networth (as restated) as derived from the Restated Financial Statements, as per Indian GAAP as per the Auditors Report dated December 05, 2007 is set forth below:

(Rs. in Lacs)

Particulars	March 31, 2007	March 31, 2006	March 31, 2005
Net Tangible Assets (1)	10555.62	6177.96	5376.52
Monetary Assets (2)	252.62	123.61	311.64
Monetary Assets as a Percentage of Net Tangible Assets	2.39%	2.00%	5.80%
Net Profits as restated	619.05	(128.69)	-
Net worth as restated	1432.76	836.04	955.91
Distributable profits (3)	466.45	(128.69)	-

Notes:

1. Net tangible assets shall mean the sum of all net assets of the company, excluding 'intangible assets', as defined in accounting standard 26 issued by Institute of Chartered Accountants of India.
2. Monetary assets include cash on hand and bank and quoted investments.
3. The Distributable profits of the company as per Section 205 of the Act, and has been calculated from the audited financials statements of the respective year/period before making adjustments for restatement of financial statements.

In view of above, the Company is not eligible for the Issue in accordance with clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009. Hence the company is eligible for the issue in accordance with clause (2) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.

Company is going for this Book Building issue under the following relevant sub-clauses of clause (2) of Regulation 26 of the SEBI (ICDR) Regulations, 2009.-

- (i) The issue is made through the book-building process, and the company undertakes to allot at least 50% of net offer to public to the Qualified Institutional Buyers (QIBs), and to refund full subscription monies if it fails to make allotment to the QIBs.

And

- (i) The minimum post-issue face value capital of the company shall be Rs. 10 crores.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ANAND RATHI ADVISORS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, ANAND RATHI ADVISORS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ANAND RATHI ADVISORS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 22, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS 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 THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

WE CONFIRM THAT:

- A. THIS RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE PUBLIC ISSUE;**
- B. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- C. THE DISCLOSURES MADE IN THIS 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 PUBLIC ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (ICDR) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE 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 THIS DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS RED HERRING PROSPECTUS.**
- (6) WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE RED HERRING PROSPECTUS.**
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**



- (8) WHERE THE REQUIREMENTS OF PROMOTER'S CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTER'S CONTRIBUTION UNDER APPLICABLE PROVISIONS OF THE REGULATIONS ARE NOT APPLICABLE TO THE ISSUER.
- (9) 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.
- (10) 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 SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- (11) WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTER, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE- NOT APPLICABLE.
- (12) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN RS. 1000 LACS, HENCE UNDER SECTION 68A OF THE COMPANIES ACT, THE ALLOTMENT IS MADE ONLY IN DEMAT FORM.
- (13) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:
- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY; 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.

THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS RED HERRING PROSPECTUS.

Disclaimer Statement from the Company and the BRLM

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Our Company, the Director and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above, mentioned entities and anyone



placing reliance on any other source of information, including our website, www.euromultivision.com would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the the Memorandum of Understanding between the BRLM and the Company.

Our Company, the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers etc.

Neither our Company nor the Book Running Lead Manager is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

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 (HUFs) , companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorised under their constitution to hold and invest in shares). This Red Herring Prospectus does not, however, constitute 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 Red Herring Prospectus comes is required to inform himself or her self 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 Bombay only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and the Prospectus has been filed with Registrar of Companies, Maharashtra as per the provisions of the Companies Act. Accordingly, the Equity Shares, represented thereby may not be issued or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of Bombay Stock Exchange Limited

Bombay Stock Exchange Limited ("the Exchange") has given vide its letter no. DCS/IPO/BP/IPO-IP/1850/2007-08 dated February 14, 2008 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;

And it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Offer Document has been submitted to NSE. NSE has given *vide* its letter reference: NSE/LIST/69532-6 dated March 25, 2008, 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.

Disclaimer of CARE

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from an use of the IPO grading.

Filing of Prospectus with SEBI and the Registrar of Companies

A copy of the Red Herring Prospectus required to be filed under Section 60 and Section 60B of the Companies Act would be delivered for registration with Registrar of Companies, Maharashtra. A copy of the Draft Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus along with the documents required to be filed under section 60B of the Companies Act would be delivered for registration to the RoC, Maharashtra atleast 3 (three) days before the issue opening date. The final Prospectus would be filed with the Corporate Finance Department of SEBI and the ROC at the respective aforesaid addresses upon closure of the issue and on finalization of the issue price.

Listing

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). In-principle approval for listing of the equity shares of the Company from BSE and NSE have been received *vide* their letters dated February 14, 2008 and March 25, 2008 respectively.

If the permission to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest all money received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it. (i.e. from the date of refusal or within 70 days from the bid/issue closing date, whichever is earlier), then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% per annum on the Bid Amount, as prescribed under Section 73 of Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalization and adoption of the Basis of Allotment for this Issue.

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.”

Consents

Consents in writing of: the Directors; our Promoters; our Company Secretary; Compliance Officer; the Auditors; Bankers to our Company; Escrow Collection Banks; BRLM; Syndicate Member; the Registrar; the legal advisors to this Issue; IPO Grading Agency and Rajesh Shah Engineers and Consultants Private Limited, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Maharashtra as required under Sections 60 and Section 60B of the Companies Act and such consents have not been withdrawn up to the time of filing of this Red Herring Prospectus with SEBI.

M/s. Swamy & Chhabra, Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with SEBI.

M/s. Swamy & Chhabra, Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with SEBI.

Expert Opinion

Except as mentioned in the chapters titled “Objects of the Issue” and “Statement of Tax Benefits” and section titled “Financial Statements” beginning on pages 24, 42 and 126 of this Red Herring Prospectus, respectively, we have not obtained any Expert Opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The total expenses of the Issue are estimated to be approximately [•]. The estimated Issue expenses are as follows:

(Rs. in Lakhs)

Activity	Expenses	% of total issue expenses	% of total issue size
Lead management fee*	[•]	[•]	[•]
Registrar’s fee	[•]	[•]	[•]
Bankers to the Issue	[•]	[•]	[•]
Underwriting commission, Brokerage and Selling Commission*	[•]	[•]	[•]
Advertising & Marketing Costs**	[•]	[•]	[•]
Printing & stationery	[•]	[•]	[•]
Others (Legal fees, fees for auditors and stamp duty, initial listing fees and annual listing fees, SEBI filing fees, other statutory fees, IPO Grading fee, depository fees, charges for using the book building software of the exchanges and other related expenses)**	[•]	[•]	[•]
Total Estimated Issue Expenses	[•]	-	-

* Will be incorporated after finalisation of Issue Price

** Will be incorporated prior to filing Prospectus with the RoC



Details of Fees Payable

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Engagement Letter dated September 14, 2007 and as stated in the Memorandum of Understanding executed between our Company and BRLM dated December 20, 2007 copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to this Issue

The fees payable to the Registrar to this Issue will be as per the memorandum of understanding dated October 23, 2007, a copy of which is available for inspection at our Registered Office.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission

The Underwriting Commission and Selling Commission for this Issue is as set out in the Syndicate Agreement amongst our Company, the BRLM and Syndicate Member. The Underwriting Commission shall be paid as set out in the Underwriting Agreement based on the Issue Price and amount underwritten in the manner mentioned in this Red Herring Prospectus.

Brokerage for the Issue will be paid not more than [●]% of the Issue Price of the Equity Shares by our Company on the basis of the allotments made against the Bids bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage at the same rate will also be payable to the Escrow Collection Banks in respect of the allotments made against Bids procured by them provided the respective forms of Bid bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers'/Agents' codes on the Bid-cum-Application Form, our Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. We, at our sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by us.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights or public issues during the last five years.

Previous Issues of Shares otherwise than for Cash

Except as stated in the section titled "Capital Structure" beginning on page 14 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration otherwise than for cash.

Commission and 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 inception.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, which made any capital issue during the last three years.

There are no listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, which has made any capital issue during the last three years.

Promise versus Performance – Previous Issues of Group Companies.

Our Company has not made any public issue of Equity Shares since its incorporation. There has been no public issue by any of the Promoter Group companies in the past except as mentioned in the chapter "Financial Information of Group Entities / Ventures Promoted by our Promoter" on page 148 of this Red Herring Prospectus.



Outstanding Debentures, Bond Issues and Preference Shares

As on the date of the filing of this Red Herring Prospectus, there are no outstanding debentures, bonds or preference shares of our Company.

Stock Market Data for our Equity Shares of our Company

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Other Disclosures

Our Promoters, Group Companies, or the directors of our Group Companies or our Directors have not purchased or sold any securities of our Company during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI, except as disclosed in section titled “Notes to Capital Structure” beginning on page 15 of this Red Herring Prospectus.

Mechanism for redressal of investor grievance

The Memorandum of Understanding between the Registrar to this Issue and our Company will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of despatch 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 this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, amount paid on Bid and the bank branch or collection centre where the Bid was submitted.

Disposal of Investor Grievances by our Company

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.

Our Company has constituted a Shareholders / Investor Grievance Committee on July 23, 2007 chaired by Mr. Nenshi L. Shah, and Mr. Chirag R. Shah, Mr. Hitesh S. Shah and Mr. Suresh L. Shah as members.

Our Company has appointed Ms. Shannu Bhandari, Company Secretary and Mr. Sunil Nemani as Compliance Officer and he/she may be contacted at Boston House, Ground Floor, Suren Road, Chakala, Andheri (e), Mumbai 400093, Telephone no.: +91 22 40364210/ +91 22 40364219 ; Fax: +91 22 40364037 . Email: info@euromultivision.com. Investors may contact him/her in case of any pre-Issue or post-Issue problems.

Changes in Auditors during the last three financial years and reasons therefore

There has been no change in auditors of the company.

Capitalisation of Reserves or Profits

Except as stated in the section titled “Capital Structure” our Company has not capitalised its reserves or profits at any time since inception. For details on Capitalisation of Reserves and Profits please refer to section titled “Capital Structure” beginning on page 14 of this Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets since incorporation.

SECTION VIII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The present Public Issue is of 88,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) for cash aggregating to Rs. [●] Lakhs (the “Issue”), out of which 2,00,000 Equity Shares have been reserved for Eligible Employees of our Company on a competitive basis (“Employee Reservation Portion”). The Net Issue to the Public shall be 86,00,000 Equity Shares of Rs.10/- each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) for cash aggregating to Rs. [●] Lakhs (the “Net Issue”) The Issue will constitute 36.97 % of the post Issue paid-up capital of the Company and the Net Issue to the Public will constitute 36.13 % of the post Issue paid -up capital of our Company.

	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	Upto 2,00,000 Equity Shares	At least 43,00,000 Equity Shares must be allotted to QIBs.	Not less than 12,90,000 Equity Shares	Not less than 30,10,000 Equity Shares
Percentage of Issue Size available for allocation	Upto 2.27% of the Issue Size	At least 50% of the Net Issue (of which 5% shall be reserved for Mutual Funds) subject to the preceding condition that the QIB Portion may be Net Issue size less allocation to Non-Institutional Bidders and Retail Individual Bidders. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund Portion will be available to QIBs.	Not less than 15% of the Net Issue to Public or Net Issue to Public less allocation to QIB bidders and Retail Individual Bidders	Not less than 35% of the Net Issue to Public or Net Issue to Public less allocation to QIB bidders and Non-Institutional Bidders
Basis of allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate	Proportionate
Minimum Bid	[●] Equity Shares and multiple 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.	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 Share thereafter.
Maximum Bid	Not exceeding 2,00,000 Equity Shares	Not exceeding the size of the Issue subject to applicable limits	Not exceeding the size of the Issue subject to applicable limits	Such number of Equity Shares whereby Bid Amount does not exceed Rs. 1,00,000
Mode of Allotment	Compulsorily in	Compulsorily in	Compulsorily in	Compulsorily in

	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	dematerialized form.	dematerialized form.	dematerialized form.	dematerialized form.
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply	Eligible Employees of our Company as defined in the section titled “Definitions and Abbreviations” beginning on page i of this Red Herring Prospectus would be eligible to apply in this Issue under the Employee Reservation Portion. Promoter/Executive Director and/or their relatives are not eligible to be treated as eligible employees.	A mutual fund, venture capital fund and foreign venture capital investor registered with the Board; a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; 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	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, Scientific Institutions, 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 Eligible Employees at the time of submission of Bid cum Application Form to the Member of	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate.



	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	Syndicate.			
Margin Amount	Full Bid Amount on Bidding	Atleast 10% of the Bid Amount in respect of bids placed by QIB Bidder on Bidding.	Full Bid Amount on Bidding	Full Bid Amount on Bidding.

Notes:

Subject to valid Bids being received at or above the Issue Price, Under subscription, if any, in the Non-Institutional Portion and Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM. If at least 50% of the Net Issue cannot be allotted to QIB Bidders, then the entire application money will be refunded. However, if the aggregate demand by Mutual Funds is less than 2,15,000 Equity Shares, balance Equity Shares available for allocation in the Mutual Funds Portion will be added to the QIB Portion and be allocated proportionately to the QIB Bidders.

In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIB Bidders.

Bidding / Issue period

BID / ISSUE OPENS ON	September 22, 2009
BID / ISSUE CLOSES ON	September 24, 2009

Bids and any revision in Bids will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid cum Application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) and uploaded until:

- (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 1,00,000 and
- (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 1,00,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date.

Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Bids will be accepted only on Business Days.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 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.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI Regulations. 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 revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate.



TERMS OF THIS ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision form, the CAN and other terms and conditions as may be incorporated in the allotment advice, and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, FIPB and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

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

For description of our Articles of Association, please refer the section titled “Main provisions of the Articles of Association” beginning on page 274 of this Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price

The Equity Shares with a Face Value of Rs. 10/- each are being issued in terms of this Red Herring Prospectus at a Price Band of Rs. [●] to Rs. [●] per equity share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, Memorandum and Articles of Association of our Company and the Listing agreements to be entered with the Stock Exchanges.

For further details on the main provisions of our Company’s Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer “Main Provisions of the Articles of Association” beginning on page 274 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI Regulations, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share.



Allocation and allotment of Equity Shares 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 the chapter titled “Issue Procedure - Basis of Allotment or Allocation” beginning on page 255 of this Red Herring Prospectus.

Jurisdiction

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, 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 transferred, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in this manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the registered office of our Company or with 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective Depository Participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to the Public including devolvement of the underwriters within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received with interest to the subscribers at the rate of fifteen percent per annum for the period of delay beyond sixty days. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1000 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 15% per annum for the delayed period.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any day after the Bid/Issue opening Date, without assigning any reason thereof.



Arrangements for Disposal of Odd Lots

Our Company's shares will be traded in dematerialized form only and therefore the marketable lot is one (1) share. Therefore, there is no possibility of odd lots.

Restriction on Transfer and Transmission of Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading "Main Provisions of The Articles of Association of Our Company" beginning on page 274 of this Red Herring Prospectus.

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund Bidders will be treated on the same basis as other categories for the purpose of allocation. However, investments by persons resident outside India requires the prior approval of the FIPB, for which we have applied, vide our letter dated March 31, 2007. For details regarding this application, please refer section titled "Key Industry Regulations and Policies" beginning on page 98 of this Red Herring Prospectus.

As per the policy of RBI, Overseas Corporate Bodies cannot participate in the Issue.

Application by Non Residents/NRIs/FIIs

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of Allocation.

As per the policy of the RBI, Overseas Corporate Bodies cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE PROCEDURE

Book Building Procedure

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

Bidders are required to submit their Bids through the members of the Syndicate. We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note ("CAN"), and filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the Registrar of Companies, Maharashtra at Mumbai and as would be required by Registrar of Companies, Maharashtra at Mumbai 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 or NRIs applying on a non-repatriation basis	White
Non-residents, NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis	Blue
Eligible Employees	Pink

Who can Bid

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations, as applicable);
6. Venture Capital Funds registered with SEBI;
7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;



9. Multilateral and bilateral development financial institutions;
10. Eligible NRIs and other Non Residents including FIIs on a repatriation basis or non-repatriation basis subject to applicable laws; and
11. Insurance companies registered with the Insurance Regulatory and Development Authority;
12. Provident funds with minimum corpus of Rs. 2500 Lacs and who are authorised under their constitution to hold and invest in Equity Shares;
13. Pension funds with minimum corpus of Rs. 2500 Lacs and who are authorised under their constitution to hold and invest in Equity Shares;
14. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/ society and who are authorised under their constitution to hold and invest in Equity Shares; and
15. Scientific and/ or industrial research organizations authorised to invest in Equity Shares and
16. Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines.

As per existing regulations, OCBs cannot Bid in this Issue.

Note: The BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, and Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Notwithstanding the aforesaid, in the Employee Reservation Portion, Bids can be submitted only by the Eligible Employees as defined in the section titled “Definitions and Abbreviations” beginning on page i of this Red Herring Prospectus.

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.

BIDS BY MUTUAL FUNDS

An eligible bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than the 2,15,000 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Funds Portion. The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

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.

BIDS BY NRIs

Bid cum Application forms has been made available for NRIs at the Registered office of our Company and members of the Syndicate.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) Account shall use the form meant for Resident Indians (white in colour). All instruments accompanying bids shall be payable in Mumbai only.



BIDS BY FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of the Post-Issue paid-up capital of our Company (i.e. 10% of 2,07,24,420 Equity Shares of Rs. 10 each). In respect of an FII investing in the Equity Shares of our Company 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.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company, With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub-account may issue, deal or hold, off-shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by NRIs or FIIs on Repatriation Basis

Bids and revision to bids must be made:

- On the Bid cum Application Form or Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purpose of Allocation and Bids for a Bid amount of more than or equal to Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for details, please refer the chapter titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 236 of this Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB's.
- 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 payable upon submission of the Bid cum Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/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. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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.

APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:



The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, 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.

Pursuant to the SEBI Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock in requirements only if the shares have been held by them for atleast one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations, and our Company and the BRLM shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, 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 maximum Bid Amount is more than Rs. 1,00,000 due to revision of the Bid or revision of Price Band or on exercise of the option, then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is 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 QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 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 the regulatory or statutory authorities governing them. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.

In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000. In case the Bid Amount reduces to Rs. 1,00,000 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 QIB Bidders are not allowed to Bid at 'Cut-Off' price.

Bidders are advised to ensure that any single bid from them does not exceed the investment limit or maximum number of equity shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a bid shall be made in the manner described under paragraph "Payment of Refund"

- (c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiple of [●] Equity Shares. The maximum bid by an Eligible Employee in the Employee Reservation Portion cannot exceed 2,00,000 Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs. 1,00,000 may bid at "Cut-off".

No Promoters or persons belonging to the Promoter Group are part of the Eligible Employees in the Employee Reservation Portion.

Information for Bidders

- (a) Our Company will file the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai atleast 3 days before the Bid/ Issue Opening Date.
- (b) The Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and the same shall also be published in three newspapers (one each in English, Hindi and Marathi). Further, the Price Band and minimum bid lot size shall be disclosed atleast two days prior to Bid/Issue Opening Date in in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the of the SEBI (ICDR) Regulations, 2009.
- (c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (d) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered office or from any of the BRLM/Syndicate Member.
- (e) Investors who are interested in subscribing for our Company's Equity Shares should approach the BRLM or Syndicate Member or their authorised agent(s) to register their Bid.
- (f) 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) Our Company and the BRLM shall disclosed the Price Band and minimum bid lot size, atleast two days prior to Bid/Issue Opening Date in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the of the SEBI (ICDR) Regulations, 2009. The BRLM and Syndicate Member shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b) The Bidding Period shall be 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 Period will be published in two national newspapers (one each in English and Hindi) by indicating on the websites of the BRLM and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.
- c) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) 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.
- d) The Bidder cannot bid on another Bid cum Application Form after such Bidder's 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 bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" beginning on page 241 this Red Herring Prospectus.
- e) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.



- f) Along with the Bid cum Application Form, all Bidders will be required to make payment in the manner described under the paragraph “Terms of Payment and payment into the Escrow Accounts” beginning on page 239 of this Red Herring Prospectus.
- g) The Syndicate Member will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

Bids at Different Price Levels

- (a) The Price Band and minimum bid lot size shall be disclosed, atleast two days prior to Bid/Issue Opening Date in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the of the SEBI (ICDR) Regulations, 2009. The Bidders can bid at any price with in the Price Band, in multiples of Re 1. In accordance with SEBI Regulations, our Company in consultation with the BRLM can revise the Price Band by informing the Stock Exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three additional working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
- (b) Our Company in consultation with BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders. The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% of the Cap Price and the Floor Price disclosed in the Red Herring Prospectus. Our Company can finalise the issue price in consultation with the BRLM without the prior approval of, or intimation to the bidders.
- (c) 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 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.**
- (d) Retail Individual Bidders, who bid at the Cut-Off agree that they shall purchase the Equity Shares at the Issue price. Retail Individual Bidders bidding at Cut-Off shall submit the Bid cum Application form with cheque/ demand draft for the Bid Amount based on the Cap of the Price Band in with the Syndicate Member. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who bid at the Cut-off Price (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 respective Refund Account.
- (e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing a press release and making available this information on the Bidding terminals.
- (f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be within the range of Rs. 5,000 to Rs. 7,000. The Issuer Company in consultation with the BRLM shall stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range of minimum application value.
- (g) 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 or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original bid amount plus additional payment does not exceed Rs. 1,00,000, if the bidder wants to continue to bid at Cut-Off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 1,00,000, the Bid will be considered for allocation under the Non Institutional portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of 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 Price.



- (h) 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

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerlised form only. Bidders will not have the option of getting the allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerlised segment of the Stock Exchanges.

Escrow Mechanism

Escrow Account for the Issue:

Our Company and members of Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor 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 Accounts. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks 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 the monies from the Escrow Account to the Public Issue Account and the Refund Account with the Bankers to the Issue as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus. Payment of refunds to the Bidders shall be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Book Running Lead Manager, Members of the Syndicate and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall provide the applicable Margin Amount, and 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) (refer "Payment Instructions" beginning on page 248 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to the BRLM. Bid cum Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

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 until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account maintained by the refund banker.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders, Employee Reservation Portion and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders will be 10% of the total Bid amount applicable 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 BRLM. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable margin amount for bidder is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the bid/issue closing date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.



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 atleast one on-line connectivity in each city, where a Stock Exchange is located in India and where Bids are being 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 Syndicate Member and their authorised agents during the Bidding Period. Syndicate members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the syndicate shall upload the Bids till such time as maybe permitted by the Stock Exchanges.
- (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 accessed on BSE's website at "www.bseindia.com" or on NSE's website at "www.nseindia.com" during the bidding period.
- (d) At the time of registering each Bid, the Syndicate Member 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 such as Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Number of Equity Shares bid for
 - Bid price
 - Bid-cum-Application Form number
 - Whether Margin Amount has been paid upon submission of Bid cum Application Form
 - Depository Participant Identification Number and Client Identification Number of the beneficiary 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 request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) The BRLM may reject a bid placed by a QIB 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, Employee Reservation Portion and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 251 in this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE 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, BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.

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 built up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) The Price Band can be revised during the Bidding Period, in which case the bidding period shall be extended further for a period of three days, subject to the total bidding period not exceeding ten working days. The Cap on the Price Band shall not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the Floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (d) Any revision in the Price Band 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 local newspaper and also indicating the change on the relevant websites and the terminals of the members of the syndicates.
- (e) During the Bidding Period, any Bidder who has registered its 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.
- (f) Revisions can be made in both the desired number 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 such Bidder's 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 such Bidder 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. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (g) 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.
- (h) 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 this Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB margin, if any, to be paid on account of the upward revision of bid at the time of one or more revision by the QIB bidders.
- (i) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **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.**

Only bids that are uploaded to the online IPO system of NSE/ BSE shall be considered for Allocation / Allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the Book Running Lead Manager based on 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 will analyze the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company in consultation with the BRLM shall finalise the "Issue Price" and the number of Equity Shares to be allotted in each investor category.



- (c) The Allocation for QIBs, atleast 50% of the Net Issue to Public, of which 5% shall be reserved for Mutual Funds would be proportionate. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to Public, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. The Allocation in the Employee Reservation Portion would also be on a proportionate basis.
- (d) Under subscription, if any, in Non-Institutional, Retail and Employee Reservation Portion 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 5% of the QIB Portion, 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, for further details please refer the chapter titled "Issue Procedure - Basis of Allotment or Allocation" beginning on page 255 of this Red Herring Prospectus.
- (e) Any under subscription in equity shares reserved for allocation to Eligible Employees would be treated as a part of the Net Issue to public and allocated in accordance with the basis of allotment described in the the chapter titled "Issue Procedure - Basis of Allotment or Allocation" beginning on page 255 of this Red Herring Prospectus.
- (f) The BRLM, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before Allotment without assigning any reasons whatsoever.
- (h) Allocation to QIBs, Non-residents, FIIs and NRIs applying on repatriation basis will be subject to the terms and conditions stipulated by the RBI, FIPB, if any while granting permission for Allotment of Equity Shares to them.
- (i) In terms of SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (j) The Allotment details shall be put up on the website of the Registrar to the Issue.

Notice to QIBs: Allotment Reconciliation

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, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations 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 reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Signing of Underwriting Agreement and RoC Filing

- (a) We, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the QIB Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with Registrar of Companies, Maharashtra at Mumbai, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the ROC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.



Announcement of pre-Issue advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the from prescribed by the SEBI Regulations in an English national daily with wide circulation, one Hindi national newspaper and one regional language newspaper.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai in two widely circulated newspapers (one each in English and Hindi) and one local newspaper. 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 Prospectus shall be included in the advertisement.

Issuance of Confirmation of Allocation Note (“CAN”)

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been Allocated Equity Shares in the Issue. The approval of the basis of allocation by Designated Stock Exchange for QIB Bidders maybe done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders, Non Institutional Bidders, Eligible Employees. However, investors should note that, we shall ensure that the date of Allotment of the Equity Shares to all the investors in this issue shall be done on the same date.
- (b) The BRLM or Syndicate Member would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those QIB Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.
- (d) The issuance of CAN is subject to “Notice to QIB’s: Allotment Reconciliation” as mentioned above.

Designated Date and Allotment of Equity Shares

- (a) We shall ensure the allotment of Equity Shares is done within 15 days of Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and the Refund Account on the Designated Date, we would ensure the credit to the successful bidders depositories account of the allotted Equity Shares to the allottees within two working days of the date of allotment. In case we fail to make allotment within 15 days of the Bid/ Issue Closing Date, interest would be paid to the investors @15% p.a.
- (b) All allottees will receive credit for the Equity Shares directly in their depository account. **As per SEBI Regulations, equity Shares will be issued only in the dematerialized form to the Allottees.** Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.
- (c) Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account to them pursuant to Allotment in this Issue.



GENERAL INSTRUCTIONS

Do's:

- a) Check if you are eligible to apply having regard to applicable laws, rules, regulation, guidelines and approvals and the terms of this Red Herring Prospectus.
- b) Complete the Bid cum Application Form(White or Blue or Pink in Colour, as the case may be) 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 Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the Bid is within Price Band;
- h) Ensure that DP account is activated;
- 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 sequence as they appear in the Bid-cum- Application Form;
- j) Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. Every Applicant in this issue should hold a valid PAN Card and must quote a valid PAN number while making an application in this issue. Without this information the documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit their GIR number instead of the PAN as the bid is liable to be rejected on this ground.**
- 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; and
- 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 for lower than the minimum Bid size;
- b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the member of the Syndicate;
- d) Do not pay the Bid amount in cash, through stockinvest, by money order or by postal order;
- e) Do not send Bid cum Application Forms by post; instead submit the same to members of the Syndicate only;
- f) Do not bid at Cut-off Price (for QIBs and non-institutional bidders);



- g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; or under the terms of this Red Herring Prospectus.
- h) **Do not submit the GIR number instead of the PAN as the bid is liable to be rejected on this ground.**
- i) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.
- j) Do not bid at Bid Amount exceeding Rs 1,00,000 for incase of a Bid by a Retail Individual Bidder.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the BRLM or Syndicate Member.

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 for Non-residents including NRIs, FIIs, Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis and pink for Eligible Employees.)
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of Rs. 1,00,000.
- (d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of equity shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- (e) For Employee Reservation Portion, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter, subject to a maximum of 2,00,000 equity shares
- (f) In single name or in joint names (not more than three) and in the same order as their Depository Participant details.
- (g) 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.

Bids in the Employee Reservation Portion

1. Bids by the Eligible Employees of our Company shall be made only in the prescribed Bid cum Application Form or Revision Form, (i.e. Pink colour Bid cum Application Form marked “Employees”). Eligible Employees should mention their Employee ID at the relevant place in the Bid cum Application Form.
2. The sole/first Bidder should be an Eligible Employee
3. Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
4. Eligible Employees who apply or bid for equity shares of or for a value of not more than Rs. 1,00,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Eligible Employees whose minimum bid amount exceeds Rs. 1,00,000.



5. The maximum Bid in this category can be 2,00,000 Equity Shares.
6. If the aggregate demand in this category is less than or equal to 2,00,000 Equity Shares at or above the Issue Price, full Allocation shall be made to the Eligible Employees to the extent of their demand. Under-subscription in this category would be added to any other category at the sole discretion of our Company in consultation with the BRLM.
7. If the aggregate demand in this category is greater than 2,00,000 Equity Shares at or above the Issue Price, the Allocation shall be made on a proportionate basis subject to a minimum of [●] Equity Shares. For details on the method of proportionate basis of allotment, please refer to the chapter titled “Issue Procedure - Basis of Allotment or Allocation” beginning on page 255 of this Red Herring Prospectus.
8. Bid/ Application by Eligible Employees can be made also in the Net Issue to Public and such bids shall not be treated as multiple Bids.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through direct credit or ECS. 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 Bidders sole risk and neither the BRLM nor the Bank shall be liable to pay any interest for such delay or 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 DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN, WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

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, bank account details for printing on refund orders or giving credit through ECS or direct credit and occupation (“Demographic Details”). These bank account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so can result in delay in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor our Company shall be liable to pay any interest for such delay or have any responsibility or undertake any liability for the same. 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/ CANs/allocation advice and printing of bank particulars on the refund order and the demographic details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

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 orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder 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 and neither our Company nor the Escrow Collection Bank nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic mode as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

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, then such Bids are liable to be rejected.

Bids under Power of Attorney

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 and Articles of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of the 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 lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with 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 along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Mutual Funds registered with SEBI, Venture Capital fund registered with SEBI and Foreign Venture Capital Fund registered with SEBI, a certified copy of the 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, in either case, without assigning any reason therefore.

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 that we may deem fit.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs/ Allocation Advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the depository of the Bidder). In such cases, the registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from depositories.

Bids by Non-Residents, including Eligible NRIs and FIIs, on a repatriation basis

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- a) Individual NRI Bidders can obtain the Bid cum Application Forms from our Registered Office or from members of the Syndicate or the Registrar to the Issue.



- b) NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange through approved banking channels shall be considered for allotment.
- c) 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).

Bids and Revision of Bids:

- 1. On the Bid cum Application Form or the Revision Form, as applicable (blue in color), and completed in full in **BLOCK LETTERS in ENGLISH** in accordance with the instructions contained therein.
- 2. In a single name or joint names (not more than three) and in the same order as the Depository Participant details.
- 3. Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Portion for the purposes of Allocation and for a Bid Amount of more than Rs. 1,00,000 would be considered under Non-Institutional Portion for the purposes of Allocation. Other Non-Resident Bidders should bid for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 1,00,000. For details, please refer the chapter titled “Issue Procedure - Maximum and Minimum Bid Size” beginning on page 236 of this Red Herring Prospectus.
- 4. 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 Eligible NRIs) or their nominees.
- 5. **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 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, including Eligible NRIs and FIIs, and all Non-Resident Bidders will be treated on the same basis with other categories for the purpose of Allocation.

Payment Instructions

We shall open an Escrow Account with the Escrow Collection Bank(s) 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:

- (a) The Bidders shall along with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
- (b) 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 within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.
- (c) The payment instruments for payment into the Escrow Account shall be marked “A/c payee only ” and should be drawn in favour of:

In case of Resident QIB Bidders: **“EML Escrow Account-R - QIB”**

In case of Non Resident QIB Bidders: **“EML Escrow Account-NR-QIB”**



In case of Resident Non-Institutional and Retail Individual Bidders: **“EML Escrow Account - R”**

In case of Non-resident Non-Institutional and Retail Individual Bidders: **“EML Escrow Account - NR”**

In case of Eligible Employees: **“EML Escrow Account- Employees”**

- (d) 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.
- (e) 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.
- (f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and the surplus amount if any shall be transferred into the Refund Account maintained with the Refund Banker.
- (i) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Bank 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 draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted. Investors in the QIB Category may also make payment by RTGS.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. At the time of submission of Bid cum Application Form and Revision Form, each member of the Syndicate shall collect the 10% or 100% Margin Amount as may be applicable.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the Syndicate Member 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, as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid cum Application Form for bidding in this Issue. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. 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.
4. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric 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.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
6. After consolidation of all the masters as described above, a print out of the same 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.

Eligible Employees bidding in the Employee Reservation Portion can also Bid in the Net Issue to the Public Portion, and such Bids shall not be treated as Multiple Bids.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Procedure for Application by Mutual Funds

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.

We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Bidders 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 SEBI has recently issued a circular directing that with effect from July 2, 2007 PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction. Every Applicant in this issue should hold a valid PAN Card and must quote a valid PAN number while making an application in this issue. Without this information the documents 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 who does not have a PAN 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 December 1, 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 Form 61, as the case may be.

Unique Identification Number ("UIN")

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.

Our Right to Reject Bids

In case of QIB Bidder's, our Company, in consultation with the BRLM may reject a Bid placed by QIB's for reasons to be recorded in writing provided the rejection is made at the time of submission of Bid and the reasons thereof shall be disclosed to the QIB Bidder's. In case of Non-Institutional Bidders and Retail Individual Bidders and Eligible Employees, our Company and BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made in accordance with the Paragraph Titled "Mode of making refunds" beginning on page 259 of this Red Herring Prospectus.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- 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) 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.
- 4) NRIs, except Eligible NRIs.
- 5) Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- 6) PAN Number/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given regardless of the size of the Bid;
- 7) GIR number furnished instead of PAN;
- 8) Bids for lower number of Equity Shares than specified for that category of investors;
- 9) Bids at a price less than lower end of the Price Band;
- 10) Bids at a price more than the higher end of the Price Band;
- 11) Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
- 12) Bids for number of Equity Shares which are not in multiples of [●];
- 13) Category not ticked;



- 14) Multiple Bids as defined in this Red Herring Prospectus;
- 15) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 16) Bids accompanied by Stock Invest/ money order/postal order/cash;
- 17) Signature of sole and / or joint Bidders missing;
- 18) Bid cum Application Form does not have the stamp of the BRLM or Syndicate Member;
- 19) Bid cum Application Form does not have bidder's depository account details;
- 20) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), Depository Participant identification number and beneficiary account number;
- 21) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
- 22) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For details, please refer the chapter titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 236 of this Red Herring Prospectus;
- 23) Bids by OCBs
- 24) Bids by persons other than Eligible Employees in the Employee Reservation Portion;
- 25) 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; and
- 26) Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.
- 27) Bids by QIBs not submitted through the members of the syndicate

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 agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- a) A tripartite agreement dated January 31, 2008 with NSDL, us and Intime Spectrum Registry Limited, Registrar to the Issue;
- b) A tripartite agreement dated January 23, 2008 with CDSL, us and Intime Spectrum Registry Limited, Registrar to the Issue.

All Bidders can seek allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her Depository Account are liable to be rejected.

It is important that:

- a) A Bidder applying for Equity Shares must have atleast one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.



- b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
- f) 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.
- g) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of our Company would be in dematerialized form only for all investors.

Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this 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, details of Depository Participant, 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. Investors can contact the Compliance Officer or the Registrar to the Issue in the 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.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS

We have appointed Mr. Sunil Nemani, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Sunil Nemani

Euro Multivision Limited

Ground floor, Boston House, Suren Road,
Andheri (East) Mumbai 400 069
India

Tel: +91 22 4036 4036

Fax: + 91 22 4036 4037

Email: info@euromultivision.com

Website: www.euromultivision.com

Disposal of Applications and Applications 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. The mode of dispatch of refunds shall be as mentioned in the



paragraph titled “Mode of Making Refunds” beginning on page 259 of this Red Herring Prospectus. 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 the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the depository level are updated and correct.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 7 (seven) working days of finalisation of the basis of allotment. In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, we further undertake that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch refund orders within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- We agree that allotment of securities offered to the public shall be made not later than fifteen days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue.

We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue.

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 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.

Save and except refunds effected through the electronic mode i.e. ECS, NEFT, direct credit or RTGS, 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 electronic facility. Bank charges if any, for encashing such cheques, payorders or Demand drafts at other centres will be payable by the bidder.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

Interest on Refund of excess Bid Amount

Our Company agrees that allotment of securities offered to the public shall be made not later than fifteen days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue.



Basis of Allotment or Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue to Public less allocation to Non-Institutional and QIB Bidders (subject to minimum subscription of 50% of the net issue) 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 30,10,000 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 30,10,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and multiples of one Equity Shares thereafter. For the method of proportionate basis of allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue to Public 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 12,90,000 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 12,90,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allotment, refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The Net Issue to Public less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders (subject to minimum subscription of 50% of the net issue) who have bid in the Issue at a price, which 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 upto 5% of the QIB Portion shall be determined as follows;
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 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 QIBs shall be determined as follows:
- (i) In the event of the over-subscription 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 not less than 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 Shares 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 not be less than 43,00,000 Equity Shares.

Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLM.

D. For our Eligible Employees

- In case of under-subscription in the Net Issue, spillover to the extent of under-subscription shall be permitted from the Employee Reservation Portion.
- Bids received from the Employees at or above the Offer Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 2,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.
- Only Eligible Employees as defined in the section titled “Definitions and Abbreviations” beginning on page i of this Red Herring Prospectus are eligible to apply under the Employee Reservation Portion.

Procedure and Time Schedule for allotment and demat credit of Equity

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 September 22, 2009 and expire on September 24, 2009. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE. 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 SEBI and the Registrar of Companies and will be made available to investors. SEBI Regulations require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalised by our Company in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalised in a fair and proper manner. Allotment to Bidders shall be as per the basis of allocation as set out in this Prospectus under “Issue Structure”.

- a) Bidders will be categorised according to the number of Equity Shares applied for.



- b) The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of bidders in the category multiplied by 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 minimum allotment of [●] Equity Shares. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d) In case the proportionate allotment to any Bidders is in fractions, then the same would be rounded off to nearest integer.
- e) In all bids where the proportionate allotment is less than [●] 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 (c) above.
- f) If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If the number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- g) 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 of bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs Other Than Anchor Investors

A. Issue Details

Sr. No.	Particulars	Issue Details
1.	Issue Size	200 crores equity shares
2.	Portion available to QIBs*	100 crore equity shares
3.	Anchor Investor Portion	30 crores
4.	Portion Available to QIBs* other than Anchor Investors [(2)-(3)]	70 crores equity shares
	Of which :	
	a) Reservation to MF (5%)	3.5 crores equity shares
	b) Balance for all QIBs including MFs	66.5 crores equity shares
5.	Number of QIB applicants	10
6.	Number of shares applied for	500 crores equity shares

* Where 50% of the Issue size is required to be allotted to QIBs.

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Crores)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF 1	40
7.	MF 2	40
8.	MF 3	80
9.	MF 4	20
10.	MF 5	20
	Total	500

A1-A5 (QIB bidders other than MFs)

MF1-MF5 (QIB bidders which are MFs)

C. Details of Allotment to QIB Bidders/Applicants

(No. of equity shares in Crores)

Type of QIB bidders	Equity Shares bid for	Allocation of 3.5 crores equity shares to MF's proportionately (see note 2)	Allocation of balance 66.5 crores equity shares to QIBs proportionately (see note 4)	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF 1	40	0.7	5.32	6.02
MF 2	40	0.7	5.32	6.02
MF 3	80	1.4	10.64	12.04
MF 4	20	0.35	2.66	3.01
MF 5	20	0.35	2.66	3.01
Total	500	3.5	66.5	30.1

Please note:

- 1) The illustration presumes compliance with the provisions of regulation 51(1) pertaining to minimum allotment.
- 2) Out of 70 crore equity shares allocated to QIBs, 3.5 crores (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.
- 3) The balance 66.5 crore equity shares [i.e. 70 – 3.5 (available for MFs)] will be allocated on proportionate basis among 10 QIB applicants who applied for 500 shares (including 5 MF applicants who applied for 200 shares).



4) The figures at Col. No. IV are arrived as under :

- a) For QIBs other than mutual funds (A1 to A5) = No. of shares bid for (i.e Col II) X 66.5 / 496.5
- b) For mutual funds (MF1 to MF5) = {(No. of shares bid for (i.e Col II) less shares allotted (i.e., col. III)} X 66.5 / 496.5
- c) The numerator and denominator for arriving at allocation of 66.5 crore shares to the 10 QIBs are reduced by 3.5 crore shares, which has already been allotted to mutual funds at Col. No. (III).

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares allotted to the beneficiary account with Depository Participants within 2 working days of finalization of Basis of Allotment. Applicants residing at 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS, or NEFT. In case of other applicants, we shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit, the bank where their refund shall be credited (as per details given to the Depository Participant), alongwith the amount and the expected date of electronic credit of refund within 15 working days of closure of Issue.

We shall ensure dispatch of refund orders/advice, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid /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 Regulations, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialised form within 15 working days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 working days from the Bid/Issue Closing Date;
- We agree that allotment of securities offered to the public shall be made not later than fifteen days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue.

We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a the Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Electronic mode i.e. RTGS, ECS or NEFT facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference

I. Direct Credit – For investors having their Bank Account with the Refund Bankers, the refund amount would be credited directly to their Bank Account with the Refund Banker.

II. NEFT - 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.



III. RTGS – Applicants having a bank account at any of the belowmentioned fifteen 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 applicant's bank receiving the credit would be borne by the applicant.

IV. ECS - Payment of refund would be done through ECS for applicants residing at one of the 15 centres, namely Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram, where clearing houses for ECS are managed by Reserve Bank of India. This would be subject to availability of complete bank account details including MICR code from the Depository. The payment or refund through ECS is mandatory for applicants having a bank account at any of the 15 centers named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit, NEFT or RTGS, as the case may be.

In case of all or any of the aforesaid modes of refund, charges, if any, levied by the Refund Bank(s) for the same would be borne by such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

For all the other applicants except for whom payment of refund is not possible through I, II, III and IV, the refund orders would be dispatched "Under Certificate of Posting" for refund orders less than Rs. 1500 and through Speed Post/Registered Post for refund orders exceeding Rs. 1500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest in Case of Delay in Dispatch of Refund Orders

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of public issue. We further agree that we shall pay interest @15% per annum if the 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 date of the closure of the issue.

Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 working 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
- that the refund orders or allotment advice to the Non Residents shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue referred above shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;



- details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate head in the balance sheet of our Company indicating then form in which such unutilized monies have been invested.
- we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.



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 to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the construction and engineering sector is permitted upto 100% under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents. In our Company, as on date aggregate FII holding cannot exceed 24% of the total Issued Share Capital.

Subscription by foreign investors (NRIs/FIIs)

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in



the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to Bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. The maximum ASBA 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. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

(a) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form SCSBs shall make the same available on their websites.

(b) ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.



(c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

(d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.

(e) 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.

(f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

(g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

(h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

(i) ASBA Bidders shall not be allowed to revise their Bid and shall not Bid under any reserved category.

Method and Process of Bidding

(a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

(b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.

(c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to Bid for the Equity Shares at the Cutoff Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in such option. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have Bid for Equity Shares at or above the Issue Price or at Cut-off Price.

(d) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“TRS”). The TRS shall be furnished to the ASBA Bidder on request.

(g) An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be.



Submission of a second ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

(a) The Price Band and minimum bid lot size shall be disclosed, atleast two days prior to Bid/Issue Opening Date in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the SEBI (ICDR) Regulations, 2009. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

(b) In accordance with the SEBI Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the members of the Syndicate.

(d) Our Company in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

(e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

(f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares Bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.



Electronic registration of Bids by SCSBs

(a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless;

- (i) it has received the ASBA Bid Cum Application Form in a physical or electronic form; and
- (ii) it has blocked the application money in the ASBA Account specified in the ASBA Bid cum Application Form or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

(b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

(d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- 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).

(e) 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.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

(h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.



(i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

(a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM and the Stock Exchanges on a regular basis.

(c) ASBA Bidders shall not revise their Bids.

(d) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.

(e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled “Issue Procedure” beginning on page 233 of this Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, Hindi national newspaper of wide circulation and a Marathi newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(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.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA 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 finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/ failure of the Issue or rejection of the ASBA Bid, as the case may be.



Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA 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 working days from the date of Allotment.

(b) As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- (b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- (d) Ensure that your Bid is at the Cut-off Price.
- (e) Ensure that you have mentioned only one Bid option with respect to the number of Equity Shares in the ASBA Bid cum Application Form.
- (f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- (g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM to the Issue.
- (h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- (i) Ensure that you have mentioned the correct bank account numbers in the ASBA Bid cum Application Form.
- (j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- (k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- (m) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- (n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.



(o) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- (b) Do not submit an ASBA Bid if you are applying under any reserved category, including Employee Reservation Portion.
- (c) Do not revise your Bid.
- (d) Do not Bid for lower than the minimum Bid size.
- (e) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- (f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- (g) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not fill up the ASBA Bid cum Application Form such that the Bid Amount against the number of Equity Shares Bid for exceeds Rs. 100,000.
- (i) Do not submit the GIR number instead of the PAN Number.
- (j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- (a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
- (d) The Bids must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter subject to a maximum of [•] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
- (e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WITH THE DEPOSITORY PARTICIPANT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.



ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialized form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA Bid Cum Application Form from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.



In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/ Issue Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one 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. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in “*Issue Procedure - Multiple Bids*” beginning on page 250 of Red Herring Prospectus.

Permanent Account Number

For details, see “*Permanent Account Number or PAN*” beginning on page 250 of this Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the Depository Participant’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under “Grounds for Rejections” beginning on page 251 of this Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Bids at a price other than at the Cut-off Price;
3. Age of first Bidder not given;
4. Bid made by categories of investors other than Resident Retail Individual Investors;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. Authorisation for blocking funds in the ASBA Bidder’s bank account not ticked or provided;
7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;



10. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;

11. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and

12. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, bank account number in which the amount equivalent to the Bid Amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Member and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled “*Issue Procedure- Impersonation*” beginning on page 254 of this Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, the Company undertakes that:

Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;

Instructions for unblocking of the ASBA Bidder’s Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and

If the instructions to SCSBs to unblock funds in the ASBA accounts are not given within 8 days after our Company becomes liable to repay all moneys received from the applicants in pursuance of this Red Herring Prospectus, i.e. within 7 days from the Bid/Issue Closing Date, then the Company and every Director of the 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% p.a. on application money, as prescribed under Section 73 of the Companies Act.



Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section “*Issue Procedure- Basis of Allotment*” beginning on page 255 of this Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under “*Issue Procedure - Undertaking by our Company*”, with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see “*Issue Procedure- Utilisation of Issue Proceeds*” beginning on page 260 of this Red Herring Prospectus.



SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Regulations, the abstract of the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision hereinbelow is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company

TABLE “A” NOT TO APPLY BUT COMPANY TO BE GOVERNED BY THESE ARTICLES

The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act 1956 be such as are contained in these Articles.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. Share Capital

The Authorised Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The company may increase or decrease the Authorised Share Capital in accordance with Company's regulations and legislative provisions for the time being in that behalf.

4. Increase of capital by the Company how carried into effect

The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act

6. Non Voting Shares

The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. Redeemable Preference Shares

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

9. Provisions to apply on issue of Redeemable Preference Shares

On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:

- (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.
- (b) No such Shares shall be redeemed unless they are fully paid.
- (c) 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 security premium account, before the Shares are redeemed.
- (d) Where any such Shares are redeemed otherwise then 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.

(e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

10. Reduction of capital

The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce

- (a) the share capital;
- (b) any capital redemption reserve account; or
- (c) any security premium account.

in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

11. Purchase of own Shares

The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

12. Sub-division consolidation and cancellation of Shares

Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which 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.

MODIFICATION OF RIGHTS

13. Modification of rights

Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall *mutatis mutandis* apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

SHARES, CERTIFICATES AND DEMATERIALISATION

14. Restriction on allotment and return of allotment

The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

15. Further issue of shares

(1) 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 formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:

(a) Such further Shares shall be offered to the persons who, at the date of the 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;

(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.

(a) If a Special Resolution to that effect is passed by the Company in General Meeting; or

(b) 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 to do so, 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.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed;

(a) To extend the time within which the offer should be accepted; or

(b) 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.

(4) 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 debentures issued by the Company:

(i) To convert such debentures or loans into Shares in the Company; or

(ii) To subscribe for Shares in the Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) 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

(b) 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 the General Meeting before the issue of the loans.

16. Shares at the disposal of the Directors

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 person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

16 A Power to offer Shares/options to acquire Shares

(i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares



(consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

(ii) In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.

17. Application of premium received on Shares

(1) 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 these Shares shall be transferred to an account, to be called "the security 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 security premium account were paid up share capital of the Company.

(2) The security premium account may, notwithstanding anything in clause (I) thereof be applied by the Company:

- (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- (b) In writing off the preliminary expenses of the Company;
- (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or
- (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

18. Power also to Company in General Meeting to issue Shares

In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

18 A. Power of General Meeting to authorize Board to offer Shares/Options to employees

Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose

In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.



19. Shares at a discount

The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:

- (a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;
- (b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and
- (c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.

24. Liability of Members

Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

25 (B) Dematerialisation of securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

25 (C) Options to receive security certificates or hold securities with depository

Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.

Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.

25 (D) Securities in depositories to be in fungible form

All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

25 (E) Rights of depositories and beneficial owners

(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;

(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;

(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

25 (F) Depository to Furnish Information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.



25 (G) Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.

25 (H) Option to opt out in respect of any security

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

25 (I) Sections 83 and 108 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles,

(1) Section 83 of the Act shall not apply to the Shares held with a Depository;

(2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

26. Share certificate

(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.

(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.

26 A. Limitation of time for issue of certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and 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 or several joint holders shall be a sufficient delivery to all such holder.

28. Issue of new certificate in place of one defaced, lost or destroyed

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 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 certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.



The provision of this Article shall *mutatis mutandis* apply to Debentures of the Company.

UNDERWRITING AND BROKERAGE

39. Commission may be paid

Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the 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 debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.

40. Brokerage

The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.

DEBENTURES

43. Debentures with voting rights not to be issued

- (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.
- (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
- (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
- (d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.
- (e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.
- (f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.
- (g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.
- (h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

44. Directors may make calls

- (a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.
- (b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.



49. When interest on call or installment payable

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.

50. Evidence in action by Company against share holder

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.

51. Payment in anticipation of calls may carry interest

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the 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, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

LIEN

53. Company's lien on Shares/ Debentures

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.

55. Application of proceeds of sale

- (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and
- (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).



FORFEITURE OF SHARES

56. If money payable on Shares not paid notice to be given

If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same 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.

57. Sum payable on allotment to be deemed a call

For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

58. Form of notice

The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.

59. In default of payment Shares to be forfeited

If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

60. Notice of forfeiture to a Member

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

61. Forfeited Shares to be the property of the Company and may be sold etc.

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.

62. Member still liable for money owing at the time of forfeiture and interest

Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.



63. Effects of forfeiture

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.

64. Power to annul forfeiture

The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

65. Declaration of forfeiture

(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

66. Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

67. Cancellation of shares certificates in respect of forfeited Shares

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.

68. Evidence of forfeiture

The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

69. Validity of sale

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers 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 in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

70. Surrender of Shares

The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

72. Instrument of transfer

The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

73. Application for transfer

- (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.
- (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice
- (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched 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 in the ordinary course of post.

74. Execution of transfer

The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.

76. Register of Members etc when closed

The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures 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 at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

77. Directors may refuse to register transfer

Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

81. Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)

Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these



Articles may, with the consent of the Board (which it 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 title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".

82. Refusal to register nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

84. No fee on transfer or transmissions

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.

86. Company not liable for disregard of a notice prohibiting registration of transfer

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, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 to do so, 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 Board shall so think fit.

SHARE WARRANTS

87. Power to issue share warrants

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.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

91. Share may be converted into stock

The Company may, by Ordinary Resolution:

- (a) Convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.

92. Transfer of stock

The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.

PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.



93. Right of stock holders

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 them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.

94. Regulation applicable to stock and share warrant

Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

95. Power to borrow

Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article 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 this Article had been exceeded.

98. Terms of issue of Debentures

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; However, 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.

MEETING OF MEMBERS

108. Contents and manner of service of notice

- (1) 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.
- (2) Subject to the provisions of the Act notice of every General Meeting shall be given;
 - (a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;
 - (b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by 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; and
 - (c) 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 Members of the Company

PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of 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.



(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.

122. Chairman's casting vote

In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

VOTES OF MEMBERS

127. Restriction on exercise of voting rights of Members who have not paid calls

No Member shall exercise any voting rights 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 exercised any right of lien.

129. Votes of Members of unsound mind

A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

130. Votes of joint Members

If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.

131. Representation of body corporate

(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.

(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor 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 shareholders of the Company and such a person 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.

132. Votes in respects of deceased or insolvent Members

Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.



133. Voting in person or by proxy

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.

134. Rights of Members to use votes differently

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

135. Proxies

Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.

136. Proxy either for specified meeting or for a period

An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

138. Instrument of proxy when to be deposited

The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.

139. Form of Proxy

Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and 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 any officer or attorney duly authorised by it.

140. Validity of votes given by proxy notwithstanding revocation of authority

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.

141. Time for objection to vote

No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.



142. Chairman of any Meeting to be the judge of Validity of any value

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. The decision of the Chairman shall be final and conclusive.

DIRECTORS

144. Number of Directors

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.

147. Nominee Director or Corporation Director

a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company 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 to appoint from time to time any person or persons as a Director, 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 persons so appointed and to appoint any person or persons in his/ their places.

b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.

c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall *ipso facto* vacate such office immediately on the moneys owing by the Company to the Corporation being paid off

d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all 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.

e) The sitting fees 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. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or 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 provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..

Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.



149. Limit on number of retaining Directors

The provisions of Articles 146, 147, 148 and 149 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

150. Alternate Director

The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

151. Directors may fill in vacancies

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.

152. Additional Directors

The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.

153. Qualification shares

A Director need not hold any qualification shares.

154. Directors' sitting fees

The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

155. Extra remuneration to Directors for special work

Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.

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 authorised such payment.

158. Board resolution necessary for certain contracts

(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is 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.

(a) For the sale, purchase or supply of goods, materials or services; or

(b) for underwriting the subscription of any Share in or debentures of the Company;

(c) nothing contained in clause (a) of sub-clause (1) shall affect:-

(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

(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;

(2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or 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 or cost of such services exceeds rupees five thousand 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.

(3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.

(4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.

(5) 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.

159. Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Wholetime Director

When the Company:-

(a) enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or

(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.

161. Directors and Managing Director may contract with Company

Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

162. Disqualification of the Director

A person shall not be capable of being appointed Director of the Company if:-

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

165. Removal of Directors

(a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.

(b) Special Notice as provided by these Articles or Section 190 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.

(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 a Company) shall be entitled to be heard on the resolution at the Meeting.

(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 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 to do so:

(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and

(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after 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 representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 262 of the Act be filled by the: appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 163 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.

(f) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 153 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly

(g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(h) Nothing contained in this Article shall be taken:-

(i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

166. Interested Directors not to participate or vote in Board's proceedings

No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of



any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-

(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;

(i) in his being:

(a) a director of such company; and

(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or

(ii) in his being a member holding not more than two percent of its paid-up share capital.

167. Director may be director of companies promoted by the Company

A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

MANAGING DIRECTOR

183. Remuneration of Managing Director

Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.

184. Special position of Managing Director

Subject to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, *ipso facto* and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

185. Powers of Managing Director

The Director may from time to time entrust to and confer upon a Managing Director or Wholetime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.

POWERS OF THE BOARD

203. General powers of management vested in the Board of Directors

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting:-



(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;

(b) remit, or give time for the repayment of, any debt due by a Director,

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or 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 cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys 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;

(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 per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;

(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)

(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

204. Certain powers to be exercised by the Board only at Meetings

(1) 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 the meeting of the Board;

- (a) the power to make calls, on shareholders in respect of money unpaid on their Shares,
- (b) the power to issue Debentures,
- (c) the power to borrow moneys otherwise than on Debentures,
- (d) the power to invest the funds of the Company, and
- (e) the power to make loans

Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:

- (2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.
- (3) Every resolution delegating the power referred to in sub-clause (1) (d) above 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.
- (4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

205. Certain powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:

- To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.



- To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
- Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, 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 other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise 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, mortgages 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 secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.
- To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- 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 to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.
- To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.
- 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 Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- 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 whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.
- To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.
- Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the



purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they 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 such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.

- To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.

- From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.

- Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.

- At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person 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 Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board 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.

- Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

- From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.



- To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.
- To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated 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 insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable 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 purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how
- To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
- From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
- To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
- To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
- Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

MINUTES

207. Minutes to be made

- (1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such books 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:



(a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(b) in the case of minutes of proceeding of the General Meeting, by the 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 authorized by the Board for the purpose.

208 (a). Minutes to be evidence of the proceeds

The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

208 (b). Books of minutes of General Meeting to be kept

The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.

DIVIDENDS AND CAPITALISATION OF RESERVES

212. Division of profits

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

213. The Company at General Meeting may declare dividend

The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

214. Dividends out of profits only

No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.

215. Interim dividend

The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

217. Capital paid-up in advance to carry interest, not the right to earn dividend

Where the capital is paid in advance of the 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.

218. Dividends in proportion to amounts paid-up

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.



219. No Member to receive dividend while indebted to the Company and the Company's right in respect thereof

No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

221. Dividend to joint holders

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

223. Notice of dividend

Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.

225. Dividend to be paid within time required by law.

The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-

- (a) where the dividend could not be paid by reason of the operation on any law; or
- (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or
- (c) where there is dispute regarding the right to receive the dividend; or
- (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
- (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

226. Unpaid or unclaimed dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Euro Multivision Limited____(year) Unpaid Dividend Account".

Any money transferred to the unpaid dividend account of a 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 Fund known as Investor Education and Protection Fund established under section 205C of the Act.

228. Dividends in cash

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits 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 Members of the Company.



DOCUMENTS AND NOTICES

239. To whom documents must be served or given

Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 109, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.

REGISTERS AND DOCUMENTS

243. Registers and documents to be maintained by the Company

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act
- (b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.
- (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act.
- (d) Foreign register, if so thought fit, as required by Section 157 of the Act
- (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.
- (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.
- (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.
- (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act.
- (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.
- (j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.

WINDING UP

245. Distribution of assets

If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the 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 at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

247. Right of shareholders in case of sale

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.



SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, to be delivered to the Registrar of Companies, Mumbai 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 Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated December 20, 2007 between our Company and the Book Running Lead Manager i.e. Anand Rathi Advisors Limited (formally known as Anand Rathi Securities Limited).
2. Memorandum of Understanding dated October 23, 2007 entered into by our Company with Link Intime India Private Limited (formally known as Intime Spectrum Registry Limited), to act as the Registrar to the Issue.
3. Letter from our Company dated September 14, 2007 appointing Anand Rathi Advisors Limited (formally known as Anand Rathi Securities Limited) as the Book Running Lead Manager.
4. Letter from our Company dated October 10, 2007 appointing Link Intime India Private Limited (formally known as Intime Spectrum Registry Limited) as the Registrars to the Issue.
5. Escrow Agreement dated September 05, 2009 amongst Escrow Collecting Banks, BRLM, our Company, Registrar and Syndicate Member.
6. Syndicate Agreement dated September 03, 2009 amongst BRLM, Syndicate Members and our Company.
7. Underwriting Agreement dated [●] amongst BRLM, the Registrar, Syndicate Member and our Company.

Material Documents

1. Memorandum and Articles of Association of our Company as amended from time to time.
2. Our Certificate of incorporation dated April 29, 2004 in the name of Euro Multivision Limited.
3. Resolution passed by the Board of Directors of our Company on July 23, 2007 and by the shareholders of the Company at the AGM held on September 26, 2007 pursuant to Section 81(1A) of the Companies Act, 1956.
4. Resolution passed by the Board of Directors of our Company on August 08, 2007 and by the shareholders of the Company at the AGM held on September 26, 2007 pursuant to Section 293 (1) (d) of the Companies Act, 1956 relating to borrowing powers.
5. Copy of the tax benefit report dated July 28, 2009 from the Statutory Auditor in this case being Swamy & Chhabra, Chartered Accountants.
6. Report of statutory Auditor Swamy & Chhabra, Chartered Accountants dated July 28, 2009 for financial statements mentioned in the Red Herring Prospectus alongwith the Annual Reports of our Company for the periods mentioned in the said report.
7. Consent of the Auditor for inclusion of his report on accounts of our Company with regard to tax benefits available to our Company and its members.



8. Consents of Auditor, Bankers to our Company, BRLM, Syndicate Member, Legal Advisor to our Issue, Directors, Company Secretary, Registrars, Escrow Collection Bankers, Compliance Officer as referred to, in their respective capacities.
9. SEBI Observation Letter No. CFD/DIL/ISSUES/PB/AC/157181/2009 dated March 16, 2009.
10. Power of Attorney dated December 28, 2007 executed by the Directors of our Company (except Mr. Anil Mandevia) in favour of Mr. Hitesh Shah, Managing Director for signing and making necessary changes in the Offer Document.
11. In principle listing approval dated February 14, 2008 and March 25, 2008 from BSE and NSE respectively.
12. Copy of Members resolution dated September 26, 2007 appointing Mr. Hitesh Shah as Managing Director and members' resolutions dated November 08, 2006 and July 02, 2007 appointing Mr. Suresh Shah and Mr. Chirag Shah as Wholetime Directors, respectively.
13. Copy of AGM resolutions dated September 29, 2008 modifying the terms of appointment of Mr. Hitesh Shah, Mr. Suresh Shah and Mr. Chirag Shah.
14. Agreement dated October 01, 2008 between our Company and Mr. Hitesh Shah, appointing him as our Managing Director.
15. Agreement dated October 24, 2008 between our Company and Mr. Chirag Shah, appointing him as a Wholetime Director.
16. Copy of EGM resolutions dated July 10, 2009, for reappointment of Mr. Suresh Shah as a Wholetime Director and modifying the terms of appointment of Mr. Hitesh Shah and Mr. Chirag Shah.
17. Supplemental agreement dated July 24, 2009 to the agreement dated October 01, 2008 between our Company and Mr. Hitesh Shah, for modifying the terms of appointment.
18. Supplemental agreement dated July 24, 2009 to the agreement dated October 24, 2008 between our Company and Mr. Chirag Shah, for modifying the terms of appointment.
19. Agreement dated July 24, 2009 between our Company and Mr. Suresh Shah, reappointing him as a Wholetime Director.
20. Legal Advisor certificate dated September 02, 2009 regarding litigation and clearance of the Red Herring Prospectus.
21. Copy of Board Resolutions dated July 23, 2007, December 28, 2007 & November 07, 2008 constituting/reconstituting Audit Committee, Remuneration Committee and Shareholders / Investor Grievance Committee / Finance Committee of the board.
22. Tripartite agreement between the NSDL, Company and Link India Private Limited dated January 31, 2008.
23. Tripartite agreement between the CDSL, Company and Link India Private Limited dated January 23, 2008.
24. Copies of agreements and letters received from State Bank of India, Cosmos Co-operative Bank Limited and ICICI Bank sanctioning term loan and credit facilities to the Company.
25. Copy of the Board Resolution dated January 07, 2008 approving Draft Red Herring Prospectus and Board Resolution dated September 8, 2009 approving the Red Herring Prospectus.
26. Due Diligence Certificate dated January 22, 2008 to SEBI from Anand Rathi Advisors Limited.
27. Resolution of members of our Company passed at AGM held on September 29, 2008 reappointing Swamy & Chhabra, Chartered Accountants, as Statutory Auditor.



28. Copies of the forms alongwith the relevant resolutions regarding increase in the Authorised Share Capital.
29. Statutory Auditor certificate dated July 28, 2009 regarding sources and deployment of funds as on July 28, 2007.
30. Copies of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 Certifications.
31. Copies of no objection certificates for proposed Initial Public Offer dated December 31, 2007, December 13, 2007 and December 28, 2007 received from the bankers to our company viz State Bank of India, ICICI Bank Limited and Cosmos Co-operative Bank Limited.
32. Copy of the Project Appraisal Report by State Bank of India.
33. IPO Grading Report
34. Copy of the sanction letter and agreement dated December 27, 2007 received from State Bank of India for the proposed project.
35. Copy of the Name and License Agreement dated September 21, 2006 between Euro Ceramics Limited and our Company giving our Company a non transferable, non exclusive, perpetual and irrevocable right for the usage of the trademark "EURO".

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of 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 Regulations issued by Securities and 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 made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or SEBI Regulations issued, as the case may be. All the said legal requirements connected with this said issue as also the Regulations, instructions etc. issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

Our Company, the Directors of Euro Multivision 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 Red Herring Prospectus has been suppressed / withheld and / or incorporated in the manner that would amount to misstatement / misrepresentation. Our Company further certifies that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY:

Mr. Nenshi Shah
Non Executive Chairman

Mr. Hitesh Shah
Managing Director

Mr. Chirag Shah
Executive Director

Mr. Suresh Shah
Executive Director

Mr. Rayshi Shah
Non Executive Director

Mr. Jatin Chhadva
Independent Director

Mr. Pravin Gala
Independent Director

Mr. Deepak Savla
Independent Director

Mr. Vinod Shah
Independent Director

Mr. Anil Mandevia
Independent Director

Mr. Sunil Nemani
Chief Finance Manager

Place: Mumbai

Date: September 08, 2009